



ROMPETROL RAFINARE S.A.
COMPANY MANAGED IN A ONE – TIER MANAGEMENT SYSTEM

INDIVIDUAL ANNUAL REPORT
OF THE BOARD OF DIRECTORS

2024

ANNUAL REPORT
ROMPETROL RAFINARE S.A.

on the individual financial statements of the Company drafted according to the Order no. 2844/2016 of the Ministry of Public Finance as subsequently amended and supplemented, and according to Law no. 24/2017 on the issuers of finance instruments and market operations, republished, and to Annex 15 of Regulation 5/2018 issued by Financial Services Authority (FSA) for the financial year concluded on December 31st, 2024

Report date: March 28th, 2025
Registered office: 215 Navodari Blvd.,
Administrative Pavilion,
Navodari, Constanta County

Nr. Telephone/Facsimile No.: +(40) 241 506100
+(40) 241 506930

Tax Identification Number at the Trade

Register Office by the Law Court of Constanța: 1860712

Registered with the Trade Register under No.: J13/534/1991

The shares of Rompetrol Rafinare S.A. are traded in the Standard Category of the BUCHAREST STOCK EXCHANGE¹

Subscribed and paid-in share capital: 2,655,920,572.60 lei

The main characteristics of the securities issued by Rompetrol Rafinare S.A.:

- **Dematerialized nominal common shares, the record of which is held by the Depozitarul Central S.A. Bucharest**
 - **Total number of shares:** 26,559,205,726
 - **Nominal value:** 0.10 lei
 - **Symbol of shares at the Bucharest Stock Exchange:** RRC

¹Starting 5th of January 2015 the shares of Rompetrol Rafinare S.A. are traded in the Standard Category of the Bucharest Stock Exchange (Bursa de Valori București - "BVB"). Up to this date they have been traded within category II of BVB.



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1. THE ANALYSIS OF THE ACTIVITY OF ROMPETROL RAFINARE S.A.

1.1. OVERVIEW OF THE COMPANY

a) Main activity of ROMPETROL RAFINARE

Rompotrol Rafinare S.A. represents a pillar of Romania's energy sector, which, over the years, has distinguished itself by maintaining high operational standards in a vital sector for the development and functioning of any country. The solid expertise accumulated over its 45 years of existence, investments in cleaner technologies, continuous improvement of product quality, and the establishment of a strategic network of subsidiaries are proof of its excellence and commitment to professionalism and good practices. Rompotrol Rafinare continues to be a benchmark in the oil refining industry, significantly contributing to energy security and economic stability in Romania and the region.

Rompotrol Rafinare S.A. (hereinafter referred to as „RRC” or the „Company”), a company member of KMG International Group, is a joint stock company, managed in a one-tier management system, with registered office in Năvodari, bulevardul Năvodari, nr. 215, Pavilion Administrativ, județul Constanța operating Petromidia and Vega refineries, situated in Năvodari, Constanța County, and Vega in Ploiești, Prahova County. The company is registered with the Trade Registry under the number J13/534/1991 and Tax Identification Number 1860712.

Starting with 01.01.2014, Rompotrol Rafinare S.A. took over the operational plants (polymer and utilities production) of Rompotrol Petrochemicals S.R.L.

According to the provisions of the Articles of Incorporation of the Company Rompotrol Rafinare S.A. the main field of activity is „manufacturing of products obtained from the processing of crude oil” (NACE code 192), and the main object of activity is represented by the “manufacturing of products obtained from the processing of crude oil” (NACE code 1920). Other secondary objects of activity are detailed in the Articles of Incorporation of the Company.

Rompotrol Rafinare holds the quality of authorized warehouse keeper, in accordance with the applicable tax legislation. Petromidia and Vega Refineries are authorized as production tax warehouses, being manufacturers of energy products, according to the tax rules governing the production of energy products.



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Rompetrol Rafinare also holds Integrated Environmental Permits, issued by the competent environmental authorities in accordance with the environmental legislation, for the 2 operated refineries: Petromidia and Vega.

The shares of Rompetrol Rafinare are traded freely within the Standard category of the Bucharest Stock Exchange, under market symbol RRC. The stock market capitalization as of 31 December 2024 amounted to RON 1,792.75 million.

Rompetrol Rafinare is the parent company for the subsidiaries Rompetrol Quality Control S.R.L., Rom Oil S.A., Rompetrol Downstream S.R.L., Rompetrol Logistics S.R.L., (together with its subsidiary Rompetrol Gas S.R.L.) and Rompetrol Petrochemicals S.R.L.

The stand-alone financial statements of the Company for the year ended as of 31 December 2024 are prepared according to the International Financial Reporting Standards adopted by the European Union (EU IFRS) according to the Order of Public Finance (OMF) no. 2844/2016 disposing that the listed Romanian companies must issue stand-alone financial statements according to IFRS adopted by the European Union (EU).

The annual consolidated financial statements of Rompetrol Rafinare S.A. and those of Rompetrol Quality Control S.R.L., Rom Oil S.A., Rompetrol Downstream S.R.L., Rompetrol Logistics S.R.L., (together with its subsidiary Rompetrol Gas S.R.L.) and Rompetrol Petrochemicals S.R.L. branch offices are also prepared by the Company according to IFRS adopted by EU. On its turn, the parent company Rompetrol Rafinare is part of KMG International Group that issues the consolidated financial statements at the level of KMG International N.V., with registered office in Netherlands. The stand-alone and consolidated financial statements of Rompetrol Rafinare are public and can be obtained from the Company's website <https://rompetrol-rafinare.kmginternational.com/>.

2024 FOR ROMPETROL RAFINARE S.A.

Petromidia refinery is one of the most modern in the Black Sea region and represents approximately 40% of the refining capacity in Romania. The unit located in Navodari city has a stable flow of raw materials, mainly thanks to deliveries of Kazakh crude oil made with the support of KazMunayGas, the national oil and gas company of Kazakhstan. In 2024, in vast proportion, Petromidia processed Kazakh crude oil – KEBCO and CPC, completed with Es Sider and Azeri, and also a new type of crude was tested – for crude diversification purposes – Unity Gold.

Gross revenues of the refining segment reached approximately USD 4.2 billion in 2024, showing a 7% decrease, as against last year.

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In 2024 the total throughput for Petromidia refinery was 4.62 million tons, lower by 8% as against 2023, when the total throughput was 5.01 million tons, decrease correlated with:

- planned shutdown for turnaround activity starting with 8th of March 2024 and finalized in May 2024;
- lower throughput of 10.67 kt/day considering operation of Petromidia refinery without Mild Hydrotreater (MHC unit) in Q1 2024.

In 2024 the refining capacity utilization in Petromidia refinery was 84%, correlated with events described above.

Petromidia refinery achieved in 2024 a good refining operational performance for the main operational parameters, such as:

- White finished products yield of 86.88%wt higher than previous year by 2.81%wt correlated with different structure of raw material (finished products components imports in order to assure internal market demand in planned shutdown period);
- Jet fuel yield reached an average record level for 2024 of 8.7%, significantly exceeding 2023 results of 6.12%, with a peak of 11.4% in August 2024 and with the highest 2024 winter Jet yield. Total Jet fuel production for the year reached 400,000 tons, nearing the record reached in 2019 despite lower total feedstock processed in 2024;
- Energy Intensity Index of 97.5% lower than previous year by 3.2 points considering good refining operation in second half of the year (EII achieved 92.4 - record value) and energy efficiency measures implemented during 2024.
- In December 2024, Petromidia refinery achieved a record winter daily crude unit runrate, averaging 15 ktons per day (crude oil only).

In respect of Vega refinery (the only domestic producer of bitumen and hexane), the total throughput was 292,789 tons in 2024, lower by 21.78% compared with 2023 when the total throughput was 374,327 tons.

In 2024 the refining capacity utilization for Vega refinery was lower by 24.71% compared with last year.

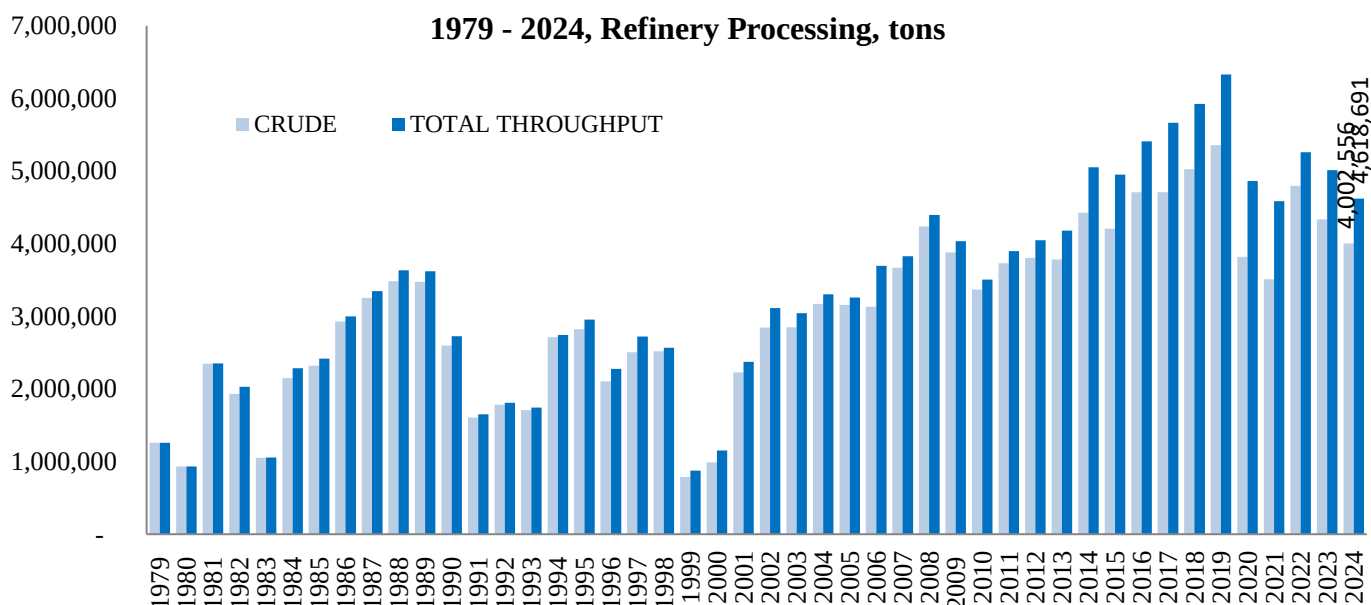
Vega refinery also managed to achieve in 2024 good refining performance results, of which the following are emphasized:

- Technological loss of 0.8%;
- Energy consumption of 2.69 GJ/t.

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Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 1.53 billion in 2024 of which USD 30.3 million representing solidarity contribution for year 2023, paid in June 2024 and USD 11.3 million representing turnover tax for the first three quarters of 2024, paid in April, July and October 2024.

The evolution of the processed feedstock starting from 1979 (the year of starting up the first installation within the Petromidia Refinery - Atmospheric and Vacuum Refinement) up to 2024 is rendered by the graphic below:



b) Date of establishment

Rompetrol Rafinare S.A. is the most important asset of KMG International N.V. in Romania, with a significant economic impact on and contribution to energy security. The Company has an experience 45 years in the field of making products obtained from crude oil processing and a history that began in 1979, upon the commissioning of the first unit, the AD unit (atmospheric distillation unit).

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The most important moments in the history of the Company can be summarized as follows:

1975 - 1977	• Midia Navodari Petrochemical Plant (the first name of Rompetrol Rafinare S.A.) was deigned on the basis of Romanian refining technologies and of certain foreign licenses.
1979	• The first unit - the Atmospheric Distillation Unit - is commissioned
1991	• Midia Petrochemical Plant turns into a joint stock company, the assets of the former unit being entirely taken over. The newly-formed company, under the name of PETROMIDIA S.A., was established under Government Decision No. 1176/1990, issued under Law No. 15/1990 on the reorganization of State economic operators as regies autonomes and business companies. Annex No. 1 to the regulatory act mentions the headquarters of the joint stock company, as being located in Constanta, DN 228 km 23, Constanta County. • The Company is registered with the Constanta Trade Registry under No. J13/534/1991 and has sole registration code 1860712.
2000	• Government Decision No. 540/2000 on the approval of the classification into functional categories of public roads and private utility roads open to public traffic, road DN 228 was re-categorized as a county road under the name of



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	County Road 226. The regulatory act resulted in the amendment of the Company's Articles of Incorporation and Registration Certificate.
2001	Change of the Company's name from "PETROMIDIA S.A." into "ROMPETROL RAFINARE-COMPLEXUL PETROMIDIA S.A."
2003	The Company changes its name to „ROMPETROL RAFINARE S.A.”
2004	Shares listing at the Bucharest Stock Exchange, under the “RRC” symbol”
2007	- The Extraordinary General Meeting of the Shareholders of September 17, 2007, decided to acquire the full ownership over the machinery and equipment within the Vega Refinery, located on 146 Valeni str., Ploiesti, Prahova County. - Acquiring the ownership over and resuming the possession of the plot of land and all the assets from the premises of the Vega Refinery, the Company established its own Work Point at Ploiesti and obtained effective December 1, 2007, the capacity of Warehouse keeper authorized for the production of energy products also in relation to the Vega Refinery from Ploiesti.
2010	Decision No. 2 of the Board of Directors dated October 19, 2010 approved the change of the address of the registered headquarters from Navodari, County Road 226, km 23, Constanta county to 215 Navodari Blvd, Administrative Building, Navodari, Constanta County further to Decision No. 187/24.07.2009 issued by the Navodari Local Council on the granting of names to streets and alleys which are not included in the list of street names, and to the addresses communicated by the City Hall of Navodari City in relation to the assignment of street numbers to the Company's property located in Navodari.
2012	The modernization process of Petromidia refinery is completed, following an investment of over USD 380 million. Petromidia thus became the largest refinery in Romania, with a processing capacity of 5 million tons/year.
2013	Decision No. 6/2013 issued by the Extraordinary General Meeting of the Shareholders approved the obtainment, by means of purchasing, of the ownership right over the assets consisting in intangible assets, tangible assets, fixed assets (buildings and constructions, technological equipment, measurement machinery and plants, office equipment, IT equipment, transportation means, other tangible assets), investments in progress and stocks, assigned or related to the main activity of petrochemistry, found in the property of Rompetrol Petrochemicals SRL
2014	In May, the Petromidia refinery registered a record amount of over 465,000 tons of processed raw materials, the highest level reached since its commissioning in 1979, until that moment.



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2015	Rompetrol Rafinare puts into operation the first Particle Separation Plant (ESP) in Romania
2019	Celebrating of four decades of performance and professionalism In 2019, Petromidia Refinery from Navodari celebrated 40 years of activity, time frame when from one idea it reached to be the largest such unit in Romania and one of the most modern in the Black Sea region. - From 3.8 million tons processed at the Petromidia refinery in 2007, in 2019, before the outbreak of the pandemic, it reached a record level of 6.33 million tons.
2020	Vega Ploiesti, 115 years of performance in the refining industry In 2020, Vega Ploiesti Refinery, operated by Rompetrol Rafinare, celebrated 115 years of activity in the oil product processing industry. Having a rich history full of events that marked its development, the unit of Ploiesti represents an important reference in the Romanian energy field. At present, the refinery does not process crude oil anymore, but only medium distilled products, resulted from Petromidia Refinery of Navodari. Thus, even if it is the smallest unit in this field in the country, having an annual production output of approximately 400,000 tons, Vega Ploiesti develops exclusively high value-added products.
2021	The Decarbonization Strategy is developed, with clear directions for finding viable economic solutions for emissions reduction
2022	The 10th anniversary of the commissioning of the MHC-HPP and New SRU facilities In 2022, the Petromidia Refinery in Navodari celebrated 10 years since the commissioning of the MHC-HPP and New SRU facilities
2023	Rompetrol Rafinare continues the large-scale project for the rehabilitation and modernization of the Petromidia Refinery tank farm. There have been invested over 10 million USD up till now. Overall, there are planned rehabilitation and construction of about 50 tanks. During the Company's journey in 2023, alongside with the companies from the KMG International Group, we faced challenges, we learned precious lessons, developed solutions, and, of course, celebrated the projects implemented together.

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2024	• Petromidia Refinery celebrates 45 years of activity, during which time it has gradually evolved into a modern refinery, capable of supporting a significant part of the Romanian energy sector. • In 2024, the implemented investment projects amounted to a value of 85 million USD, along with additional investments in maintenance and compliance. The reactors in the Diesel Hydrofining Unit were replaced, and hundreds of components and subassemblies from the Hydrogen Plant and the Delayed Coking Unit were modernized and replaced. The reconstruction works of the Mild Hydrocracking Unit (MHC), a facility that allows us to achieve better operational yields, were completed. • Through its development, the Petromidia Refinery remains one of the most important units of its kind in the region and the largest in the country.

... and our story continues, with even more ambitious plans and innovative projects. Together with the companies of the KMG International Group we have the energy to move forward!

c) Significant mergers or reorganizations

During the financial year 2024, there were no significant mergers or reorganizations within RRC or in its controlled companies. The company makes part of KMG International Group. RRC controls directly branch offices of Rompetrol Downstream S.R.L. (in a percentage of 99.994688898%), Rompetrol Quality Control S.R.L. (in a percentage of 70.91%), Rom Oil S.R.L. (in a percentage of 99.9998505%), Rompetrol Logistics S.R.L. (in a percentage of 66.1911%), Rompetrol Petrochemicals S.R.L. (in a percentage of 100%) and indirectly Rompetrol Gas S.R.L and Global Security Sistem S.A. through Rompetrol Logistics S.R.L.

d) Assets acquisitions and sales

In 2024, the company has not acquired shares in other companies, purchased assets such as fixed assets and did not sell non-current assets. During the analyzed financial year, there were no asset purchases, except for those that were necessary for the operation and development of the activity, reflected in the investment plan and in the budgets approved for this purpose. The total expenditures for investments during 2024 amounted to approximately Lei 675 million.

Assets alienations did not take place, except for the obsolete ones according to the law.



e) The main results of the assessment of activity of the company

Rompetrol Rafinare S.A. recorded a turnover of **Lei 15,014,243,836** in 2024, this being mainly impacted by the volatility of the international oil and natural gas market environment transposed into lower quotations for oil products sold in the current year. Also, a negative impact on the Company's net result was triggered by the general turnaround, which began on 8th March lasted for two months. In the 2024 financial year the company recorded a net loss of **Lei (470,813,809)**, mainly due to the decreased net refinery margins recorded during 2024 compared to the levels registered in 2023, on the ground of the decrease in international quotations for petroleum products. Also, a negative impact on the turnover was triggered by the general turnaround, which began on 8th March lasted for two months. This turnaround is a significant event that occurs once every four years and is crucial for our operations. During this period, were conducted comprehensive maintenance, inspections, and upgrades across various units of the refinery to ensure optimal performance and safety standards. It involves shutting down certain operations temporarily to carry out these activities efficiently.

The net result was negatively impacted in 2024 by the loss from exchange rate differences recorded by the company generated by the depreciation of the national currency against the USD during 2024. A positive impact was generated by the positive adjustment of the value of the financial investments of the company recognized at fair value on 31.12.2024, according to the accounting policy adopted by Rompetrol Rafinare starting with 31.12.2021.

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. The company recorded a tax in amount of RON 72.1 million.

A positive impact in net result of the period ended at 31.12.2024 is coming from the recognition of a revenue from deferred income tax in the amount of Lei 43 million.



1.1.1. ELEMENTS OF GENERAL ASSESSMENT

ECONOMIC ENVIRONMENT²

		2024	2023	%
Brent Dated	USD/bbl	80.8	82.6	-2%
CPC Blend CIF	USD/bbl	77.8	79.7	-2%
Brent-CPC Differential	USD/bbl	2.9	2.9	0%
Premium Unleaded 10 ppm FOB Med	USD/ton	790	843	-6%
Diesel ULSD 10 ppm FOB Med	USD/ton	744	815	-9%
RON/USD Average exchange rate		4.60	4.58	0%
RON/USD Closing exchange rate		4.78	4.50	6%
RON/EURO Average exchange rate		4.97	4.95	1%
RON/EURO Closing exchange rate		4.97	4.97	0%
USD/EURO Closing rate		1.04	1.11	-6%
Inflation in Romania*		5.14%	6.61%	-22%

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

Over the full year 2024, the average price of **Dated Brent** settled at 80.8\$/bbl making a decrease of 1.9\$/bbl. (-2%) compared to 2023.

For the entire year, the **CPC** average price was 77.8\$/bbl. down by 1.9\$/bbl. (-2%) compared to full year 2023.

In January, geopolitical tensions intensified, with increased attacks on shipping routes in the Red Sea causing disruptions in oil shipments. OPEC's decision to cut oil production, including significant reductions from key producers like Iraq and Kuwait, further tightened supply. Additionally, refinery operations in certain conflict regions were severely impacted by drone strikes, leading to a decline in processing rates.

February saw another attack on shipping routes in the Red Sea, raising concerns over crude production and trade in the region. Meanwhile, strong consumer spending during the Lunar New Year in China signaled a rebound in demand, boosting market optimism.

² The information is based on analysis provided by JBC Energy GmbH, OPEC and National Bank of Romania

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In March, OPEC+ extended existing production cuts through the end of June, while an additional unexpected production reduction was announced, surprising markets with proactive measures. However, tensions escalated further as an attack on a vessel in the Red Sea raised security concerns in the region. Meanwhile, drone attacks on refineries in conflict areas continued, impacting crude-refining capabilities.

Following these events, the Dated Brent price experienced a downward trend, decreasing by 18.6%, from 93.3\$/bbl. at the beginning of April to 75.9\$/bbl. at the beginning of June, the lowest level since December 2023 driven by increased oil inventories and a slowdown in demand. Subsequently, the price increased by +14.4% to 86.8\$/bbl. at the end of June driven by renewed conflicts in the Red Sea region.

During Q3 2024, Dated Brent prices saw a significant drop of -17%, from 88\$/bbl. at the beginning of July to 72.9\$/bbl. at the end of September. The decline was primarily driven by weakening global demand and economic concerns, particularly in China.

In July, China's post-pandemic rebound slowed down, with shrinking factory activity and a marginal contraction in oil demand, which raised worries about global consumption. The International Energy Agency reported the weakest demand growth in over a year, adding to bearish market sentiment.

By August, oil prices continued falling as US manufacturing contracted and European diesel prices hit a 14-month low, reflecting extensive economic weakness. Meanwhile, OPEC+ confirmed plans to restore 2.2 million barrels per day of crude output in Q4, raising concerns about oversupply. Russian exports also fell, but the impact was limited by the overall weak demand.

The downward trend accelerated in September with prices reaching 70.56\$/bbl., the lowest level since December 2021. Despite supply disruptions from Libya and hurricanes in the US Gulf, the market was more focused on oversupply and weak demand. Even escalating tensions in the Middle East failed to offset the bearish sentiment, with hedge funds turning net bearish on Brent for the first time.

Dated Brent prices faced a downward trend in Q4 2024, influenced by geopolitical tensions, concerns over weak demand, and supply-side adjustments.

In October, the Dated Brent prices declined from 81.2 to 71.4 \$/bbl., driven by the absence of new economic stimulus measures and heightened geopolitical risks in the Middle East. Additionally, the record-high U.S. crude production of 13.5 million barrels per day raised concerns about a potential market oversupply heading into 2025. Further uncertainty arose from escalating tensions between Israel and Iran raising fears of potential supply disruptions.



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In November, the Dated Brent price increased to around 76\$/bbl., as Israel's calculated military actions avoided Iranian energy facilities, easing market concerns. OPEC+ also contributed to market stabilization by postponing its planned December production increase by one month. However, during December, the Dated Brent prices slipped again to around 72\$/bbl., driven by a weaker demand outlook in China, a stronger U.S. dollar and ongoing oversupply concerns. Meanwhile, geopolitical uncertainties persisted, with escalating conflicts in Ukraine, including Russian missile strikes on energy infrastructure.

For 2025, Goldman Sachs forecasts Brent crude prices to range between 70 and 85\$/bbl., with an average of approximately 76\$/bbl. Market dynamics will be shaped by production levels in non-OPEC countries, geopolitical factors, such as sanctions and tariffs.

Over the full year, 2024 **European refinery margins** dropped by -37\$/MT (-37%) compared to full year 2023 and settled to an average level of 63.1\$/MT reflecting weaker refinery economics throughout 2024.

Refinery margins showed an upward trend, at the beginning of the year, rising from approximately 80\$/MT to 140\$/MT by February 9th. This increase was primarily due to geopolitical tensions impacting diesel supply and maintenance shutdowns in key regions. However, after this peak, the European refinery margins constantly decreased to 57\$/MT at the end of June, as high natural gas prices raised operating costs for many refineries. During Q3 2024, the European refining margins decreased significantly (-75%) from 55.7\$/MT at the beginning of July to 13.8\$/MT at the end of August, reaching their lowest levels since February 2022, due to weak demand and high product inventories. However, by September, margins showed a modest recovery, increasing to 44.4\$/MT at the end of the quarter, as the autumn maintenance season intensified and refinery throughput decreased, providing some relief to the oversupplied market. European refining margins experienced a consistent increase from 35\$/MT at the beginning of October to 57.2\$/MT on 19th of November, supported by lower crude prices and seasonal refinery maintenance. However, as maintenance programs concluded and over 1 million barrels per day (Mbd) of refining capacity returning to operations, margins decreased to 28\$/MT by the beginning of December and following this drop, margins recovered, ending the year at 57.5\$/MT.

European gasoline cracks displayed significant fluctuations during 2024. Initially, in January and February, gasoline cracks were sustained by increased demand and reduced refinery output due to maintenance activities. The trend continued into March as the market reacted to geopolitical tensions and logistical disruptions. However, by April and May, gasoline cracks faced downward pressure due to significant inventory builds and a slowdown in demand growth, particularly in the OECD countries. The easing of supply constraints and the stabilization of global gasoline production also contributed to a more balanced market. By June, cracks experienced a mild recovery as driving season in Europe and the US began boosting gasoline consumption. In July, cracks hit their lowest level of the year as



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Nigeria, a major export market, reduced gasoline imports due to financial problems and the removal of fuel subsidies. Exports to the US also slow down because of high stockpiles there. By September, gasoline cracks in Northwest Europe recovered slightly, rising by about 2\$/bbl., but the overall outlook stayed weak. Demand was slowing down with the end of summer, and supply was expected to increase as Nigeria's Dangote refinery boosted its production, limiting further improvement in gasoline cracks. Gasoline cracks were volatile throughout the quarter, initially strengthening in late October before declining as the period progressed. Amsterdam-Rotterdam-Antwerp gasoline stocks surpassed the 5-year average, indicating weaker inland demand and slow export activity. Additionally, the commencement of gasoline shipments from Nigeria's Dangote refinery, signaled a reduced market share for European exports in West Africa. Although gasoline cracks saw a brief rebound in November, they remained under pressure due to persisted oversupply and limited export opportunities.

Throughout 2024, **European diesel cracks** experienced significant volatility, primarily driven by geopolitical tensions and supply disruptions. In early 2024, diesel cracks surged due to concerns over Russian supply and increased demand during the winter months. The EU's sanctions on Russian oil products intensified supply constraints, leading to record-high diesel cracks in January and February. By the end of Q1, the cracks began to stabilize as alternative supply sources were secured, but they remained elevated compared to historical levels. However, refinery maintenance and operational issues, especially in France and Germany, kept the market tight and cracks high throughout the first half of the year. In July, cracks fell due to weak demand from the industrial and construction sectors and rising borrowing costs. By August, diesel cracks hit their lowest levels since April 2023, driven by robust imports from the US and the Middle East, which kept European stocks elevated. Despite some supply disruptions in September, such as flooding in Central Europe, the market remained oversupplied, limiting any potential recovery in diesel cracks. During Q4, diesel cracks fluctuated but showed overall resilience, supported by seasonal demand increases and lower imports. While early Q4 saw some weakness, cracks improved by mid-November due to tight supply conditions, extended outages at the Pernis refinery (Netherlands), and stronger Asian demand limiting arbitrage flows. Supply constraints, including potential reductions in Russian refinery output, further bolstered diesel cracks, particularly in the Mediterranean.

Jet fuel cracks in Europe experienced substantial volatility in 2024. Early in the year, jet cracks were high due to robust air travel demand and supply tightness caused by refinery maintenance and geopolitical tensions. This trend continued into the second quarter, although the rate of increase in cracks slowed as the market adapted to new supply chains and strategic reserves were utilized. In April and May, jet cracks were underpinned by seasonal travel demand and a slow recovery in international travel. However, the market remained sensitive to fluctuations in crude prices and refinery outputs. By June, despite some improvements in jet fuel availability, cracks remained elevated, reflecting ongoing demand recovery and limited supply flexibility. In July, cracks increased on the back of strong global demand for jet fuel as the summer travel season peaked. However, by August and September, jet cracks weakened as the demand tail-off became evident post-summer. The European market faced

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persistent weakness, with flight volumes still below pre-pandemic levels and overflowing supply from East of Suez regions, contributing to ongoing pressure on jet cracks. During Q4, jet fuel demand remained relatively strong for the season, supported by resilient European flight activity post-summer. In the UK, jet fuel consumption reached its highest level since 2016, with jet fuel stocks in the Amsterdam-Rotterdam-Antwerp region declined, aligning with similar trends in the U.S. Despite the seasonal decline in demand, jet cracks found some support as refineries allocated limited capacity to jet fuel production.

In 2025 refining margins are expected to remain volatile, influenced by several market dynamics: gasoline facing headwinds due to increasing electric vehicles adoption and trade disruptions, diesel cracks staying elevated due to seasonal demand and supply constraints, and jet markets struggling with weak demand and ample Asian supply.

In 2024, the **EU Allowances (CO2 certificates)** price averaged at 65.2 EUR/EUA, but had a very volatile evolution, with a lot of severe swings. The EUA prices in 2024 remained under pressure due to weak industrial activity, increased renewable energy adoption, and speculative trading, with only temporary rebounds driven by compliance needs and policy expectations.

During Q1, the EUA prices dropped significantly, from 75 EUR/EUA in January to 50.5 EUR/EUA by the end of February (-33%). The decline was driven by weak industrial demand, an oversupplied market, and concerns over sluggish economic growth in Europe. Warmer-than-expected winter temperatures further reduce energy consumption, adding downward pressure.

After hitting a low of 50.5 EUR/EUA, the prices rebounded to 74.4 EUR/EUA at the end of May (+47%), supported by higher power sector demand, expectations of stricter EU climate policies, and a temporary reduction in auction supply. However, economic uncertainties and slow industrial recovery kept prices volatile.

EUA prices declined again, reaching 60 EUR/EUA by the beginning of October (-19%), as industrial production remained weak and renewable energy capacity increased, reducing emissions from fossil fuels. The market also faced pressure from speculative selling and concerns over future policy adjustments.

During Q4, the prices fluctuated between 60-71 EUR/EUA, with a slight year-end increase driven by cold weather boosting energy demand and compliance buying ahead of the annual deadline. However, ongoing economic challenges, high renewable energy output, and surplus allowances kept gains limited.

Analysts anticipate a significant rise in EU carbon permit prices by 2027 due to policy measures reducing supply. A Reuters survey issued in October 2024 indicates that EUAs are expected to average

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76.88 EUR/EUA in 2025, 92.48 EUR/EUA in 2026, and 111.14 EUR/EUA in 2027. This projected increase is attributed to the European Commission's "Fit for 55" framework, aiming to cut net greenhouse gas emissions by 55% by 2030 compared to 1990 levels, and the Market Stability Reserve mechanism, which removes surplus permits from the market.

Forex & Interest Rates

US zone

In 2024, the Federal Reserve cut interest rates three times - by 50 basis points in September (to 4.75% - 5.00%), 25 basis points in November (to 4.50% - 4.75%), and another 25 basis points in December (to 4.25% - 4.50%) - to support economic growth as inflation eased and the labor market showed signs of cooling, while signaling a cautious approach for 2025.

In 2024, the U.S. Dollar appreciated by about 7%, driven by the Fed's rate cuts, strong U.S. economic performance, and global trade dynamics, gaining against major currencies like the Yen and Euro while weakening against some emerging market currencies.

Eurozone

The European Central Bank implemented a series of rate cuts in 2024, reducing the main refinancing rate to 3% by December, aiming to stimulate economic activity amid sluggish growth and persistent inflation concerns.

Despite these efforts, the euro depreciated by 5.7% against the U.S. Dollar over the year.

Romania

The National Bank of Romania adjusted its monetary policy in response to domestic economic developments. In July 2024, the National Bank of Romania reduced the policy rate from 7% to 6.75%, followed by another cut to 6.5% in August, as inflationary pressures eased.

The National Bank of Romania maintained this rate through the end of the year, balancing inflation control with economic growth support.

In the foreign exchange market, the Romanian Leu (RON) experienced fluctuations. The USD/RON exchange rate increased from an average of 4.58 in 2023 to 4.60 in 2024, indicating a depreciation of the RON against the U.S. Dollar. Also, the EUR/RON rate averaged at 4.97 in 2024, increasing from 4.95 average 2023 levels.

In December 2024, Romania's annual inflation rate remained at 5.14% despite political turmoil and increased state spending, with the highest price hikes seen in services (7.1%), food (5.09%), and non-



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food goods (4.38%), while the European Commission expects inflation to gradually decrease and reach the central bank's target of 2.5% by the end of 2026.

STATEMENT
OF THE MAIN ECONOMIC-FINANCIAL INDICATORS
AND OTHER INFORMATIVE DATA, AS AT 31.12.2024, AS COMPARED TO
THE INCOME AND EXPENDITURE BUDGET APPROVED IN THE
GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY 2024

Ref. no.	INDICATOR'S NAME	RON	
		OMFP no. 2844/2016	
		Achieved 2024	Budgeted 2024*
1	Crude oil processed and other raw materials (tons)	4,618,691	4,956,092
2	Net turnover	15,014,243,836	15,525,920,416
3	Cost of sold production	(14,413,354,318)	(15,066,394,053)
4	Gross profit	600,889,518	459,526,363
5	Distribution and general administrative expenses	(500,979,963)	(288,142,553)
6	Other operating income/(expenses)	(65,376,559)	(824)
7	Operating Profit / (Loss)	34,532,996	171,382,986
8	Financial expenses	(539,245,395)	(320,468,730)
9	Financial income	323,057,464	-
10	(Losses)/ Gains on exchange rate variations, net.	(332,065,569)	-
11	Gross profit/ (Loss)	(513,720,504)	(149,085,744)
12	Income tax	42,906,695	(26,278,033)
13	Profit/(Loss) of the year	(470,813,809)	(175,363,777)

* Equivalent in LEI at exchange rate of 4.41 USD/RON of the values provided in the 2024 Income and Expense Budget

Ref. no.	INDICATOR'S NAME	RON
		OMFP no. 2844/2016
		Balance at 31.12.2024
1	Non-current assets	6,933,361,344
2	Inventories	1,352,193,135
3	Receivables	1,315,421,500
4	Cash	401,448,104
5	Total debts (including provisions)	8,518,558,286
6	Equities	1,483,865,797
7	Average number of employees	1,112

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From the data presented in the above table, comparing the results recorded at 31.12.2024 with those approved in the Income and Expense Budget (IEB), the following results:

1. In 2024, Rompetrol Rafinare processed a quantity of crude oil and other raw materials of 4,618,691 tonnes, less by 7% compared with that provided in the Income and Expenditure Budget, i.e. 337,401 tonnes less than budgeted, due to the technical incident occurred in June 2023 at the Mild Hydrocracking unit (MHC) following the incident on June 21, 2023, facility that did not operate in the first quarter of 2024, as well as the extension of the period of restarting the technological facilities after the General Turnaround affected the refinery production capacity.
2. Turnover achieved in 2024 was at a level of 3% lower compared to the budgeted value, the negative variation being mainly determined by the decrease in international quotations for oil products compared to the previous year, on the ground of reduced quantities of products sold compared to the budgeted ones.
3. The cost of goods sold recorded in 2024 was 4% below the budgeted level, the variation being mainly determined by the volatility of the international oil and natural gas market environment that generated decreased quotations during 2024 compared to the budgeted ones, on the background of a level of processed raw materials lower by 7% compared to the budgeted level.
4. Financial expenditure registered higher values than those budgeted by 168%, on the background of higher loans and debts exposure by the Company.
In 2024 the Company recorded financial incomes in the amount of lei 323 million. RON due mainly to the recognition of incomes in the amount of Lei 276 million from the revaluation of investments in subsidiaries as a result of the change in the accounting policy regarding the recognition of the Company's financial investments from the cost method to the fair value method starting with the financial year ended 31.12.2021.
5. Net exchange rate differences recorded during 2024 are unfavourable, their value reaching Lei 332,065,569; due to the depreciation of the national currency against USD during 2024.
6. **At the end of 2024, Rompetrol Rafinare recorded a negative net result, a loss of Lei (470,813,809).**

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7. The total amount paid during 2024 to the state and local budgets was Lei 7,050,232,759 (equivalent to about USD 1.54 billion) consisting mainly of excise duties, VAT, payroll taxes, local taxes and others, out of which RON 141 million representing solidarity contribution for 2023. From the taxes paid by the Company to the state budget, large amounts, quotas established by the legislation governing local budgets, are directed to the local authorities within the range of which the company operates.

The income of the company originates mainly from the production and delivery of petroleum products obtained from the processing of crude oil and other raw materials: Lei 15,014,243,836.

Financial results

Indicators (LEI)	2024
Loss	(470,813,809)
Operating result - profit	34,532,996
Net turnover, of which:	15,014,243,836
Export	5,208,792,703
Cost of sold production	(14,413,354,318)
Market share (%) ³	22%
Liquidity (effective amounts in accounts and cash equivalents)	401,448,104

a) Loss

At the end of 2024, Rompetrol Rafinare registered a negative result, a loss of **Lei (470,813,809)**.

b) Turnover

In 2024, the company's net turnover was **15,014,243,836 lei**. Turnover in 2024 was mainly impacted by the volatility of the international oil and natural gas market environment transposed into lower quotations for oil products sold in 2024 compared to the previous year, on the ground of decreased production and petroleum products volumes sold in 2024 compared with the ones from 2023. Also, a negative impact on the turnover was triggered by the general turnaround, which began on 8th March lasted for two months, and also by the lack of operation of the Mild Catalytic Hydrocracking (“MHC”) plant in the first quarter of 2024.

³Fuels sales (gasoline and diesel) on the domestic market segment are exclusively delivered by the Group authorized trader – ROMPETROL DOWNSTREAM S.R.L.- which owns a 22% market share of Romanian fuel distribution.



c) *Export*

In 2024, the share of international sales in total sales represented approximately 35% (33% previous year). Volumes sold on the foreign market remained in 2024 at levels comparable to those recorded in 2023.

The total amount realized during 2024 from the external sales of finished products was Lei 5,208,792,703, 8% less than that of the previous year (2023: Lei 5,669,992,812), related to the two Petromidia and Vega refineries and the Petrochemical Plant. The lower value of sales in 2024 compared to the previous year is due mainly to the decrease of quotations on international markets, quotations that constitute the basis for calculating the selling prices both on the domestic and on the foreign market.

d) *Cost of sold production*

The cost of production registered in 2024 a decrease of about 14% compared to 2023 due to the decrease in quotations on the oil and natural gas market, on the ground of decreased production and petroleum products volumes sold in 2024 compared with the ones from 2023, determined by the planned shutdown for turnaround activity starting with 8th of March 2024 and finalized in May 2024 and due to a lower throughput of 10.67 kt/day considering operation of Petromidia refinery without Mild Hydrotreater (MHC unit) in Q1 2024.

e) *Market share owned*

From the data which we hold, the market share we estimated in the year 2024 reached about 22% (through distribution to retail).

f) *Liquidity*

The company has made sustained efforts to maintain the capacity to hedge current liabilities from current assets, with the current liquidity indicator registering an decrease from 0.57 in 2023 to 0.46 in 2024.

1.1.2. THE ASSESSMENT OF THE TECHNICAL LEVEL OF THE COMPANY, INCLUDING PRODUCTION

THE PRODUCTION ACTIVITY DURING YEAR 2024

Rompetrol Rafinare is the owner of three production capacities: Petromidia (located in Navodari) and Vega (located in Ploiesti) refineries and Petrochemical plant (located in Navodari).

Rompetrol Rafinare –Petromidia Refinery work point

The production plan of ROMPETROL RAFINARE S.A. for 2024 was performed with a total processing of 4,956,092 tons, out of which 4,649,773 tons crude oil and 306,319 tons other raw materials.

This program formed the basis for the preparation of the 2024 income and expense budget.

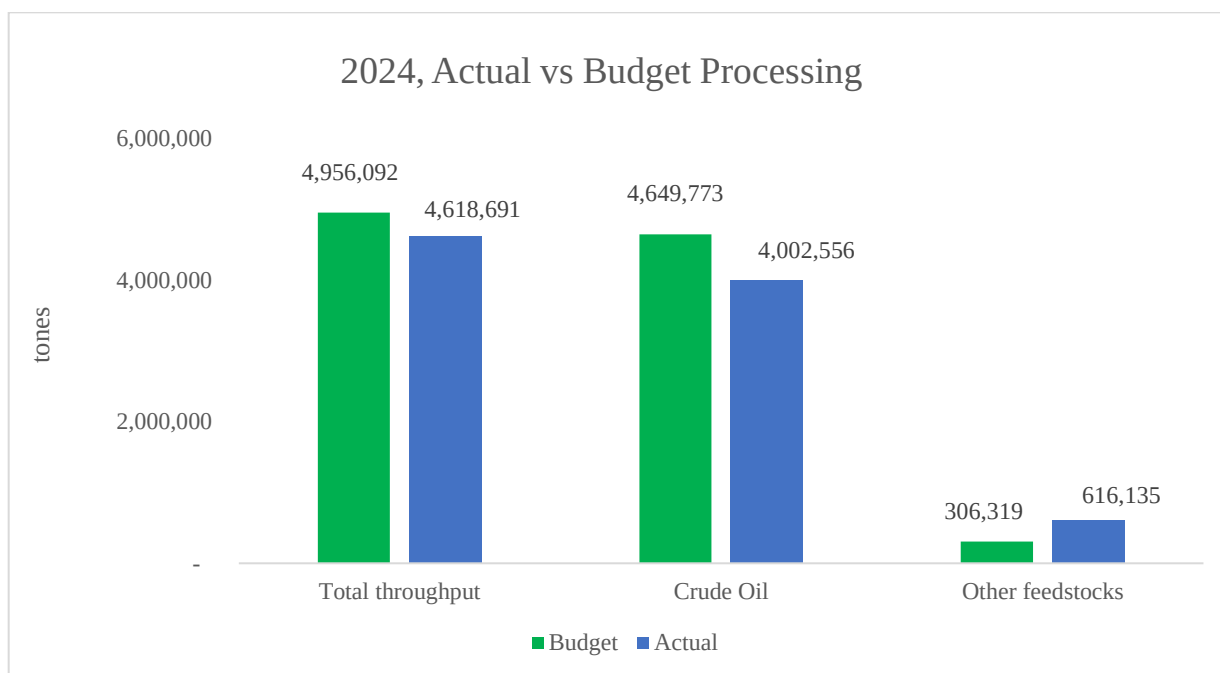
Total feedstock processed in 2024 was 4,618,691 tons, out of which 4,002,556 tons crude oil and 616,135 tons other raw material.

This processing represents 93.19 % as compared to the schedule set up for the 2024 budget.

[tons]

2024	Budget	Achieved
Total throughput	4,956,092	4,618,691
Crude Oil	4,649,773	4,002,556
Other feedstocks	306,319	616,135

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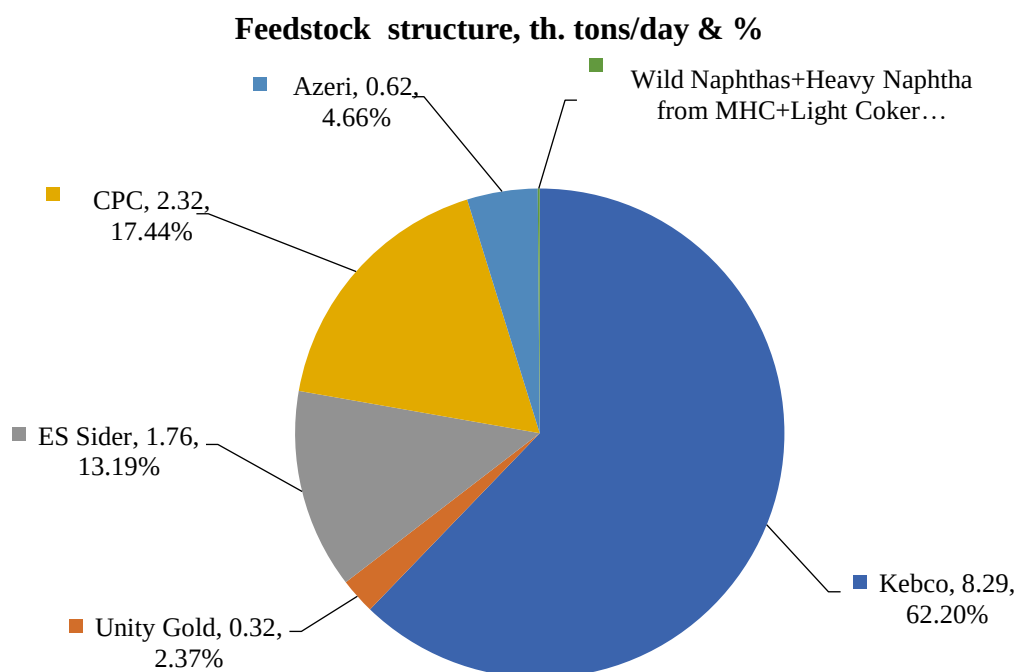
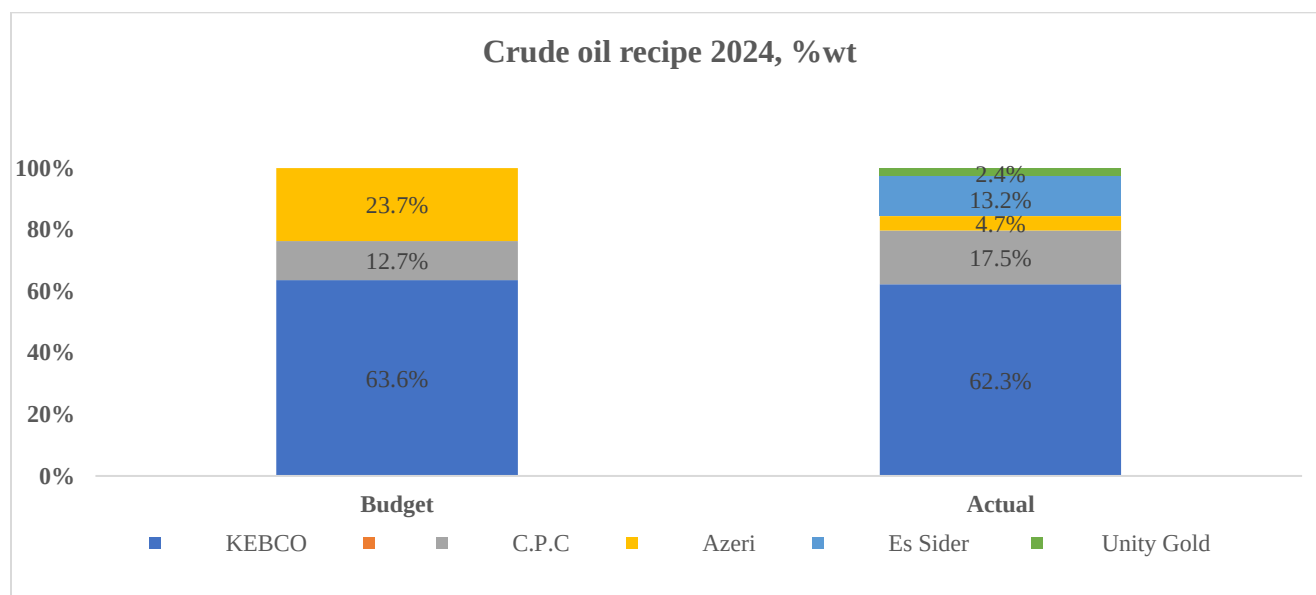


The Refinery throughput was 15,360 tons per day, related to actually worked time, Refinery throughput being influenced mainly due to: unplanned shutdown of the Mild-Hydrocracker (“MHC”) caused by the incident occurred on 21st of June 2023, which was restarted in February 2024, as well due to later restart after the Refinery General Turnaround.

During the year, crude recipe was in accordance with crude availabilities in the market. Given the limited crude availability from Kazakhstan, starting October 25th, we successfully tested Unity Gold from Guyana. This new light sweet crude, similar specification to Es Sider but with better economics, was introduced as part of our crude diversification strategy to maximize throughput. Also, to assure the domestic market demand, it was imported Jet and Diesel components with low density, low Sulphur, and low aromatics to cover market needs and sustain internal production.



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The situation of processing, per quarters, is presented in the below table:

	Q1	Q2	Q3	Q4	2024
Budget, tons	1,082,664	901,785	1,495,780	1,475,862	4,956,092
Actual, tons	943,048	787,729	1,430,841	1,457,073	4,618,691
Actual/Budget (%)	87.10	87.35	95.66	98.73	93.19

For Quarter 1 - Total feedstock processed below Budget by 140 ktons coming from lower crude oil processed by 305 ktons due to later restart of the Mild Hydrocracker Unit (MHC) and partially compensated by higher other feedstock processed by 165 ktons, mainly import of diesel & jet components and higher Naphtha from Vega refinery compared to the Budget.

Mild Hydrocracker Unit (MHC) was successfully restarted, the products were sent to the tank farm on 26th of February. Starting with 8th of March 2024 Petromidia started the General Turnaround according with the Budget.

For Quarter 2 – Total feedstock processed in the second quarter is below Budget by 114 ktons, considering the extended period for the General Turnaround activities.

Main mechanical activities for the entire Petromidia Platform have been completed by the end of April, creating the unbreakable conditions for restarting the Crude Oil unit (DAV- Atmospheric and Vacuum Distillation), an important step towards the restart of the refinery. In May, activities such as the consolidation of documents were continued and completed, the assembly of the insulation was completed, as well as technological tests necessary for the safe start-up of the plants.

Petromidia Refining was restarted on 12th of May. The first plant which was restarted was DAV (Crude Unit), and the last one was HPM Unit (Diesel Hydrotreater) on 31st of May, after sulfiding the catalyst process.

For Quarter 3 – Total feedstock processed in the third quarter is below Budget by 65 ktons, due to:

- 125 Diesel Hydrotreater which was stopped on 23rd of July due to an issue with the motor of the 125 P1 feed pump (as compensatory measures, the 122 Diesel Hydrotreater runrate was increased to the maximum design capacity & Coker runrate decreased to minimize production of Coker gasoil and Crude Unit runrate at max 15 ktons/day);
- intervention in the vacuum system of the Vacuum Distillation unit. During that period, the Atmospheric Distillation operated at ~10 kt/day with a 50/50 % mix of KEBCO and CPC;

For Quarter 4 – Total feedstock processed in the fourth quarter is below Budget by 19 ktons, due to issues at the vacuum system from Crude Distillation Unit.

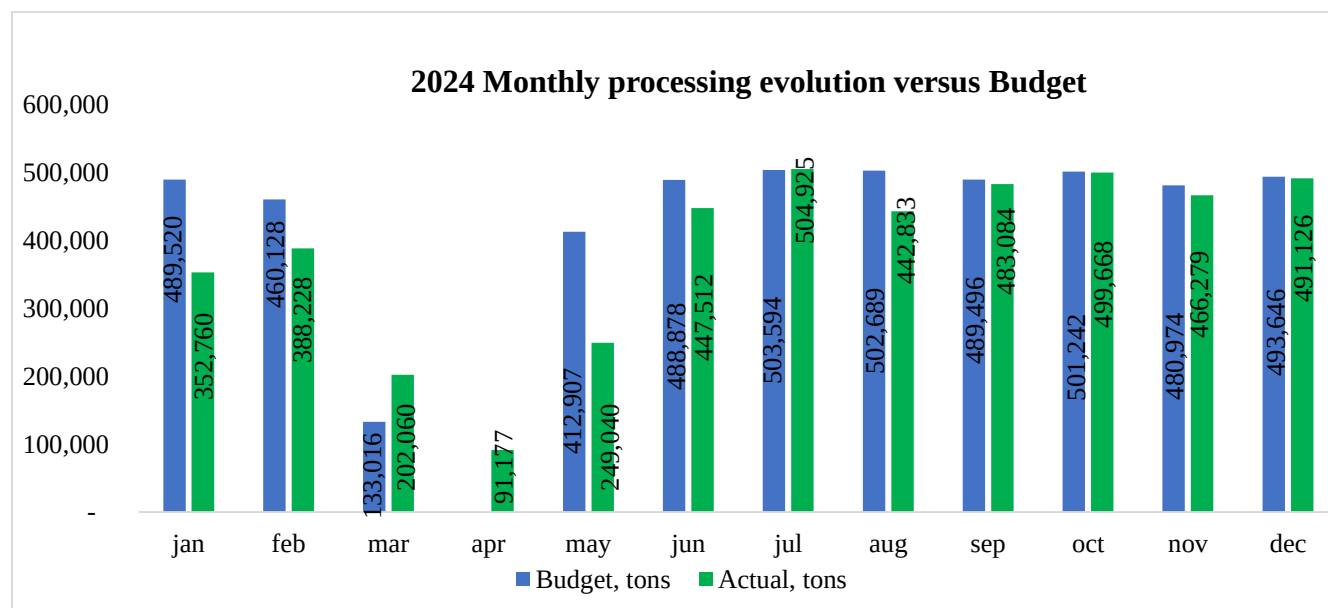


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After the intervention from 26th of November, these issues from the Vacuum Distillation Unit have been successfully solved, enabling us to:

- gradually increase the refinery runrate close to the design capacity;
- optimized yield performance by processing the high stock of vacuum residue through the Delayed Coker.

In December 2024, Petromidia refinery achieved a record winter daily crude unit runrate, averaging 15 ktons per day (crude oil only).



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The structure of the physical production as compared to the Budget, in 2024, is as follows:

2024 Year	Budget		Actual	
	tone	%	Tone	%
Finished Products:	4,832,523	97.51	4,521,422	97.89
Gasoline	1,338,282	27.00	1,266,053	27.41
Diesel auto	2,183,668	44.06	2,044,297	44.26
Jet	312,000	6.30	400,043	8.66
Fuel Oil	151,186	3.05	111,758	2.42
Propylene	121,032	2.44	82,740	1.79
LPG	226,464	4.57	180,550	3.91
Coke	203,911	4.11	200,238	4.34
Sulfur	52,404	1.06	43,404	0.94
Other products	243,576	4.91	192,338	4.16
Total Loss :	123,569	2.49	110,405	2.39
White products		85.85		86.88

Gasoline Yield: Leveraging lighter crude oils, the flexibility of the Petromidia refinery and market conditions, we achieved an annual gasoline yield of 27% in 2024, reflecting our adaptability to market dynamics.

Jet Fuel & Diesel Exports: Starting July, we consistently exported Jet fuel instead of Diesel, aligning with market demands and economics. From October 2024, small batches of Diesel were also exported to sustain high refinery throughput, given limited domestic Diesel sales to DWS;

Record Jet Yield The annual yield of jet fuel in 2024 reached a record level of 8.7% of the total processed, significantly exceeding the previous record from 2019. With a record production of 11.4% in August 2024 and the highest yield of Jet produced during the winter, the value of 400,000 tons of Jet produced throughout the year was reached despite lower total feedstock processed;

Optimized Products Structure: We adapted refinery operations to prioritize valuable products, reducing Propane-Propylene mixture production, also utilized the Propane-Propylene mixture as an LPG component, demonstrating refinery and petrochemical area capability to respond to market dynamics.

White products yield for 2024 was 86.9%wt, above Approved Plan by 1.6%wt considering:
- the consumption stock of unfinished products from the beginning of the year;

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- import of diesel fuel component during the general overhaul period, necessary to ensure automotive fuel for the domestic market.
- optimal recipe for crude oil processed.

Technological loss good level for 2024 of 0.77 %wt, below Budget by 0.03 %wt mainly from:

- lower Hydrogen Plant technological loss as consequence of not having MHC in operation in first two month from 2024;
- better control of losses of petroleum products by gradually shutting down the units, the first plant being stopped on March 5 and the last on March 10, which led to the lowest historical value of technological consumption during the period of a General Turnaround.

Energy Intensity Index achieved in 2024 was 97.5 lower than previous year by 3.2 points considering good refining operation in second Half of the year (EII achieved 92.4 - record value) and energy efficiency measures implemented during 2024.

Actual 2024 **energy consumption** in PEM refinery by 2.99 GJ/t of throughput, lower than previous year (3.06 GJ/t of throughput) by 2.5% considering energy efficiency measures taken during the year, mainly in steam consumption and also energy efficiency projects implemented during turnaround.

In 2024, **utilities cost** was 16.9 \$/mt, lower by 20% than 2023 (21.13 \$/mt) mainly from lower utilities prices and also lower consumptions considering energy efficiency measures taken during the year, mainly in steam consumption and also energy efficiency projects implemented during turnaround.

In 2024 **mechanical availability** was 89.75% being influenced by Turnaround Activity and lower throughput in January and February.

The operation of the refinery facilities is carried out in accordance with the highest performance standards ensuring at the same time the fulfilment of the commitments assumed relating to the environmental protection.

Rompetrol Rafinare –Vega Refinery work point

The production schedule of ROMPETROL RAFINARE S.A. work point Vega Refinery for the year 2024 has been designed with a total processing capacity of 413,137 tons, raw materials from the Group.

This schedule has been the basis for the preparation of the income and expenditure budget for the year 2024.

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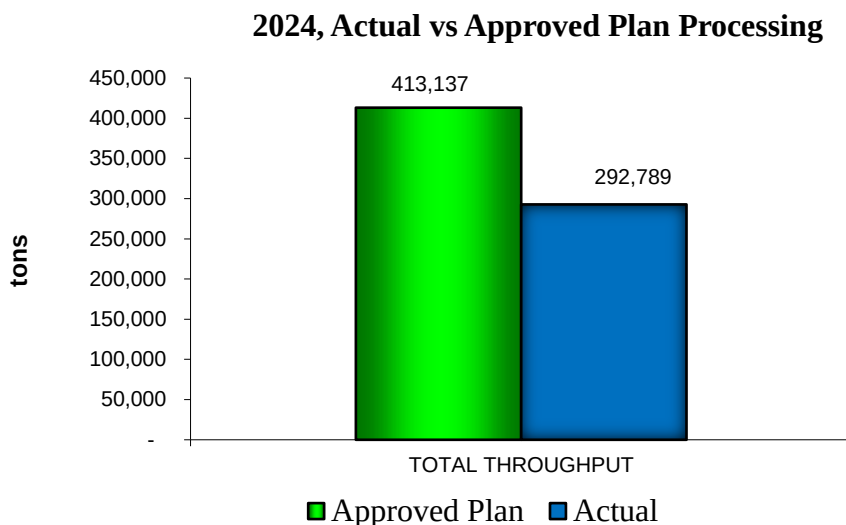


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The processing carried out in 2024 is of 292,789 tons.

This processing represents 70.87 % of the program set up for the 2024 Approved Plan, in accordance with the raw materials available in



The situation of the processing, on quarters, is mentioned in the table below:

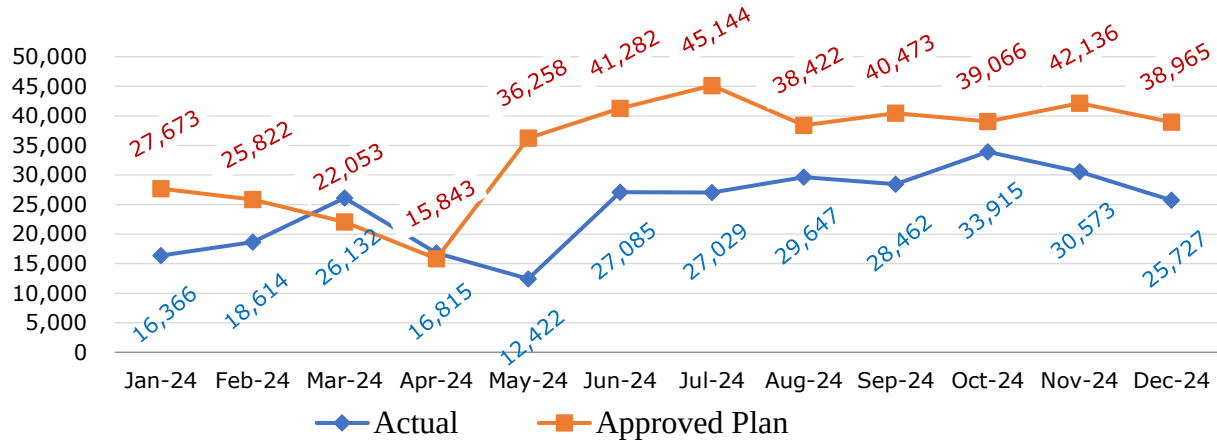
Throughput	Quart I	Quart II	Quart III	Quart IV	All
Achieved,tonnes	61,112	56,322	85,139	90,216	292,789
Budget,tonnes	75,547	93,383	124,040	120,167	413,137
Achived/Budget (%)	80.9%	60.3%	68.6%	75.1%	70.9%

In 2024, the processed quantity was approximately 29.1% lower than the planned amount, the monthly average being 24,399 tons as compared to 34,5428 tons provided under the approved plan.



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Monthly evolution compared to approved plan (tons)



The structure of the physical production as compared to the budget, in 2024, is as follow:

YEAR 2024	Budget [tonnes]	Actual [tonnes]
FINITE PRODUCTS	410,679	287,805
Gasoline & Solvents	174,738	115,187
n-Hexan	90,104	65,128
White spirit & Petroleum	4,915	4,625
Calor Extra I	6,185	4,196
Light liquid fuel	9,825	11,027
Fuel oil	19,366	12,608
Bitumen	105,546	75,034

White products obtained, %	BUDGET	ACTUAL
Related to total throughput	65.3	66.0
Related to comercial products	65.7	60.4

From the comparison approved plan – carried out, the concern is noted regarding the obtaining of products in accordance with the market requirements.

In 2024, the ratio of energy consumption to the tonne increased by approximately 15.2% as compared to 2023, due to the lower throughput and higher specific consumptions.

Rompetrol Rafinare –Năvodari work point (the Petrochemicals area)

The production plan for Petrochemicals area in 2024 was prepared for the operation of the Polymers plants: Polypropylene plant (PP) and Low Density Polyethylene plant (LDPE), with a production of 146,130 tons polymers as follows: PP – 79,690 tons and LDPE – 66,440 tons.

This schedule formed the basis for the preparation of the 2024 income and expenses budget.

The polymer production achieved in 2024 was 60,456 tones, out of which PP – 60,456 tons and LDPE – 0 tons.

The structure of the physical production as compared to the 2024 Budget is as follows:

YEAR 2024	Budget [tons]	Achieved [tons]
Finished products	160,879	62,162
Polymers production	146,130	60,456
PP	79,690	60,456
LDPE	66,440	0
Polymerizable propylene production	14,749	1,706

In 2024, achieved PP production was 75.9% compared to the budget and LDPE production was 0 considering managerial decision to maintain stopped LDPE unit, production it was 0.

The situation of polymer production, as per quarters is presented in the table below:

		Q I	Q II	Q III	Q IV	2024
PP	Budget (tons)	17,680	14,950	23,530	23,530	79,690
	Achieved (tons)	16,016	8,367	18,416	17,657	60,456
	Achieved/Budget (%)	91%	56%	78%	75%	76%
LDPE	Budget (tons)	14,740	12,540	19,580	19,580	66,440
	Achieved (tons)	0	0	0	0	0
	Achieved/Budget (%)	0%	0%	0%	0%	0%

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The main deviations at the level of quarters are:

In Quarter 1- the actual PP production obtained was below budget by 1,664 tons coming from discontinuous operation due to shutdowns for mechanical works, ~ 5.5 days vs 1 day planned until general turnaround at Z501 extruder, Z502 mixer and S400 section interventions and technological shutdowns and slowdowns for intervention on transfer line between D201 and D202 reactors.

- No production for LDPE based on economics.

In Quarter 2 - lower production by 6,583 tons for PP Plant, due to lack of feedstock from Refinery and from shutdowns and slowdowns based on cooling capacity constraints, 306 electrical station problems and technological intervention on transfer line between D201 and D202 reactors.

Petromidia Refinery was restarted on 12th of May due to extended period for the General Turnaround activities.

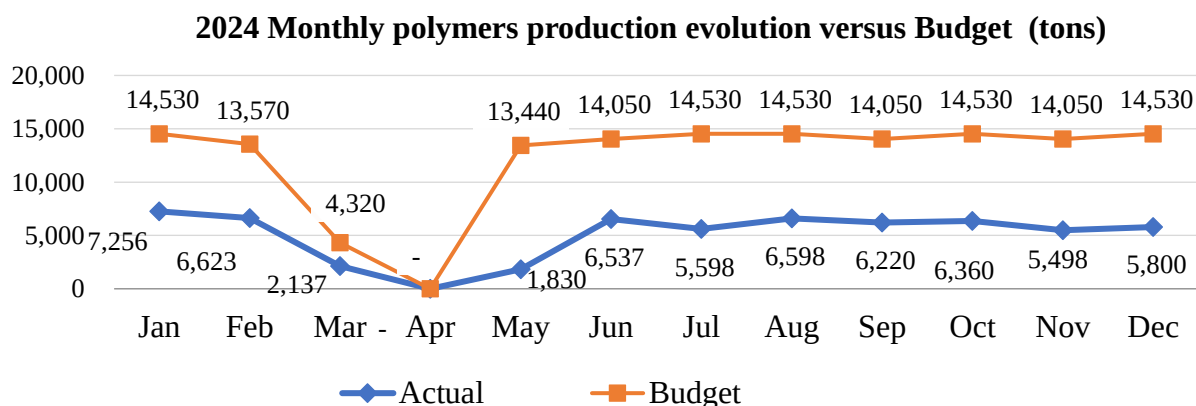
- No production for LDPE based on economics.

In Quarter 3 - lower production by 5,114 tons for PP Plant, due to shutdowns and slowdowns for mechanical interventions at Z501 extruder, Z502 mixer and C-401 blower equipments and technological intervention to unplug the transfer line between D201 and D202 reactors.

- No production for LDPE based on economics.

In Quarter 4 - lower production by 5,873 tons for PP Plant mainly due to slowdown based on managerial decision to lower the run rate of the PP unit at ~ 8 to/h beginning with 13th of November, but also for mechanical interventions at Z502 mixer and technological intervention to unplug the transfer line between D201 and D202 reactors and clean the 400 section.

- No production for LDPE based on economics.



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The structure of processed raw materials as compared to the 2024 Budget is as follows:

YEAR 2024	Budget	Achieved
	tons	tons
Raw materials	189,000	82,606
Propane propylene mixture	121,032	82,606
Ethylene	67,968	0

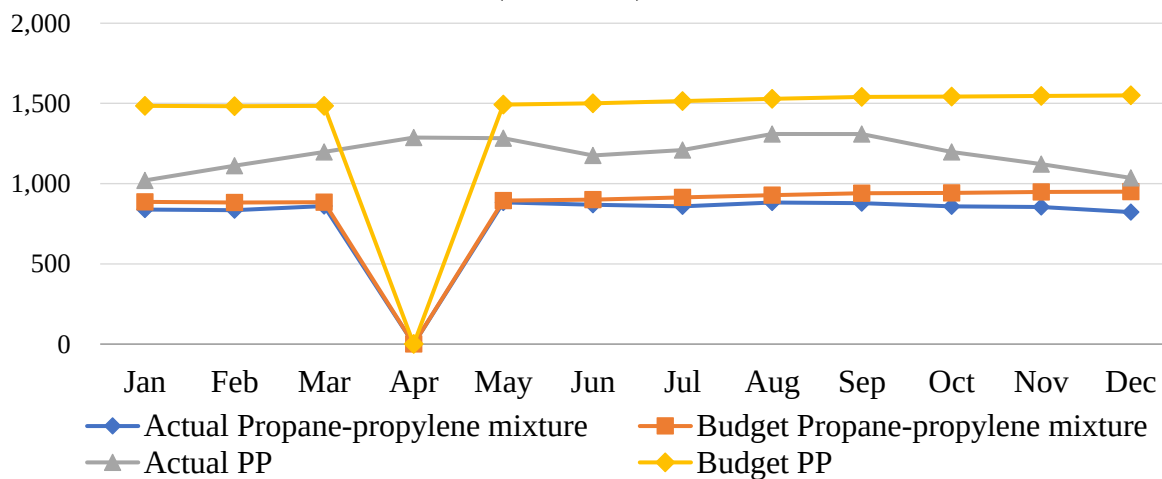
The average value of the cost for processed raw materials, in 2024, was for:

- Propane-propylene mixture – budgeted at 918 USD/tonne and 855 USD/tonne was achieved
- Ethylene - budgeted at 982 USD/tonne and no ethylene acquisition on actual.

The average sale price for finished products, in 2024, was for:

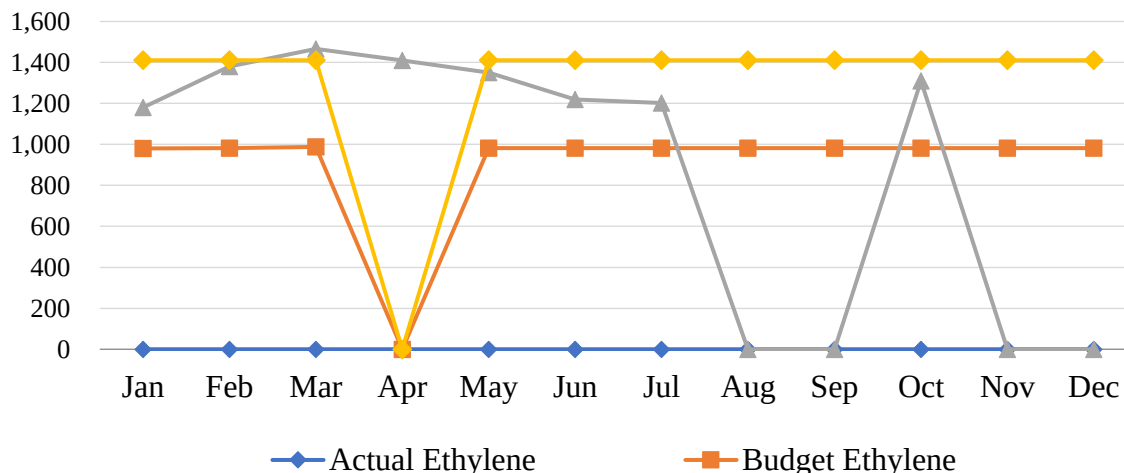
- PP - budgeted at 1,518 USD/tonne and 1,154 USD/tonne was achieved
- LDPE - budgeted at 1,411 USD/tonne and 1,315 USD/tonne was achieved

**Propane-propylene cost/ PP selling price, 2024 monthly evolution
(USD/tonne)**





Ethylene cost/LDPE selling price, 2024 monthly evolution (USD/tonne)



The main products produced by Rompetrol Rafinare S.A. in 2024

The Production Nomenclature of Rompetrol Rafinare S.A. includes a wide range of finished products.

The products marketed in 2024 by Rompetrol Rafinare – Petromidia Refinery work point, are grouped in the following categories:

1. Liquid fuels

a) Gasoline

- Gasoline Euro Super 98
- EFIX Gasoline 95
- Natural Gasoline RON 92
- Gasoline RON 98
- Gasoline Efix S RON 98
- EuroPlus Gasoline with Bioethanol
- EuroPlus Unleaded Gasoline Euro 5
- Raffinate



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b) Diesel fuels

- Diesel Euro 5
- 51 EFIX Diesel
- Super Diesel Euro 5
- Super Diesel Euro 5 marked
- 55 Diesel
- 55 Efix S Diesel
- Slurry
- SRGO

c) Jet

- Aviation Turbine Fuel Jet A1

d) Fuel Oil

- Fuel Oil type 1
- Fuel Oil type 1 marked
- Fuel Oil
- FCC Residues

2. Gaseous fuels**a) Liquefied Petroleum Gas**

- LPG
- Automotive LPG
- Propane fuel
- Commercial Propane-Butane

b) Chemical grade gas

- C5-C6 cut
- Fuel gas
- Propylene/Propane-Propylene mix

3. Solid products

- Petroleum Coke
 - Petroleum Coke
 - Sorted Petroleum Coke for domestic use
- Petroleum Sulphur



The products marketed in 2024 by Rompetrol Rafinare – Vega Refinery work point, are grouped in the following categories:

1. Liquid fuels

a) Solvents

- Ecological solvents
- N-Hexane
- Naphtha gasoline
- Light naphtha type II
- Aromatic extract

b) White spirit and petrol

- White spirit

c) Diesel

- Calor Extra I
- Diesel -15

d) Fuels

- Light liquid fuel type III
- Calor Economic 3

e) Fuel oil

f) Bitumen

- Road bitumen
- Special bitumen
- Polymer modified bitumen

The production classification of *Rompetrol Rafinare S.A. - Navodari work point – Petrochemical complex*, contains a large array of petrochemical finished products, grouped into the following categories:

1. Polypropylene (PP)

- a)** Injection grades - J500, J600, J700, J800, J900, J1000, J1100, J1200, J1300, J1400, J1450, RHC40, J1500, J1550, J1600, J1600 RH
- b)** Raffia grades - F301, F401, F501
- c)** Thermoforming grades - RTF-3

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- d) Film grades - F500, F600, RCF9, F400BO
- e) Fiber grades - S711, S1001
- f) Nonwoven fiber grades - RSB25, RSB35H, RSB40H, RSB45H, RMB30H

2. Low density polyethylene (LDPE)

- a) Thin film grades - B20/2, B21/2, B20/3, B21/3
- b) Thick bags film grades - B20/03
- c) Liquid packaging film grades - B21/05
- d) Heat-shrinkable film grades - B22/025, B22/07
- e) Greenhouse film grades - RGH-035 UV

Main services rendered by Rompetrol Rafinare in 2024

During 2024, the company provided the following services within the Utilities Unit, for the companies located on the Petromidia platform as well as for other companies outside the platform:

- electricity distribution, service provided by the Electric Department.
- utility distribution, service provided by the Thermo-Hydro Section consisting in the distribution of: instrumental air, technical air, fire water, potable water, hot water, returned condensate, raw water, filtered water, fuel refinery gases, thermal energy;
- wastewater treatment in the wastewater treatment plant of the Thermo-Hydro Section.

All these utilities are transported and distributed through the own pipeline network operated by the Utilities Plant. Tariffs for the distribution of electricity, drinking water and wastewater treatment are regulated by the competent authorities:

- electricity - electricity distribution tariffs on the two voltage levels, respectively low and medium voltage, regulated by the National Energy Regulatory Agency;
- drinking water - distribution tariffs regulated by the National Regulatory Agency for Public Utilities Community Services;
- wastewater treatment service - tariffs regulated by ANRSC (National Regulatory Agency for Public Utilities Community Services).

The sales prices for the rest of the utilities are established taking into account the production cost of the respective utilities as well as the distribution expenses.

1.1.2.1. *The main distribution markets for each product and methods of distribution*

In the year 2024, sales on domestic market accounted 65% of total sales, the share being slightly lower than that of the year 2023. Share of motor fuels (gasoline and diesel) reached 77% of total finished products sales. Domestic market absorbed about 73% of total motor fuels sold in 2024. Sales of gasoline and diesel for domestic market intended for national consumption through the gas stations network covered all Romanian areas. The highest share (abt 80%) of total motor fuels sold nationwide was represented by diesel sales.

The external sales had as final destination both European Community area and Non European Community areas. Intra-Community deliveries accounted for about 22% of the total finished products sold on the external market, higher than in 2023 (9%).

Sales had the following main country destinations:

Gasolines	- Gibraltar, Georgia, Moldova, Italy, Malta, Egypt, Morroco, Albania, Turkey
Diesel	- Moldova, Bulgaria, Georgia, Greece, Turkey
Jet fuel	- Georgia, Moldova, Turkey, Bulgaria, Albania
Petcoke	- Moldova
Sulphur	- Morroco, Egypt, Lebanon, Turkey
Carbon black feedstock	- Hungary, Italy

The distribution of products on domestic market was mostly made by tanktrucks and railcars, and by barges. On external market, most part of distribution was made by sea (Midia and Constanta ports) and by tanktrucks and railway.

Sales of polymers on the external market were destined for both the EU and non-EU markets. Intra-EU deliveries accounted for approximately 82% of the total finished products sold on the external market, the difference being export sales on non-EU markets.

The most important markets for polymers (PP, PE) are: Romania (53%), Bulgaria (12%), Turkey (10%) and Italy (5%).

The distribution of petrochemical products sold by Rompetrol Rafinare was made by road and rail in the case of sales on the internal market, and in the case of sales on the external market, the distribution of these products was carried out both by road and by sea through the ports of Agigea and Constanța.

1.1.2.2. The share of each category of products or services in the revenue and in the total turnover of the company, for the last 3 years

Indicators	Value-million RON			% in turnover		
	2022	2023	2024	2022	2023	2024
Net turnover, of which:	23,027	17,121	15,014	100.0%	100.0%	100.0%
Gasoline and diesel fuels	18,017	13,574	11,706	78.2%	79.3%	78.0%
Other petroleum products	3,993	2,931	2,857	17.3%	17.1%	19.0%
Petrochemical products	939	569	331	4.1%	3.3%	2.2%
Goods	44	2	81	0.2%	0.0%	0.5%
Utilities	17	27	31	0.1%	0.2%	0.2%
Services	17	17	8	0.1%	0.1%	0.1%

The most part of the Rompetrol Rafinare S.A. income is represented by the sale of petroleum products, mainly automotive fuel.

1.1.2.3. The new products considered in the future financial year as well as the development stage of these products

In the year 2024, **Rompetrol Rafinare** continued the delivery on the domestic market of Euro 5 fuels (sulphur content max. 10 mg/kg) and with a biofuel content of at least 8% by volume for gasoline and at least 6.5% by volume for diesel (according to GEO 33/2023).

In 2025, **Rompetrol Rafinare** will continue to deliver to the domestic market only Euro 5 fuels (sulphur content max. 10 mg/kg) and does not consider increasing the automotive fuel portfolio.

In 2024, the new grades produced by the **Petrochemical Division** within Rompetrol Rafinare represented 16,5 % of the total polymer production, decreasing by 4,7 % compared to previous year. New grades developed for special applications, representing a total of 8 grades from the extended range of Polypropylene plant portfolio, brought an additional benefit of around 364,000 USD (calculated as the difference between the sale price of special grades and the price of general-purpose grades).

To find an alternative to the current catalyst used in the Polypropylene production plant, starting with 2023 a study for the possibility of using a new catalytic complex was started. The benefits of the

initiative consist in obtaining finished products with improved characteristics and increasing the operational availability of the plant. In 2023, a first industrial trial with positive results was carried out. In 2024, the second test was carried out in the Polypropylene plant, which covered all PP grades (without grades produced with NWMD catalyst) from portfolio with good results. In 2025, the new catalyst will be implemented in the Polypropylene plant.

In 2024, **Vega Refinery** continued to be focused on the production of solvents (SE 30/60, n-Hexane, White spirit), naphtha, light and heavy liquid fuels for heating, normal road bitumen and polymer modified bitumen.

For the year 2025 was not foreseen the introduction of new products in the manufacture program of **Vega Refinery**.

1.1.3. THE TECHNICAL AND MATERIAL SUPPLY ACTIVITY

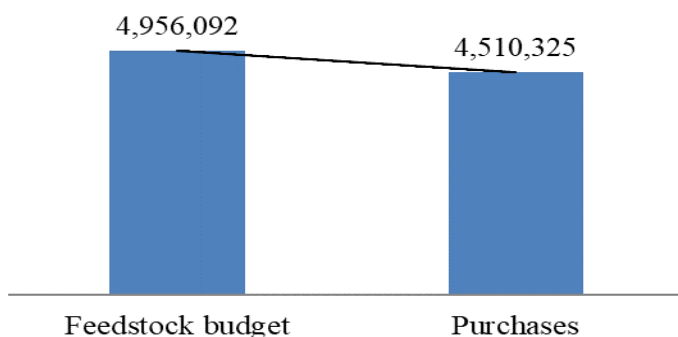
The technical-material supply regarding materials and products necessary to develop the activities is achieved by both internal and import sources.

RRC has the supply sources for the development under good conditions of its activity, and the inventories of raw material and materials are accordingly dimensioned to ensure the continuation of operation of the two Refineries in Navodari and Ploiesti, respectively as well as the Petrochemicals Plant activity.



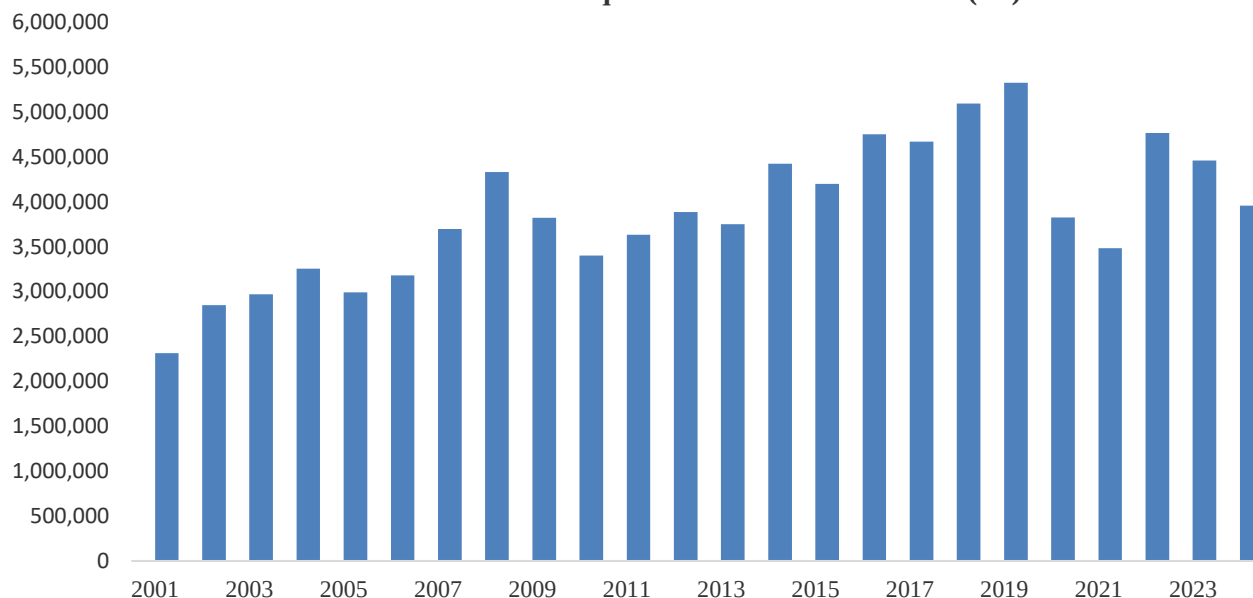
***Raw material supply activity for Rompetrol Refining – Năvodari work point
 (Petromidia Refinery)***

Feedstock acquisitions vs budget (tons)



The quantity of feedstock purchased in 2024 was lower than budget throughput level (which includes also other feedstock than those purchased), due to the technical revision carried out in the months of march-may 2024.

Evolution of crude oil acquisitions from 2001 forward (mt)



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In the year 2024, crude oil acquisitions were lower (3,956,887 tons) than in the last year (4,459,830 tons). Crude acquisitions have been exclusively carried out by the trading company of the Rompetrol Group - Kazmunaygas Trading AG.

All feedstock volumes purchased in 2024 from external sources (4,510,325 tons) were lower than in 2023 (5,056,728 tons).

Average price of acquisition for crude was in 2024 was lower (576 \$/ton) than in 2023 (592 \$/ton). In 2024, the average for Brent was 81 \$/bbl (611 \$/ton) compared to 83 \$/bbl (625 \$/ton) in 2023.

Domestic acquisitions in 2024 amounted to 114,272 mt, compared to 135,324 tons in the previous year. Added to these, there were also volumes transferred from Vega refinery in amount of 31,498 tons compared to 51,672 tons in 2023.

Domestic rawmaterials suppliers have been:

• Socar Petroleum S.A.	- methanol
• Bunge Biocombustibil S.R.L.;Expur S.A.	- biodiesel
• Clariant S.R.L.	- bioethanol

Information regarding the safety of sources of purchase, the prices of raw material and to the dimensions of raw material stocks and materials

The acquisition of feedstock needed for refinery production process is based on firm contracts both from external and domestic markets. Crude oil – the main refinery raw material is purchased from import sources only, being secured by a firm contract that was concluded in 2021 for a period of 5 years, this ensuring the stability and safety of the refinery's operating process under optimal conditions. The main source for crude oil is Kazakhstan market, and when it's not sufficient for operating at high or maximum capacity, the complementary sources are those from the Black Sea area (with the exception of Russia), Azerbaidjan, the Mediterranean Sea, North and West Africa, as well as the Middle East area; these contracts are executed through KazMunayGas Trading AG based in Paradiso, Switzerland, following a market analysis process and auctions for spot and term contracts.

The volumes of crude oil purchased are received through the Midia Marine Terminal S.R.L., being discharged in the modern marine terminal owned by the KMG International Group and located in the immediate vicinity of the Petromidia Refinery. The other raw materials come from both external and internal sources

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The acquisition prices for all raw materials are calculated based on international quotations considered as benchmarks on the oil market. The level of quotations on the international markets is induced by the fluctuation and the global situation influenced by economic and geopolitical factors and this fact is also reflected in the level of the purchase prices of raw materials. These prices are established by mutual agreement between the Supply Chain & Trading and Refinery and are based on technical and economic foundations.

For the loading and unloading of raw materials and oil products in Constanta and Midia ports, contracts are also concluded with service providers, such as Midia Marine Terminal S.R.L, Conpet S.A., Oil Terminal S.A. and, respectively Decirom S.A. (for solid products).

The other raw materials needed in the process of operating the refinery are purchased both from external sources and from the domestic market. And in their case, firm annual contracts are concluded in order to ensure the safety of the refinery's operating process. Among other raw materials, biocomponents (bioethanol and biodiesel) are purchased for the production of automotive fuels required for consumption on the domestic market, in line with the legal regulations that establish the obligation of suppliers to sell gasoline and diesel with a minimum content of biofuels to final consumers.

Ethylene is a raw material for polyethylene (LDPE, HDPE) and is purchased from the foreign market at prices that follow the trend of quotations.

The chemicals purchased by Rompetrol Rafinare S.A. (for the two refineries) during 2023 can be grouped into:

- catalysts
- additives
- chemical services for water treatment
- other chemicals (inhibitors, process chemicals, etc.)
- reagents
- oils



1.1.4. SALES ACTIVITY

Rompetrol Rafinare –Petromidia Refinery work point

The quantitative structure of the deliveries in 2024 is summarized in the following table:

OIL PRODUCTS	TOTAL DELIVERIES	DELIVERIES					
		DOMESTIC *		EXPORT		TRANSFER**	
		[tons]	[%]	[tons]	[%]	[tons]	[%]
Gasoline	1,057,558	311,434	29.45	746,124	70.55	-	0
Gasoline for chemical use	182,365	-	0	30,656	16.8	151,709	83.2
Petroleum	391,570	302,006	77.13	80,324	20.51	9,240	2.36
Auto diesel fuel	2,036,346	1,583,855	77.78	452,491	22.22	-	0
Fuel oil	101,203	12,222	12.08	-	0	88,981	87.92
Propane Propylene	82,740	-	0	-	0	82,740	100
Liquefied Petroleum Gas	181,352	181,352	100	-	0	-	0
Petroleum Coke	194,082	165,666	85.36	28,416	14.64	-	0
Petroleum Sulphur	45,290	58	0.13	45,232	99.87	-	0
Other Products	98,134	48,016	48.93	11,491	11.71	38,627	39.36
TOTAL	4,370,641	2,604,610	59.59	1,394,734	31.91	371,297	8.50

* domestic deliveries include oil products sold on the domestic market,

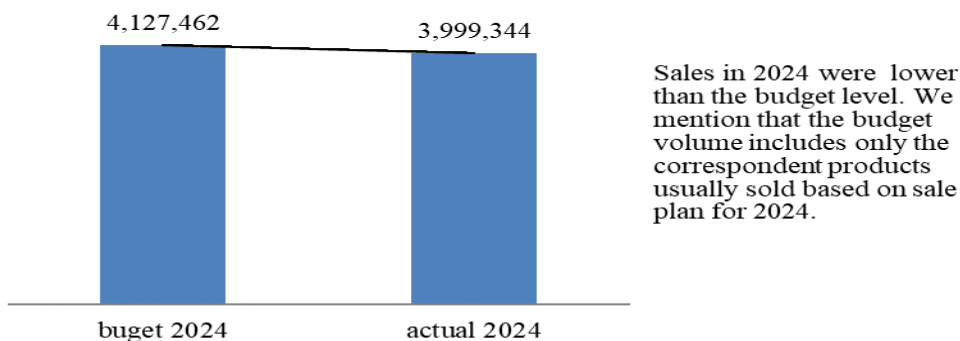
** deliveries to Vega and Petrochemicals, being entered under the heading "transfer"

In 2024 the sales were lower than budgetted.

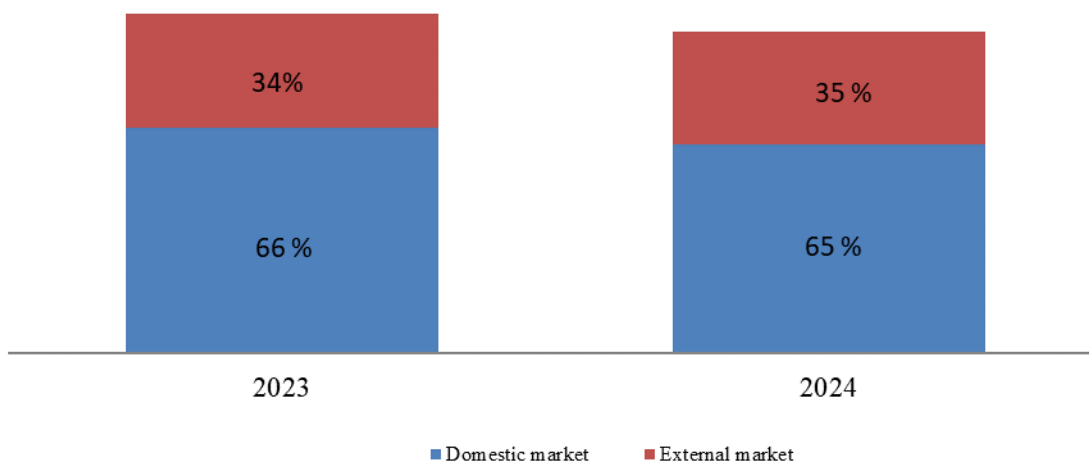


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Sales of finished products vs budget (tons)



Structure of total sales



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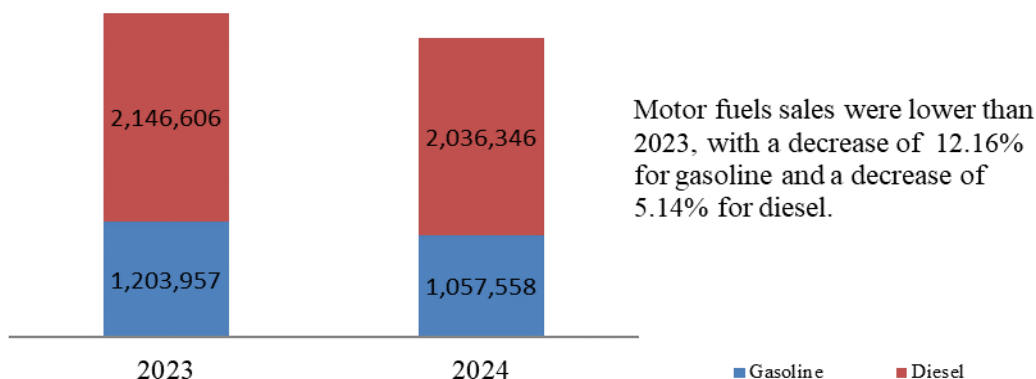
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Gasoline + Diesel sales (tons)

Total 3,350,563 tons

Total 3,093,904 tons



Rompetrol Rafinare –Vega Refinery work point

The quantitative structure of the deliveries of oil products in 2024 is summarized in the following table:

Products group	Total deliveries 2024		INTERNAL		EXTERNAL	
	Tonnes	% of the total sales	tonnes	%	Tonnes	%
Naphtha gasoline	80,099	27.98	27,736	34.63	52,363	65.37
Bitumen	74,916	26.17	74,916	100.00	-	-
Heating oil	15,661	5.47	15,661	100.00	-	-
n-Hexane	67,648	23.63	4,311	6.37	63,337	93.63
Fuel oil	12,532	4.38	12,532	100.00	-	-
White spirit	4,663	1.63	1,897	40.68	2,766	59.32
Ecological Solvents	30,760	10.74	713	2.32	30,047	97.68
Total	286,279	100.00	137,766	48.12	148,513	51.88

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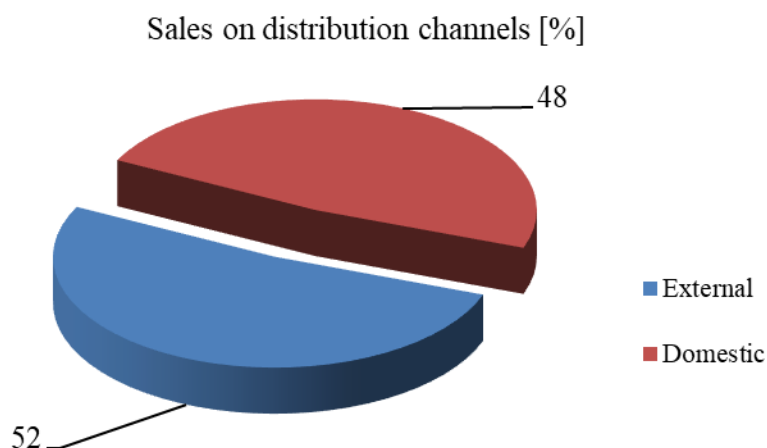
KazMunayGas
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Sales market

The main markets for external channel were:

- Olanda, Hungary, Germany, Austria, France, Poland, Moldavia - for naphtha;
- Turkey, India, Ukraine, Bulgaria, Poland - for hexane;
- Germany, Hungary, Ukraine, Poland, Moldavia - for ecological solvents;
- Bulgaria, Moldavia, Ukraine - for white spirit;

In 2024 sales amounted to 286,279 tons, on domestic market 137,766 tons and on external markets 148,513 tons . Share on domestic market was lower than external market.



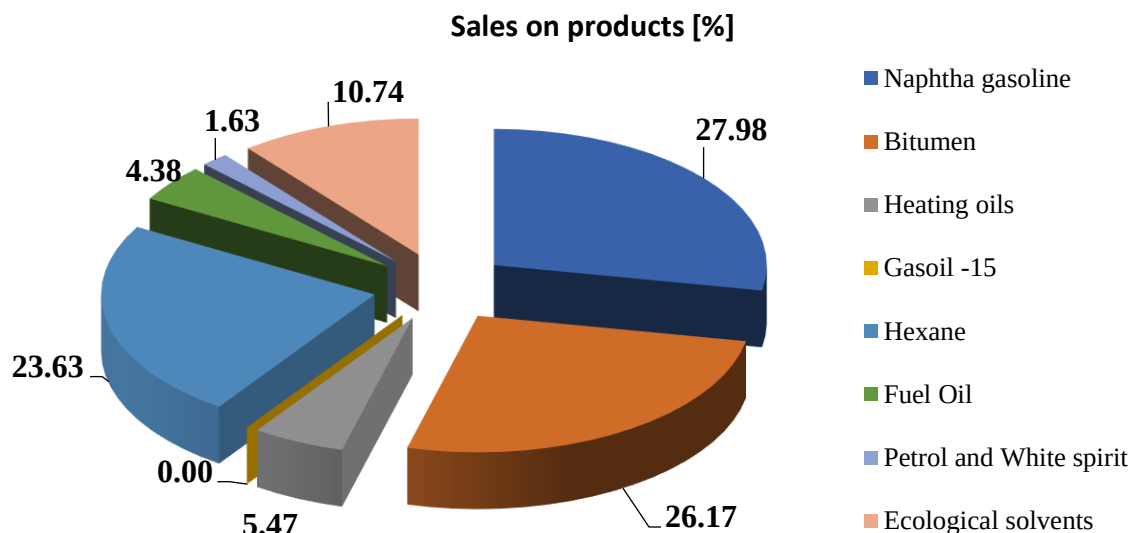
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White products sales (naphtha, ecological solvents, n-hexane and white spirit) represented about 64 % of total sales in 2024.



Rompetrol Rafinare –Năvodari Work point, Petrochemical complex

The quantitative structure of the deliveries of polymers in 2024 is summarized in the following table:

Products	Deliveries				
	Total deliveries	Domestic		Products	
	tons	tons	%	tons	%
PP	57,936	29,109	50%	28,827	50%
LDPE	2,862	2,862	100%	0	0%

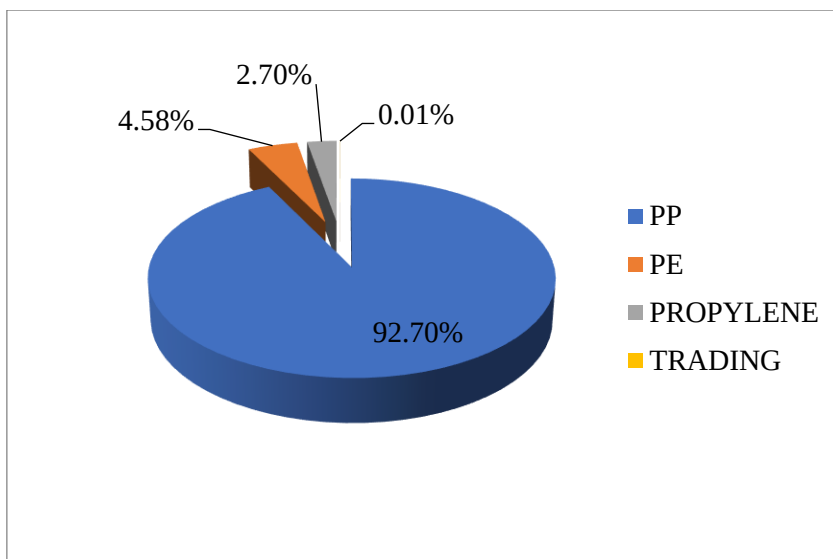
Rompetrol Rafinare – Petrochemicals Area is the single producer of polypropylene (PP) and polyethylene (PE: LDPE and HDPE) in Romania.

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Besides its own products, the Company is now actively selling a wide range of petrochemical products which are not currently produced by the Rompetrol Rafinare – the Petrochemical Plant, but which are in demand on the Romanian market, namely: High density polyethylene variants (HDPE pipe variants), linear low density polyethylene (LLDPE), PVC, PET and PP.

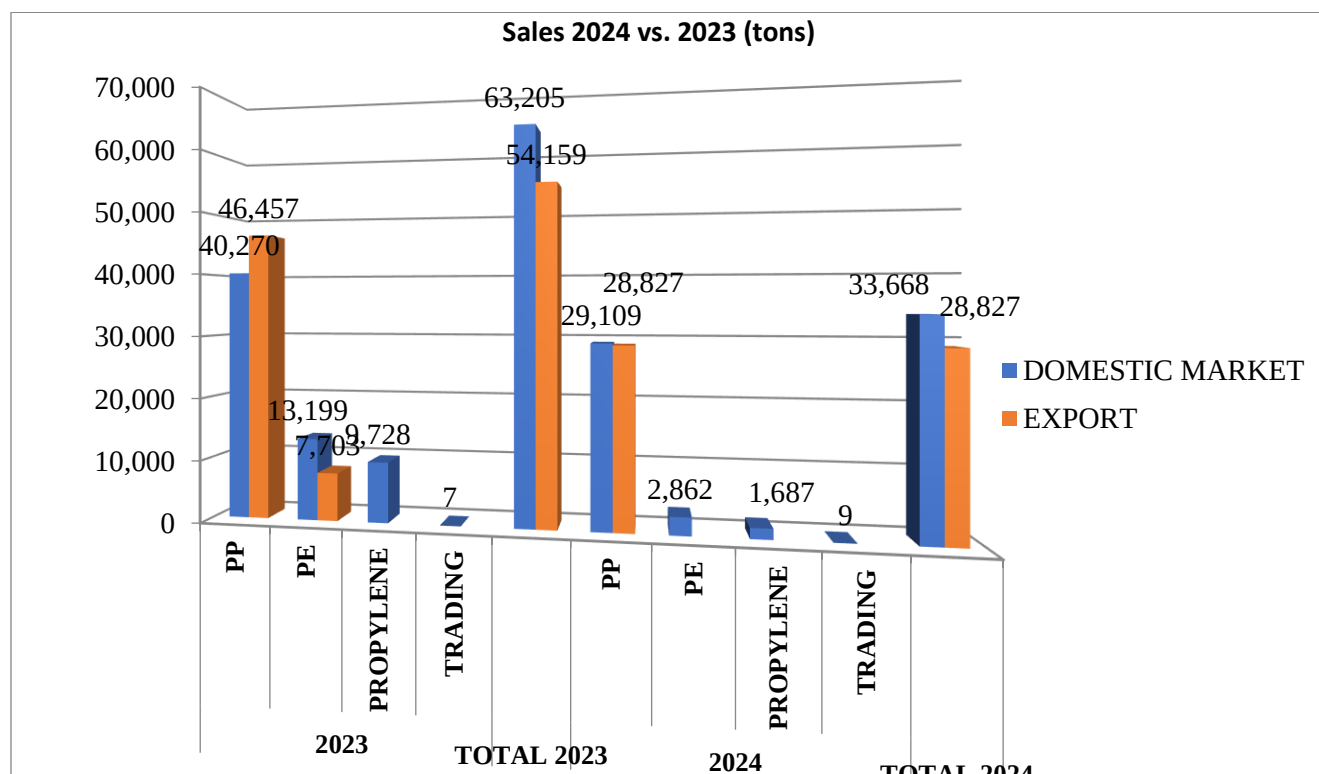
The sales of the Petrochemicals Area in 2024 amounted to a total quantity of 62,495 tons, down by 47% compared to last year, the availability of materials being impacted by the non-operation of the facilities during the general overhaul and non-operation of LDPE plant.

In 2024, 92.7% of the total sales were represented by polypropylene (PP), 4.58% by polyethylene (PE) and the remaining 2.71% represents the sales of propylene and trading activity.

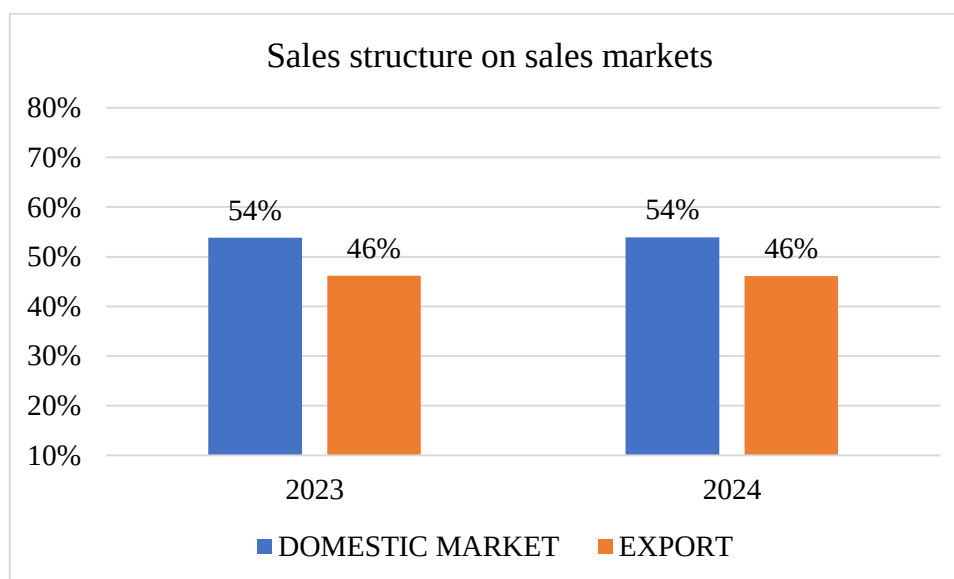




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Of total sales, 54% represent sales on the domestic market and the remaining 46% represent export sales.



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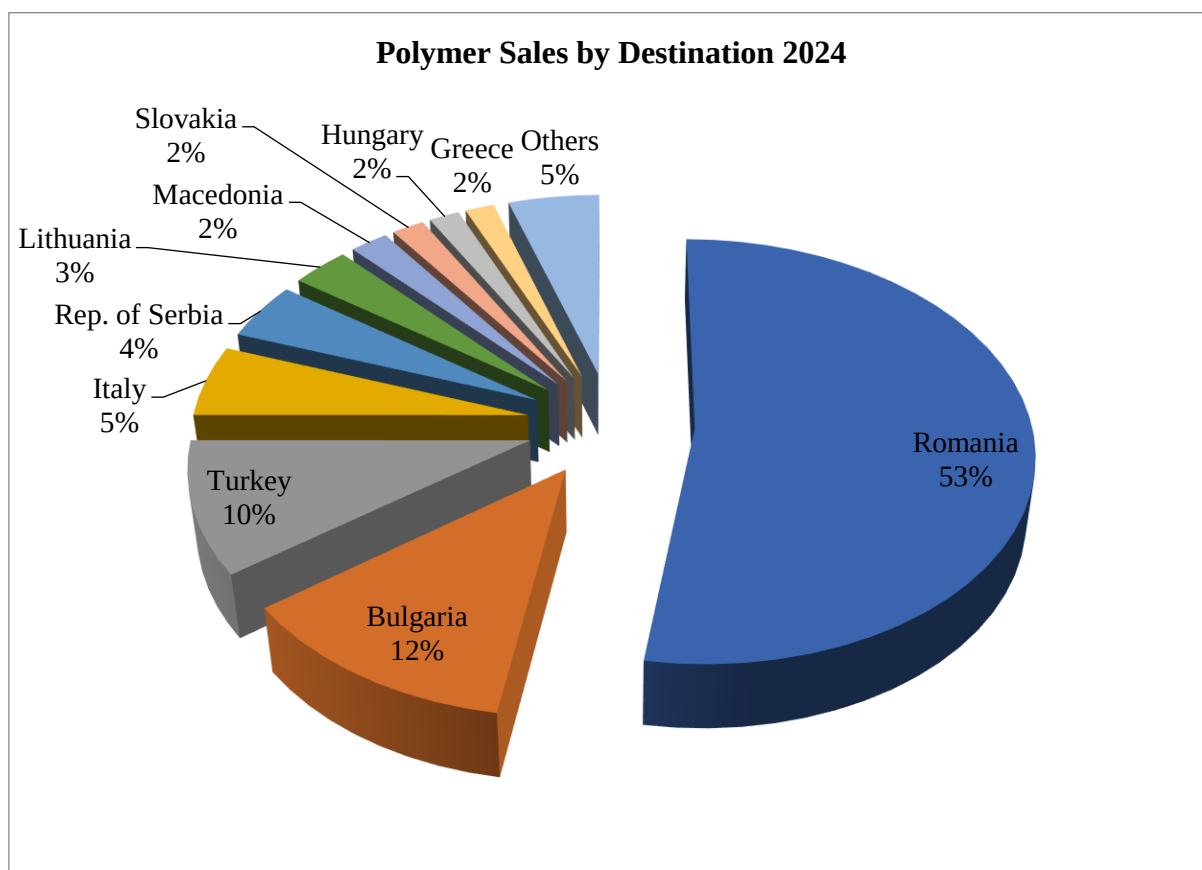
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The most important distribution channels for polymers (PP, PE) are: Romania-53%, Bulgaria-12%, Turkey-10% and Italy-5%.

The external sales of polymers were targeted to both the European Union and third countries. The intra-communitarian deliveries represented approx. 82% of the total export sales of finished goods, the difference representing the export sales on the non EU markets.

The distribution of petrochemical products sold by Rompetrol Rafinare SA was done by means of auto and railway in the case of sales on the domestic market and, in the case of sales on the foreign market, the distribution of these products was made both by means of automotive and maritime transport through the ports of Agigea and Constanta.





a) *Competition situation, market share of the company products and the main competitors*

The main competitors on the domestic market are the other two main producers: OMV Petrom and Petrotel Lukoil but also the other international companies with subsidiaries in Romania: MOL and SOCAR, but also other car fuel importers in Constanta Port (Oscar Downstream, Vitol, Euronova, etc.)

The main competitors on the external market are:

Regional producers:

- LITASCO (Romania, Bulgaria);
- OMV PETROM (Romania, Austria);
- MOL (Hungary, Slovakia);
- SOCAR (Turkey);
- GAZPROM (Serbia)

But also international traders, present on all markets: VITOL and TRAFIGURA.

For petrochemical products, the main competitors (who are also producers but are not located in Romania) on the internal and external market are:

- TVK
- Slovnaft
- HIP Pancevo
- Lukoil Burgas
- Borealis
- Sabic
- DOW
- Petkim

b) *Significant dependency of the company towards a single customer or group of customers, the loss of which would have a negative impact on the income of the company*

From the point of view of significant dependence on a single customer or group of customers:

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- ✓ KazMunayGas Trading A.G., related entity of Rompetrol Rafinare S.A.- holds more than 10% of the company's external sales.
- ✓ Customers with more than 10% of the company's sales on the internal market: Rompetrol Downstream S.R.L. (subsidiary of Rompetrol Rafinare S.A.)

Rompetrol Rafinare, as member of KMG International Group, increased its customer base with part of the related entities within KMG International Group. The transactions with these companies are made based on the market value principle and are submitted in the stand-alone financial statements of Rompetrol Refinery and reported to the Bucharest Stock Exchange and the Financial Supervisory Authority (FSA) according to the requirements and regulations of FSA.

1.1.5. HUMAN RESOURCES ACTIVITY

Our mission is to bring people together to find inspiration and create opportunities for them to grow. Their enthusiasm in contributing to people initiatives showed us they are the leaders we are waiting for. We set out to achieve our mission together with the people of KMG International Group, who embark on a journey of individual transformation to reach authentic and conscious leadership, catalyzing together our energy toward growing our community.

We strongly believe that education and professional training for young people are the key to a stable future for the energy industry and our community. We continue to support and invest in the development and growth of our current and future employees every year through our program and project.

a) Number, level of training of the company employees and the degree of unionizing the employees

On 31.12.2024, Rompetrol Rafinare, Năvodari Business Unit (Petromidia Refinery) had 990 active employees, of which: 240 - staff with higher education.

On 31.12.2024, at the Vega refinery, Ploiesti, the company had 186 active employees, of which: 50 - staff with higher education.

TOTAL: On 31.12.2024, Rompetrol Rafinare S.A. had a total of 1,176 employees, of which: 290 - staff with higher education.

The unionisation of the workforce was 76.53% (900 employees are union members).

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rompetrol

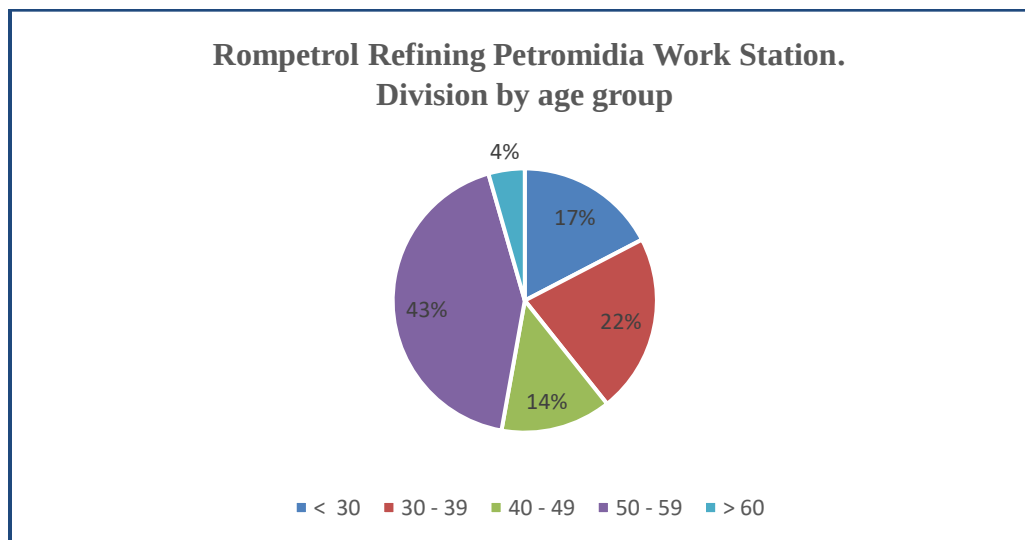
KazMunayGas
International
Group Member

The following trade union organisations are active in the Company: Free Petrochemical Union (573 members), Vega Free Union (19 members), Midia Năvodari Industrial Platform Workers' Union (308 members).

Breakdown of employees by age group:

- Rompetrol Rafinare Petromidia Business Unit

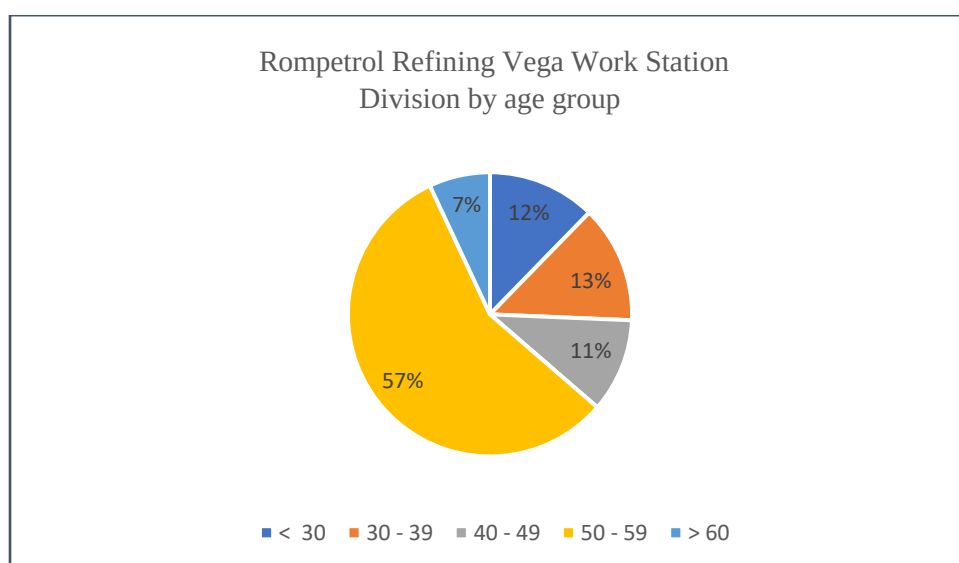
Age Range	Number of employees	Percentage of total staff
< 30	172	17%
30 – 39	217	22%
40 - 49	134	14%
50 - 59	423	43%
>60	44	4%



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- **Rompetrol Rafinare Vega Business Unit**

Age range	Total Staff	Percentage of total staff
<30	23	12%
30 - 39	25	13%
40 - 49	20	11%
50 - 59	106	57%
>60	12	7%



During the reporting period, certain training programmes were conducted within the Company in the areas of: functional skills; general knowledge; communication; QHSE certifications; safety; professional knowledge - support functions, etc.

A total of 659 (non-unique) employees participated in training programmes totalling 10,082 hours, which means an average of approx. 15.29 training hours/employee.

The total training cost în 2024 was USD 175,805 million

b) Relations between management and employees as well as any conflicting elements which characterize these relations

The rights and obligations of employees are stipulated in the Collective Employment Agreement („CCM”) of Rompetrol Rafinare, in the Individual Employment Contracts („CIM”) and in the Internal Regulations of the Company.

The employees carry out their activity in accordance with the established working schedule, the job description as well as the Rules for Organization and Operation („ROO”).

The relations between the company's management and employees are normal, not negatively influencing the company's economic performance. There is a regular social dialogue between the management of the company and the union.

At the end of 2024, Rompetrol Rafinare and the Free Petrochimistul Union ("FPU") finalized the negotiation of a new Collective Labor Agreement ("CLA"), valid for a period of 2 years, according to Law 62/2011. It was mutually agreed that, starting with 01.01.2025, the CCM will enter into force with the following amendments: increase in individual basic salaries by 7%, but not less than 400 RON net, increase in vacation bonus from 4,000 RON net/year to 5,000 RON net/year and granting 2 (two) paid days off in the event of the death of the employee's son-in-law or daughter-in-law.

1.1.6. ACTIVITY RELATED TO ENVIRONMENTAL PROTECTION AND QUALITY, HEALTH AND SAFETY

The Company owns and operates the Petromidia Refinery, located in Năvodari, Constanța County and the Vega Refinery located in Ploiești, Prahova County.

Through the nature of the activities carried out (processing of the crude oil), the company has an impact on the environment, and for this reason the management is continuously preoccupied with the prevention and control of the impact of the activities carried out, on the environment factors, allocating considerable financial resources for investments to this purpose.

The environmental strategy of Rompetrol Rafinare SA is based on compliance with legal and regulatory requirements, both through permanent monitoring and periodic reporting of the degree of compliance, as well as the continuation of investment programs, through the use of the best techniques available in the field (BAT BREF), having the following principles:

- Compliance with legislation and other applicable requirements, the permanent monitoring of the degree of legal compliance.

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- The use of the environmental management system to integrate into the company's decisions performance criteria for the protection of air, water, soil and the conservation of natural resources.
- Continuation of the investment program in order to comply with the regulatory requirements in the field of environmental protection and to reduce the impact of the activity on the environment.
- The assessment of the environment performances of the company, the communication with the interested parties including the local communities, with regard to the continuing improvement of the environmental performances.
- Promoting information and awareness among the employees of the company, with regard to the measures for prevention and reduction of the emissions in the atmosphere, water and soil, including the measures concerning the waste management and dangerous substances for the activities carried out and which may have an impact on the environment.
- Informing the public about the risks associated with hazardous chemicals and the security measures and behavior in case of major accident;
- Participation in voluntary projects and social responsibility projects in the neighboring communities.

Integrated Environmental Permit

During 2024 Rompetrol Rafinare SA - Petromidia working point operated based on the Integrated Environmental Authorization no. 1/10.05.2013 updated on 18.02.2019 and renewed by the competent authority with no. 5/20.07.2023, for an unlimited period, with an annual visa. The annual visa was obtained with validity - 10.05.2025.

Vega Refinery functioned based on the Environment Integrated Permit no 9/08.07.2015 issued by APM Prahova, reviewed on 09.11.2022 with an annual visa for the period 07.08.2023 - 07.08.2024, which was extended in the first stage for two months, later by the decision of the APM maintaining the AIM provisions until 14.02.2025, under the conditions of compliance with the BAT decisions regarding waste water management.

On 30.09.2024, a request for AIM review was submitted.

Environmental Agreement

During 2024 all investment projects were completed within the assessment procedure of impact on the environment together with the receipt of the regulation documents (decisions/environmental agreements on the project category level) from the competent authority on environmental protection.

The project “Rehabilitation and layout of the field area on the premises of ROMPETROL RAFINARE S.A. - Vega Refinery Ploiești on which we have located acid tars and oil residues” continued, having the Environment Agreement no 1/18.02.2015, reviewed on 14.01.2021.

The works on the lagoons 17 & 18 have been completed.

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For the lagoons 19 and 20, based on a service contract having as object the execution by the Contractor, by its own means of the works related to these lagoons, the works it was started in January 2025, with site organization.

In parallel, for the works related to the lagoons 7-16 and 19 and 20, it was started the development of a new approach for quick closure of lagoons according with Ordinance 2/2021 (alternative solutions).

On 30.09.2024, a request for revision of the the Environmental Agreement for the lagoons (request for the simplified closure of the lagoons) was submitted to the APM PH, which was rejected by the Authority. Therefore, on 22.11.2024, a new agreement was requested from APM PH regarding the intention to carry out the project "Simplified closure of the lagoons containing acid tars and oil residues".

The Water Permit

In 2024 Rompetrol Rafinare SA - Petromidia working point operated based on the Water Management Authorization no. 174/27.11.2023, valid for 3 years.

Rompetrol Rafinare SA - Vega Refinery operated on the basis of the Water Management Authorization no. 42/26.02.2021 issued by SGA Prahova with a validity of 3 years (until 01.03.2023) and revised on 28.02.2023, valid until 01.03.2025. Taking into account the changes on the site regarding the discharge of waste water to the Petrotel Lukoil treatment plant, the Water Management Authorization no. 26/28.02.2025 issued by SGA Prahova for Vega refinery, valid until 01.03.2027 was obtained.

The Greenhouse Gas (CO₂) Permit

During 2024, Rompetrol Rafinare SA-Petromidia working point operated on the basis of the Authorization regarding the greenhouse gas emissions no. 89/01.03.2021 for the period 2021 - 2030.

Rompetrol Rafinare S.A. - Vega working point operated based on the Authorization regarding the greenhouse gas emissions no. 139 / 02.06.2021 for the period 2021 - 2030 and on the plan for monitoring greenhouse gas emissions approved by the competent authority.

According to National Authority for Environmental Protection (ANPM) requirements and the schedule for implementing the requirements of the EU-ETS2 Directive (parallel scheme with EU-ETS1 for the marketing of greenhouse gas emissions for buildings, transport and other sectors), were issued and submitted the documents for obtaining a new Greenhouse Gas Permit for these activities (EU ETS2 monitoring plan and EU-ETS2 CO₂ emissions management procedures)

In 2024, the compliance procedure was completed by returning to the European Register of Greenhouse Gas Emissions (EUTL), the CO₂ emissions certificates for 2023.

Compliance with the REACH Regulation – as required by the European Chemicals Agency (ECHA) regarding registration of produced / imported substances as well as of the information communicated through the safety data sheets.

During the year 2024, the revision process of the Safety Data Sheets for our own products (PEM and VEGA) continued, in accordance with the requirements of Regulation no. 878 / 2020 amending Annex II to Regulation (EC) no. Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the registration, evaluation, authorization and restriction of chemicals, as a result of internal / external requests (clients) and the new applicable regulatory requirements.

Also, was finalized the REACH lead registrant dossiers update process.

Regarding the portion of land contaminated with oil product located in Vadu (Boxes 1 and 2, designed according to the project data for the storage of dredged biological sludge from Pond 1), during 2019 Environment Protection Authority (EPA) Constanța was designated as a regulatory authority for the procedure for decontamination, for the two boxes, the applicable procedure being the one regulated by Law 74/2019 on the management of potentially contaminated and contaminated sites. According to the regulatory requirements, respectively of Law 74/2019, the “Preliminary Investigation Report” (2020), the “Detailed Investigation Report & Risk Assessment” (2021) were elaborated and submitted to the EPA.

Based on the mentioned investigation studies, during 2021 APM Constanta issued Decision no. 1 / 22.04.2021 by which the mentioned location was classified as a "contaminated site" respectively Decision 1R/ 08.11.2021 regarding the remediation of the contaminated site and notified Rompetrol Rafinare SA regarding the continuation of the procedure by developing the feasibility study and the remediation project. The feasibility study was developed and submitted to APM Constanta (29.12.2021), later completed (May 2022) and the authority's point of view is currently awaited regarding the approval of the scenario / remedial solution identified in the study and the initiation of the technical remediation project.

Following the issuance by the Environmental Protection Agency of the Initial Evaluation Stage Decision no. 127/23.03.2023 for the project "Greening of the site boxes1&2Vadu ", by which it was decided to initiate the procedure for assessing the impact on the environment, respectively the submission of the completed presentation memorandum according to the content-framework provided in annex 5E of Law no. 292/2018 regarding the assessment of the impact of certain public and private projects on the environment during 2023, in order to prepare the requested documentation and argue the solution identified in the feasibility study, laboratory tests were carried out on undisturbed samples taken from the boxes, for testing the in-situ bioremediation technology.

The supporting documentation requested by the decision mentioned above, which also integrates the results of the laboratory tests, was submitted to the regulatory authority on 31.10.2023, which by address no. 12628/29.11.2023 requested the submission of the technical remediation project.

The technical remediation project carried out by an authorized developer was submitted in May 2024 to the regulatory authority, which later requested the updated Presentation Memorandum according to the data from the project, that was submitted to the Constanta Environmental Protection Agency.

During 2024, the application of LDAR-Leak Detection and Repair techniques continued, in order to identify fugitive emissions / losses associated with equipment, which can be reduced through maintenance activity.

Activity regarding Quality, Occupational Health and Safety and Environmental Protection (QHSE)

Major activities carried out in 2024 in order to achieve the QHSE objectives (details of the environmental, health, safety and emergency situations activities are to be found in the relevant chapters of this report):

- Rompetrol Rafinare certifications/authorizations were maintained, for:
 - Quality - Environment - Occupational Health and Safety Management System (QHSE) and Energy Management System, according to ISO 9001, 14001 & ISO 45001& ISO 50001 standards
 - ISCC Management System (International Sustainability & Carbon Certification), from the point of view of the sustainability requirements provided in Directive 2009/28 / EC (RED II)
 - Car fuels and bitumens, according to legal and regulatory requirements
 - Rescue Stations, according to legal requirements
- A number of 76 documents of the integrated management system were elaborated / reviewed / verified (Policies, Process Sheets, Procedures, Instructions, Operational Regulations). Also, documentation was prepared regarding the new work permit system that will allow better control of activities, adequate risk assessments and increased staff awareness, and checklists were developed to be used in thematic inspections.
- There were no work accidents with fatalities and no occupational diseases; there were registered 4 (four) accidents with temporary incapacity for work, 3 (three) accidents no work related, 1 (one) road accident, a property damage as a result of the fire in Naphtha Hydrotreater Unit and a spill.
- To improve process safety, HAZOP studies were carried out for 5 (five) technological installations.
- 1044 internal inspections & audits and 987 safety audits were performed, in order to identify both the weaknesses and opportunities for improvement.
- There were 42 inspections and external audits performed by authorities and certification bodies.



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- Complaints for delivered products were handled according to internal procedures.
- The implementation stage of the actions from both the QHSE Execution Plan and other specific plans and programs was monitored and specific statistics and reports were prepared, with established frequencies (weekly / monthly / quarterly / half-yearly/ annually) or on request, in order to meet both the internal and external requirements of the relevant stakeholders (authorities, customers, suppliers).
- For the preparation of the 2024 Sustainability Report, a series of internal meetings were held, specific data were collected and transmitted to KMGI Group and the documents for the calculation of CO2 emissions were prepared.
- The activity at the two work points – Petromidia and Vega refineries have been monitored for purposes of environment protection, pursuant to the Integrated Environment and Water Management Authorizations, as well as in what regards the compliance requirements under the Greenhouse Gas Authorization issued according to the requirements of the EU-ETS1 Directive.
- The QHSE Training Plan for 2025 was developed based on the "Training Matrix", to identify the specific QHSE training needs for each position in the organizational chart.
- To improve the competencies from QHSE point of view, employees of the QHSE department participated in various internal/external training courses on occupational safety and environmental protection topics (“Process Safety“ & “Safety Leadership; NEBOSH; First aid (SMURD); CBAM (Carbon Borders Adjusted Mechanism); ESRS (European Sustainability Reporting Standards) course (organized by CSR Group Department).

1.1.7. RESEARCH AND DEVELOPMENT ACTIVITY

The expenses during the financial year 2024 as well as those anticipated for the next financial year for the research and development activity

Expenditure carried out in the year 2024

Expenditure for studies and technical assistance 246,048 USD

Expenditure planned for the year 2025

Expenditure for studies and technical assistance 981,243 USD

The main studies performed in 2024:

- *Member of CONCAWE Association (European Petroleum Refiners Association)*
- *UOP Technical Assistance for Licensed Units*



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- *Elaboration of Energy audit report required to maintain the green certificates payment exception agreement in accordance to HG 495/2014*
- *P&IDs (Process & Instrumentation Diagram) in Nitrogen – Oxygen (N₂-O₂) and Compressed Air Units*
- *HAZOP (Hazard and Operability) and LOPA (Layers of Protection Analysis) Studies*
- *Technical project for soil decontamination works for the "Cassette Vadu" contaminated site*

From **the studies list proposed by Rompetrol Rafinare to be carried out in 2025** we can mention:

- *UOP Technical Assistance for Licensed Units*
- *Member of CONCAWE Association (European Petroleum Refiners Association)*
- *Elaboration of Energy audit report required to maintain the green certificates payment exception agreement in accordance to HG 495/2014*
- *Study for increasing design capacity for the following units: Naphtha Hydrotreater, Catalytic Reforming, Saturated Gas Plant and Kerosene Hydrotreater*
- *Study to verify the integrity of underground perimeter wall*
- *HAZOP (Hazard and Operability) and LOPA (Layers of Protection Analysis) Studies*
- *Technical studies resulted from HAZOP (Hazard and Operability) and LOPA (Layers of Protection Analysis) Studies*
- *APC (Advanced Process Control) program maintenance*
- *Study for solvent replacement in Hexane and Dearomatisation Units*
- *Study for additive system up-grade in PP Unit (PolyPropylene)*

1.1.8. RISK MANAGEMENT ACTIVITY

Company's exposure to the price risk, credit risk, liquidity risk and cash flow risk

The company is exposed to the risk induced by the high volatility of the prices of crude oil and petroleum products, with a direct impact on the gross margin on sales. For this reason the management developed a hedge policy, which was implemented within Rompetrol Rafinare S.A. starting with January 2011. According to the hedge policy, on the raw materials and petroleum products side, the flat price risk for priced inventories above a certain threshold (called base operating stock in case of Rompetrol Rafinare) can be hedged using future contracts traded on ICE Exchange and some OTC instruments.

From the point of view of liquidity, on the background of a volatile market of petroleum and refined products, the company has made efforts to maintain the coverage of current debts from current assets, the current liquidity indicator being in 2024 at a value of 0.46.

Policies and objectives of the company regarding the risk management

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.

Interest rate risk

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flow risk is the risk that the interest cost will fluctuate over time. The 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.

Foreign exchange risk

The Company's reporting currency is Romanian LEU (RON). The fact that most of the acquisitions represented by crude oil imports and other feedstock, also a significant part of petroleum products sold are all denominated principally in US Dollars, but more than 60% of the Company's sales are made in national currency (RON), generates a significant foreign currency exposure risk. Certain assets and liabilities are denominated in foreign currencies, which are translated at the prevailing exchange rate at each balance sheet date. The resulting differences are charged or credited to the income statement but do not affect cash flows. Treasury department is responsible for handling the Company's foreign currency transactions.

Liquidity and cash flow risks

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



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Credit risk

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

The company is exposed to credit risk, which is why it applies a credit control and collection policy aimed for reducing credit risks and increasing the level of debt collection. Thus the Company analyzes the financial creditworthiness of customers in order to grant credit limits for the sales made to them and determines the need to secure credit limits with different guarantee instruments. It also applies a process of collection of debts in stages, depending on the value, maturity and guarantees provided for securing them. Overdue 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.

- *Financial instruments and bank deposits*

Credit risk from balances with banks and financial institutions is managed by the treasury department in accordance with existing policies.

Commodity price risk

The Company is affected by the volatility of crude oil, oil product and refinery margin prices. Its operating activities require ongoing purchase of crude oil to be used in its production as well as supplies to its clients. Due to significantly increased volatility of crude oil, the management developed a hedge policy which was presented to the '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 raw materials and petroleum products side, the flat price risk for priced inventories above a certain threshold (called base operating stock in case of Rompetrol Refinery) can be hedged using future contracts traded on ICE Exchange and some OTC instruments. The base operating stock is the equivalent of priced stocks that are held at any moment in time in the Company, hence price fluctuations will not affect the cash-flow.

Trading activities are separated into physical effective transactions (purchase of raw materials and sales of petroleum to third parties or Intercompany) and paper trades (for economic hedging purposes). Each physical effective transaction can be 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 based on the current position at that particular moment. This paper trade is done only to hedge the risk of the Physical Trade and not to gain from the trading of these instruments. The company manages price risk hedging operations on EUA certificates for which futures instruments are used.

Operational risk

The operational risk derives from the possibility that accidents, errors, malfunctions may occur, as well as from the influences of the environment upon the operating and financial results. Rompetrol Rafinare S.A. has continued a broad revamp process on the refinery technology, for the purpose of increasing the production, reducing the technological losses, as well as eliminating the accidental shut-downs in the industrial process. Also, the Company has implemented a quality-environment-safety integrated system meeting the legal requirements for quality – environment – security.

In order to identify, assess and minimize the risks to our communities, employees, contractors, the environment and our business, Rompetrol Rafinare is an active part in strengthening the culture of risk awareness by approaching preventive risk management in a disciplined, iterative, accessible and consistently manner.

1. Was implemented the risk policy and methodology developed by KMG International Grup, aligned with the best practices and professional standards from a global perspective, policy that established the goals, objectives, basic principles of risk management, as well as the roles and responsibilities of the participants in the Corporate Risk Management System.

2. The implementation of the risk management system continued through the seven interdependent processes that are integrated into the company's general activities:

a) Establishing the objectives - an essential process in the company, during which at the beginning of the year the strategic objectives, in the medium and short term, were established, which were then cascaded and aligned.

b) Identification of risks/risk factors - the process of analyzing business activities and processes and determining threats, which, if they appear, can have a negative impact on the ability to achieve the objectives/goals.

The identification of the risks and the corresponding risk factors was carried out by the risk owners and the owners of the risk factors at all management levels (Directors / Managers of processes/objectives/departments). In order to identify the risks and the corresponding risk factors, combinations of different techniques and tools , the Methodology regarding risk management, the Methodology regarding the selection of risk management methods, the Methodology regarding the determination of risk appetite were used.

c) Assessment and analysis of risks/risk factors - was carried out to determine their extent and impact on the achievement of the company's objectives. The operational/non-operational risks and the corresponding risk factors are analyzed according to the probability of their occurrence (probability of realization) and the degree of impact (potential damages). The evaluation of the risk profile (of a quantitative or qualitative nature) was carried out by the risk owners (Directors/process managers/objectives/departments) by applying the evaluation matrices. In 2024, they were registered in the Risk Register 10 critical risks (red), 7 medium risks (yellow) and 3 low risks (green).

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d) Establishing risk mitigation measures - the process of developing and implementing measures to mitigate the negative effects and/or the probability of occurrence of risks and the corresponding risk factors or to obtain reimbursement in the event of losses associated with business risks. To ensure the effectiveness of the risk management process and to reduce its implementation costs, the Company focused on critical risks/risk factors that can most significantly affect its financial condition and the achievement of established objectives.

e) Monitoring and reporting

- Monitoring of risk management was carried out quarterly by:
 - Monitoring the dynamics of risk parameters and changes in risk factors
 - Monitoring the implementation of risk management measures and control procedures.

To ensure the quality of the information, Rompetrol Rafinare uses the standard format of the Risk Register used within the KMG International Group.

Company managers (process/objective owners) carry out continuous monitoring activities, including current operational control of activities in real time. Any data regarding the deficiencies of the risk management process were brought to the attention of the risk owners and Group Risk Management Department and timely corrective actions are taken to remedy the identified deficiencies.

- For all critical risk factors, Key Risk Indicators were developed according to the Methodology regarding the development of key risk indicators; KRIs allow timely measures to be taken to avoid the occurrence of risk events or to mitigate their impact on the Company's operations,

Based on the results of the monitoring process, the measures were adjusted / supplemented / developed quarterly.

- Reporting

After approval by the company's management, the Risk Reports and Risk Registers were sent quarterly to Risk Management Department of the KMG International Group. Registers and Risk Reports comply with the rules described in the Risk Management Procedures.

These company reports are consolidated in the Group Risk Report (Consolidated Risk Report covering KMG International NV, Subsidiaries and affiliates), and presented to the Board of Directors of KMG International NV at least once a year.

f) Information and communication - The Risk Management System uses an appropriate flow of information, both vertically and horizontally. The information meets the criteria of content quality, promptness, relevance, accuracy, availability.

The information transmitted from the bottom up was not subjected to distortions or other types of transformations. The risk identification and assessment process used operational information from internal and external sources, as well as internal/external audit/inspection reports and financial/economic activity or KMG International Group Internal Audit Service reports

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The information transmitted vertically ensures the dissemination of data related to: shareholders, expectations, goals, strategies and established objectives.

Information and communication about risk management provides participants in the process with accurate and timely information related to risks, raising the level of risk awareness within the company

g) Building a risk-aware internal environment

The implementation of the above components of the risk management process contributed in 2024 to the development of a risk culture in Rompetrol Rafinare, ensuring adequate risk awareness and accountability of risk owners/owners of risk factors, as well as active risk management and timely reporting.

The organization continued in 2024 the identification and assessment of major hazards resulting from normal operation and accidental situations, as well as the assessment of their probability and severity, in this sense performing, with an external consultant, risk analyzes type HAZOP for 5 technological units, the resulting recommendations to be prioritized and implemented through CAPEX programs.

In order to achieve the objectives regarding occupational health and safety and emergency situations adequate actions have been taken, as well as activities necessary to comply with legal and regulatory requirements.

Through the communication channel "1.Life/1.Viata" as part of the project to strengthen the culture regarding safety at work, important information for the safe development of activities was transmitted on the Platforms, and interesting warnings were disseminated, both through Safety Bulletins and Safety Alerts with incidents that happened at other KMG International operators, as well as lessons learned, to be used as a "safety contact" at the beginning of the operational meetings and in the monthly safety meetings with the top management and the operational staff.

First aid courses were organized with the SMURD volunteer foundation and a demo truck was also organized with complex and high-performance equipment for working in safe conditions - portable gas detection, respiratory protection equipment, self-rescue caps, drink alcohol, drug test.

According to the legal requirements and those of ISO 45001 standard, emphasis was placed on the participation and consultation of workers and their representatives in evaluating aspects and decisions related to health and safety at work through CSSM (Health and Safety at Work Committee) quarterly meetings, assessing the risks of accidents and occupational diseases (MERP application), training for access to the platforms, annual retraining of the own staff (Iknow application in which new training and testing modules were introduced), participation in the performance of risk analyses, respectively in the training and communication of dangers (Toolbox Talk) performed by the issuers of work permits prior to the execution of the works,, monitoring the health status of employees, accidents investigations by using "5 WHY" methodology , reviewing OSH-ES plans, etc.

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In the context of the planned turnaround works, for their preparation and proper development from the HSE point of view, were developed an HSE plan and a waste management plan, exemptions from the HSE Convention (annex to the service contracts concluded with the general contractor), participation in risk analyzes for high-risk works, development of training materials for employees regarding changing working conditions, HSE training materials for subcontractors, training/retraining sessions of contractors/subcontractors to obtain access to the Platforms, LOTO training session for own employees, retraining session for work permit issuers, periodic meetings with representatives of contractors/subcontractors, "STOP WORK" actions, recognition and motivation actions. After the completion of the revision works, the safety review before starting the installations were performed (PSSR - Pre Startup Safety Review).

Regarding Emergency Situations, "the operation authorization" of the Rescue Stations from both Industrial platforms, has been maintained through the surveillance audit carried out by INCD INSEMEX Petroșani.

The operative staff who work within the Rescue Stations were authorized/reauthorized by INSEMEX Petrosani.

Regarding the set of the management of emergency situations documents, the Security Report for Rompetrol Rafinare-Petromidia Platform was reviewed and approved by the competent authorities (Risk Secretariat) and the Internal Emergency Plan is being revised according to the observations received from the competent Authority.

For the training of the staff operating on platforms and on the basis of the scenarios from the Internal Emergency Plan, 139 simulation exercises of a major accident were carried out; an external drill was organized by the competent authorities (IGSU, SMURD, National Environmental Guard, National Environmental Agency, Ambulance, Police, Gendarmerie) with Petromidia Platform Emergency cell activation, based on an scenario included in PUE (External Emergency Plan) on crude tanks (8x50,000)

In order to improve emergency preparedness and response capabilities on both platforms, a study is being developed to identify and address any gaps or deficiencies in current emergency response systems and procedures compared with industry best practices/standards and regulatory standards,.emergency situations,

1.1.9. ELEMENTS OF PERSPECTIVE REGARDING THE ACTIVITY OF ROMPETROL RAFINARE S.A.

INVESTMENT ACTIVITY IN 2024

Total investments realized value for **2024** is **144,982,641 USD**, following splitting per programs according below table:

USD amount	Actual 2024
Petromidia, from which:	138,667,201
Development	2,658,125
Operational Support	8,598,184
Compliance	24,647,177
Capital maintenance	102,763,715
Vega, from which:	6,315,440
Compliance	2,388,985
Capital maintenance	3,926,455
Refinery Total Investments	144,982,641

The main projects which have implemented and/or are in implementation in 2024 in Rompetrol Refinery:

- **Petromidia Refinery, Petrochemicals and Vega Refinery 2024 General Turnaround**

For refinery, shutdown means a scheduled large-scale maintenance activity wherein an entire process unit is taken off stream for an extended period for comprehensive revamp and renewal. This operation involves many preparations and requires many precautions, especially at during startup.

Rompetrol Refinery Board of Directors adopted in May 15, 2018 a new strategy for planning the General Turnarounds and Shutdowns between 2018-2026 by reducing the actual cycle of 5 years to 4 years for General Turnaround, respectively to establish a Shutdown between 2 General Turnarounds, every 2 years. This was helpful and seen in Key Business Drivers.

To reach refinery goal by having a high mechanical availability, refinery must have high reliability at low cost. This can be assured only by having periodically refinery turn around.

The main works packages consist of:

- Catalyst Replacement / Regeneration and Catalyst Services - all work related to the replacement of end-of-life catalysts with new or regenerated catalysts - to maintain a high gasoline / diesel production efficiency, and to obtain products with high economic value.
- Operational works - The other activities, which do not refer to maintenance repairs or modernization, but which are required in order to achieve good efficiency in the refinery,



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mandatory activities in order to prevent possible damage or defects of equipment due to corrosion, erosion, deposits in the technological process

- Maintenance – Usual repairs and inspection necessary for equipment static/dynamics and pipes that cannot be performed during units operation;
- Capital Maintenance – equipment's that will be replaced only in shutdown period.
- Capex or Improvement project – implementation of CAPEX projects that can be done only with plants shutdown.
- Unexpected/found works – works that appear after the equipment opening.

Within this project, the benefits are as follows:

- Maintain Refinery at its nominal monthly capacity.
- Maintain the efficiency of the units from the perspective of mechanical availability, at a high percentage;
- Increase reliability / availability of equipment during operation.
- Safety–zero incidents (human accidents or damage to equipment)

The project was finalized according to the planned implementation assumptions.

• **Replace Refinery static equipment Program - 2024 Package**

The „Refinery static equipment rehabilitation” program was started to create conditions for operating of the Refinery at maximum capacity of crude oil processed, by ensuring efficient cooling of gaseous fractions converted into gasoline, an improvement of the technological process, higher efficiency and an increase in quality and production. Main activity of the program was manufacturing and replacement of static equipment for a proper functioning of the refinery units.

- Static equipment's replacement - 2024 Package (13 items) started in 2023 and consider the following:
- 313V S3: New subassemblies for 313V S3 heat exchanger (shell, distribution chamber) (purchasing and mounting activities);
- 220-E302: New air preheater on 220-E302 (purchasing and mounting activities);
- 138-FV14: New ventilation vessel on the 138-FV14 (purchasing and mounting activities);
- 130-S16: New heat exchanger for 130-S16 (purchasing and mounting activities);
- 135-S12A: New tubular bundle for 130-S12 (purchasing and mounting activities);
- 147-S5 147-S6: New tubular bundles for 147-S5 and 147-S6 (purchasing and mounting activities);
- 138F-V16, 138F-NV17A, 138F-NV17B, 138F-NV18: New equipment's for 138F-V16, 138F-NV17A, 138F-NV17B, 138F-NV18 (purchasing and mounting activities);
- 121-V7: New vessel for 121-V7 (purchasing and mounting activities);
- The equipment was installed during 2024 Refinery General Turnaround



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- Economizer Eco640: 10 new tubular bundles purchase for ECO 640 equipment. The equipment was delivered according to the planned assumptions.

- **Refinery Catalyst Change**

The activities with the objective of changing catalysts in the Petromidia Refinery in 2023 consist of replacing the following catalysts:

- 125 DHT unit delivery of regenerated catalyst, supply new guard and make-up.
- 122 DHT unit delivery of catalyst.

Preparation for 2024 Refinery General Turnaround:

- Catalyst replacement 352- Flare Gas Recovery Unit.
- Catalyst replacement 220-MHC Unit.
- Catalyst Replacement 125 DHT.
- Catalyst Replacement 120 NHT.
- Catalyst replacement 147-MTBE Unit.
- Catalyst replacement 130-Platforming Unit.
- Replacement of adsorbent from 120-V101 Guard vessel.
- Replacement of molecular sieve and ceramic balls D214 and D707 in PP unit.
- Replacement of molecular sieve and ceramic balls for dryers F211 in Steam Cracker.
- POSORB catalyst replacement for the R229 reactor in Steam Cracker.
- The procurement process was completed, and the purchase contracts was signed in 2023. The catalysts were delivered as per contracts assumptions before 2024 Refinery General Turnaround.

- **Expire authorization ISCIR for static equipment (ISCIR 2023-2024)**

Project consists in aligning to legislation requirements in terms of safety functionality of the refinery equipment.

By project implementation, the following benefits are expected:

- Running with the refinery units in safety conditions according to legislation in force, as a result of detailed verifications which will be performed during this evaluation program which will have as a result the technical evaluation of the equipment after specified years of service, as well as repair or elimination of the faults which will appear after the inspections;
- Obtaining the functioning authorization for the pressurized equipment, pipes and lifting equipment as per Technical Prescriptions.
- The project was finalized according to the planned implementation assumptions.



- **Tanks rehabilitation program**

The scope for 2024 is to rehabilitate the following tanks:

- A vacuum hydrofined distillate tank, with a capacity of 5,000 cubic meters with inspection and detail design activities started in 2023 and construction related works planned to be finalized in year 2025 (DV21 tank);
- A diesel tank with a capacity of 10,000 cubic meters with design and execution related activities planned to be performed during 2024 (C101 tank) scheduled to be until end of year 2025.

- **Replace coke drilling-cutting system in the DCU unit**

Project Scope of Work consist in design stage execution, materials purchasing and installing a new coke cut/drilling system for Delayed Coker Unit from Refinery. Project is correlated with 2024 Refinery General Turnaround.

- In 2024, following activities were performed:
 - New coke cut/drilling system delivered and replaced during Refinery General Turnaround 2024;
 - Calibration of new system, scheduled for a period of 6 months after start-up;
 - Project was finalized in November 2024.

- **Replace subassembly of reformer heater 352-H201**

The project scope of work consist in acquisition and replacement of 352-H201 reformer subassemblies (outlet subleaders – 3 pieces, catalyst tubes – 114 pieces, distributors – 3 pieces and inlet pigtails – 114 pieces, S2103 preheater, etc.), which is correlated with 2024 Refinery General Turnaround.

- In 2024, all subassemblies were delivered in Refinery and replaced during Refinery General Turnaround 2024;
- Project was finalized in May 2024.

- **Acquisition and install of 2 new Reactors -125-DHT unit**

The project scope of work consist in replacement of the actual reactors 125R1, R2 from Diesel Hydrotreater Unit with new ones, designed and manufactured in accordance with current date standards.

- In 2024, following activities were performed:
 - Mechanical, civil, electrical and instrumentation works to install new reactors and related infrastructure.
 - Commissioning and start-up with technical assistance from unit licensor



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- Project was finalized according to the plan during 2024 Refinery General Turnaround.

○ **Flue gas pipe support system expertise and replacement of the flue gas pipe N-PG-138F-030**

Project was corelated with 2024 Refinery General Turnaround, with set scope of work to replace flue gas pipe, together with lenticular expansion compensator, expecting following benefits:

- Reducing maintenance costs;
- Safe operation of the installation.

In 2024, following activities were performed:

- construction and installing activities to replace the pipeline during Refinery General Turnaround 2024;
- Project was finalized according to the plan during 2024 Refinery General Turnaround.

• **New Traveling crane with clamshell bucket**

Delayed Coker Unit is equipped with two portal cranes (big grid with lattices). These have the role of extracting the coke resulting from the production process from the evacuation basin and storing it in the drying and storage silo. This storage provides storage for approximately 15 days of operation of the Coking plant and has the role to handle the coke from the silo, to be delivered by rail or car to domestic consumers.

The project considers the replacement of the Portal Crane with clamshell bucket (double beam with brackets) M2, the project is initiated in 2023 and will be completed in 2024.

In 2024, following activities were performed:

- construction and installing activities executed during Refinery General Turnaround 2024;
- Project will be finalized in June 2024.
- Project was finalized according to the plan during 2024 Refinery General Turnaround.

• **Safety measures package for Petromidia Refinery hydrotreaters units**

Project objectives consist in development and implementation of a safety measures package for separation points between high-pressure and low-pressure sections for Refinery hydrotreaters units.

In 2024, following activities were performed:

- construction and mounting works, commissioning activities were executed during Refinery General Turnaround 2024;
- Project was finalized according to the plan during 2024 Refinery General Turnaround.

• **Safety package - phase II (sampling systems) - Up-grade sample points in Petromidia Refinery units**

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Project consist in acquisition and installing of new sampling points in Refinery units, with following activities performed during 2024:

- Acquisition of bulk materials and mechanical works related to tie-in's execution, correlated with 2024 Refinery General Turnaround.
- The installing works related current execution stage, corelated with 2024 Refinery General Turnaround, were finalized.

OTHER SIGNIFICANT PROJECTS DEVELOPED BY THE COMPANY – DOLPHIN PROJECT

In 2024, the implementation of both the initiatives developed in the previous stage and the new initiatives continued heaving four interdepartmental work teams: Energy, Continuous Improvement, Maintenance and Organizational Efficiency.

The goal of the 2024 project was established at the end of 2023 and was oriented towards the following areas: reducing utilities consumption and improving energy efficiency, increasing the refinery's utilization capacity, optimizing blends, improving product yields, reducing technological losses, for which it is estimated a \$ 8 million benefit.

All teams had one single goal:

- Increasing the operational performance of Petromidia and Vega - *maximizing refinery profitability without capital investment;*
- Developing, updating and implementing new processes / structures / systems - *implementing a modern way of working and supporting constant development;*
- Identifying new opportunities, generating continuous improvements - *evaluating and developing profitable ideas and investments for the future.*

At the end of **2024**, there were achieved **USD 11 million** benefits through the implementation of the initiatives by the project teams, which exceeded the planned amount by USD 3 million.

The benefits recorded during January - December 2024 resulted from the following directions:

- Reduction of utilities (especially steam)/energy consumption in the current market conditions where their price increase
- Optimization of valuable products (especially Jet) and increase of the production of refinery gas in order to reduce the purchase of natural gas.

STRATEGY

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

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

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

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

2025 will mark the completion and launch of the large investment project of the Group, the cogeneration plant on the Petromidia platform. The plant will secure the stable supply of electricity and steam to Petromidia refinery, with possibility to inject the surplus electricity into the national grid. The new plant will comply with the highest technological standards of energy efficiency. It is being built and will be operated by Rompetrol Energy, majority owned by the Kazakh-Romanian Energy Investment Fund, 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.

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

OUTLOOK FOR 2025

Group operations: The Rompetrol Rafinare Group will continue to further improve its operational performance and carry on the operational initiatives which were identified and put in motion since several years ago, such as: Refining planning and production optimization, energy efficiency and organizational effectiveness, Retail gas stations network development, increase of non-fuel profitability, as follows:

- ✓ Petromidia 2025 Feedstock Target performance set at 5.305 million tons, corresponding to ~15 ktons/day of operation, with +0.69 million tons above achieved level of 4.62 million tons (general turnaround activities in 2024);
- ✓ White products 2025 yield target of 86%.
- ✓ Downstream Romania sales target set at 1.84 million tons.
- ✓ Downstream Romania Non-Fuel Margin performance 2025 targeted at USD 56.8 million, +9% versus 2024.

Based on the Rompetrol Rafinare Group's budget for 2025, it's Medium-Term Development Strategy and other matters mentioned above, Group Management considers that the preparation of the financial statements on a going concern basis is appropriate.

a) *Factors of uncertainty which could affect the liquidity of the Company*

The year 2024 was impacted mainly due to the volatility of the market environment of oil and natural gas, which led to lower quotations compared to the previous year for crude oil and other feedstock, as well as for the petroleum products resulting from their processing.

Refining margins experienced a decrease during 2024, on the ground of the decrease in international quotations for petroleum products.

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. The company recorded a tax of RON 72.1 million in 2024.

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The company has made sustained efforts to maintain the capacity to hedge current liabilities from current assets, the current liquidity indicator registering a decrease in 2024 to the level of 0.46 compared to that of 2023 of 0.57.

The liquidity risk derives from the possibility that the financial sources may not be available in such a way as to meet the obligations of the company in due time. The Company management follows the liquidity level daily, as well as ensuring that its obligations towards suppliers, the state budget, local budgets, etc. are met in accordance with their maturity, with the aid of the expected cash. The coefficients of current and immediate liquidity are monitored at all times.

Among the factors that can influence the Company's liquidity in the future, are:

- Oil and gas international market volatility with impact on refinery margins;
- The potential amendments to the Romanian and/or EU legislative framework in the field of carbon gases reduction, environment protection and energy;
- The fluctuations in interest rates and exchange rates;
- The volume of maintenance and development investments;
- The taxation rates, including introduction of new taxes.

b) Capital expenses, current or anticipated on the financial situation of the company

The investment activity within 2024 year has focused, in accordance with the investment program, on the following:

- General Turnaround for the two refineries, as well as for the petrochemicals division;
- Replacing necessary catalysts;
- Detailed inspections and obtaining the functioning authorization for the pressurized equipment, pipes and lifting equipment as per Technical Prescription (ISCIR);
- Purchase and replacement of new reactors;
- Static equipment replacement within refinery;
- Implementation of facility safety measures packages;
- Tanks rehabilitation.

c) *Events, transactions and economic changes that affect revenues from the main activity*

Rompetrol Rafinare S.A. recorded a net turnover of **Lei 15,014,243,836** in 2024, this being mainly impacted by the volatility of the international oil and natural gas market environment transposed into lower quotations for oil products sold in 2024 compared to the previous year, on the ground of decreased volumes sold in 2024 compared with the ones from 2023. Also, a negative impact on the Company's net result was triggered by the general turnaround, which began on 8th March lasted for two months. In the 2024 financial year the company recorded a net loss of **Lei (470,813,809)**, due to decreased refinery margins recorded during 2024, on the ground of the decrease in international quotations for petroleum products and also due to the lack of operation of the Mild Catalytic Hydrocracking ("MHC") plant in the first quarter of 2024.

d) *Others*

1. On August 22, 2016, a technical incident took place at the Atmospheric and Vacuum Distillation (AVD) unit followed by a fire that was extinguished by the refinery staff and private and public fire services. Following the event, two employees of Rominserv S.R.L., a member company of the KMG International Group, suffered burns and two more people died. Following the completion of the criminal investigation and the administration of the technical expertise, Rompetrol Rafinare S.A., Rominserv SRL and 3 employees of the 2 companies were sent to court for: negligent failure to take measures regarding safety and health at work, culpable bodily injury, culpable homicide, accidental pollution. The Company is also a civilly responsible party in the file. At the date of issuing this report, the litigation is pending before the court.

2. On July 2, 2021, an explosion took place, followed by a fire at Petromidia refinery, Diesel hydrotreater unit. As a result of the accident, 3 company employees died and another employee suffered a hip fracture. The criminal investigations are carried out by the Prosecutor's Office attached to the Court of Constanta. The file is in the evidentiary administration stage, with the technical expertise report by the expert committee within INSEMEX being submitted, as well as the point of view of the expert appointed by the Company. At the same time, the collective work accident was investigated by the Territorial Labor Inspectorate. The Minutes of the investigation were issued in 2022.

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3. As part of the investigation carried out by the Directorate for the Investigation of Organized Crime and Terrorism ("DIICOT"), the investigation that is the subject of criminal file 279/D/P/2020, the Company received during 2021 of a series of ordinances by which it was requested to make available to the criminal investigation bodies some documents related to the works contracted for the greening of lagoon 18 of the VEGA Refinery. The Company obtained the Environmental Agreement no. 1/18.02.2015, revised on 14.01.2021, issued by the competent environmental authority for all 14 lagoons, for their greening. At the date of the preparation of the financial statements for auditing (March 2025), the Company has the status of injured party in the criminal case before the preliminary chamber, reserving the right, in relation to the evolution of the criminal case that is the subject of the criminal file 279/D/P/2020, to formulate a request for the establishment of a civil party if the case arises.

4. On May 13, 2023, an incident occurred in the Polypropylene ("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 the Constanța Court (Judecatorie). In the criminal case, the company has no quality, up to this moment a series of hearings have been held of the employees involved in the event or present at the workplace in the facility. At the same time, the work accident is investigated by the Territorial Labor Inspectorate according to the legislation on work incidents.

5. On June 21, 2023, a fire occurred in the Petromidia refinery, in the Mild Mydrocracking ("MHC") plant, with no recorded casualties. Criminal investigations are carried out by the Prosecutor's Office attached to the Constanța Court. The company, as the injured party, formulated and filed a criminal complaint for destruction. Also, at the request of both the Company and the Prosecutor's Office attached to the Constanța Court, INCD INSEMEX Petroșani has prepared and filed a technical-judicial expertise in order to establish the causes of the incident. At the same time, the incident, which falls under the category of major incidents in accordance with the legislation in force, is also being investigated by the Constanța Territorial Labor Inspectorate.

2. TANGIBLE ASSETS OF ROMPETROL RAFINARE

2.1. LOCATION AND CHARACTERISTICS OF THE MAIN PRODUCTION CAPACITIES

The company ROMPETROL RAFINARE S.A. is located about 20 km North of the Constanța County, between the Black Sea and the lake Năvodari (Tașaul), on a plot of land partly recovered from the sea and from the lake, in the vicinity of the port Midia and the Poarta Albă – Midia channel.

The **Petromidia Refinery** is the only profiled unit in Romania located at the Black Sea, and thus having a competitive advantage due to the immediate access to the sea and river transport routes, namely:

- Strategic placement in the Black Sea area, near the Constanța port - one of the biggest in the region;
- Direct access to the Danube - Black Sea Channel;
- Direct access to the Midia Port;
- Near the network of crude oil pipes;
- Own railway infrastructure system;
- Logistical facilities (Midia Marine Terminal S.R.L.) which allow for reception and delivery of the liquid products by ships, barges, rail tankers and tank wagons.

The project capacity of Petromidia Refinery, following the refining capacity expansion project from 1991 is 5.32 million tonnes raw material/year.

➤ **Infrastructure:**

The Petromidia platform has a surface of 480 hectares where more than 20 companies (also including sub-contractors from outside the Group) operate in various business areas.

The supply of crude oil and other raw materials is mainly carried out through the marine terminal located in the vicinity of the Petromidia Refinery, at a distance of about 8 km from shore and through the Midia port. As an alternative, the supply may also be made through the port of Constanța (one of the biggest in the region), through the pipe of OIL TERMINAL S.A., for a distance of approximately 40 km.



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As of 2014 the **Petrochemical sector** joined the Refinery in the Refining Business Unit. **The Petrochemical sector** is specialized in the production of polymers, with a production capacity of 80,000 tonnes /year of polypropylene, 60,000 tonnes/year of high-density polyethylene and 60,000 tonnes/year of low density polyethylene. It is the sole national producer on this market segment. It delivers on both internal and external markets (the Black Sea and the Mediterranean regions, Central and Eastern Europe).

Strategically located on the Black Sea coast, the Petrochemistry section includes a maritime terminal for the unloading of ethylene, cryogenic ethylene and propylene storage tanks, and various solutions for delivery to ships, rail wagons or trucks.

As of December 2007, the **VEGA Refinery** was transformed into a production tax warehouse for Rompetrol Rafinare SA.

The VEGA Refinery is located on the national road DN 1A, at a distance of approximately 60 km from Bucharest, the capital of Romania, near the European road E 60, with access to both the road and the railway network.

The Vega Refinery is located in the northern part of Ploiești city, about 1 km from the Ploiești North railway station, with which it is directly connected.

The Vega Refinery is currently operating the following facilities: Vacuum distillation, Bitumen, Hexane, Rectification, Dezaromatization Unit, AFP Unit. Auto platforms and railways related to AFP Unit are operated by Midia Marine Terminal S.R.L.

Currently, the raw materials are brought in the refinery in railway reservoirs from the Petromidia Refinery and are discharged through raw material-specific railway platforms. From the specially prepared platforms, the raw material is pumped through the pipes towards the storage reservoirs of the AFP area, where they are taken up by each plant separately.

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The Refinery has a fleet of reservoirs of raw material and finished products, auto platforms and the railway platform for the delivery of petroleum products. At the moment, the supplies of petroleum products from the Vega Refinery are made in both rail wagons cars and trucks.

2.2. THE DEPRECIATION DEGREE OF THE ASSETS

At the end of 2024, the accumulated depreciation of the tangible non-current assets (expressed in RON) is as follows:

Depreciation of tangible non-current assets	Balance on 01.01.2024	Balance on 31.12.2024
Lands-(developments)	-	6,107,665
Constructions	-	140,018,006
Technical equipment and machinery	-	320,045,500
Other facilities, equipment and furniture	-	978,773
Total	-	467,149,944

Note: On 31.12.2023, the accumulated depreciation in the amount of RON 933,147,024 was cancelled at the date of revaluation of the property, plant and equipment in relation to their gross book value as part of the process of recording the results of the revaluation in the company's accounts.

By Decision no. 3 of the Board of Directors dated May 15, 2018, it was approved the proposal of the Executive Management and for the period 2018 - 2026, a new schedule of General Turnarounds and Planned Shutdowns was approved, in the sense of reducing the cycle of 5 years between two General Turnarounds to the cycle of 4 years and for establishing a Planned Shutdown every 2 year, between General Turnarounds.

2.3. POTENTIAL ISSUES RELATED TO THE OWNERSHIP RIGHT REGARDING THE TANGIBLE ASSETS OF ROMPETROL RAFINARE S.A.

1. On September 10, 2010, The Fiscal Administration (ANAF) issued a decision to establish the precautionary seizure on all the shares held by Rompetrol Rafinare in its affiliated companies, as well as on the movable and immovable assets of Rompetrol Rafinare, except for the stocks.

On June 15, 2021, Rompetrol Rafinare S.A. filed with the Court of Appeal of Constanta a request to oblige ANAF - General Directorate for the Administration of Large Taxpayers to issue (i) the decision to lift the precautionary seizure instituted on the assets of the plaintiff ROMPETROL RAFINARE S.A. by the Decision establishing precautionary measures no. 1059301/10.09.2010 and (ii) the decision to revoke the Enforceable Title no. 8993/17.11.2010.

On December 21, 2021, the court admitted the request made by Rompetrol Rafinare S.A., but, against this decision, ANAF filed an appeal that was admitted on May 25, 2023 by the High Court of Cassation and Justice, and the case was sent for retrial to the Court of Appeal, so that the Ministry of Finance could also be introduced into the case.

The request made by Rompetrol Rafinare S.A. was retrial resettled in the first instance, the Court of Appeal of Constanta admitting it and ordering the National Agency for Fiscal Administration - General Directorate for the Administration of Large Taxpayers to issue the decision to lift the precautionary seizure. The solution pronounced issued in the retrial by the first court was appealed by the National Agency for Fiscal Administration - General Directorate for the Administration of Large Taxpayers, being granted a deadline for solving the appeal on January 31, 2025, when the Supreme Court rejected the appeals and confirmed the first court resolution by which ANAF should issue a decision to cancel the enforcement order and lift the precautionary seizure. On 3 March 2025 ANAF started the appropriate formalities to lift the seizure from refinery installations and further Management will assess the potential implications derived from this as stated in the Memorandum of Understanding concluded with the Romanian State.

At the date of formulation of this document, we can report that ANAF's appeal has been rejected, so that, definitively, the National Agency for Fiscal Administration-General Directorate for the Administration of Large Taxpayers is obliged to issue the Decision to lift the precautionary seizure of the assets of the company Rompetrol Rafinare SA. We point out that the National Agency for Fiscal Administration already started the needed formalities in this respect.

2. Marway Fertilchim SRL, company later named Novifert SRL, filed the following actions in court with Rompetrol Rafinare S.A.:

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A boundary action pending before the Court of Constanta, regarding the establishment of the boundary line that separates the secondary headquarters of Rompetrol Rafinare S.A. in Navodari from the building belonging to the company Novifert SRL, with an area of 51,873 sqm, identified with cadastral number 103053 and the obligation of Rompetrol Rafinare to leave in full ownership and possession the land area that will result from the measurements as belonging to Novifert. The action is pending on the date of formulation of these clarifications, the next settlement deadline being in April 25, 2025. The risk of a final solution, issued by the court, unfavorable to Rompetrol Rafinare SA, does not imply a significant exposure for it and does not impact the company's activity.

Novifert S.R.L. has filed a new lawsuit before the Court of Constanta, in contradiction with Rompetrol Rafinare S.A., requesting the obligation of Rompetrol Rafinare S.A. to reposition and repair the pipeline system owned by Novifert disused by Rompetrol. The case is being resolved at the date of formulation of these clarifications. The risk of a final solution, issued by the court, unfavorable to Rompetrol Rafinare SA, does not imply a significant exposure for it and does not impact the company's activity.

Also, during 2020, the company Novifert SRL filed an action with the Court of Constanta to establish a right of easement for car and pedestrian passage on a plot of land with an area of 8,844 sqm, with CF number 101506, in the locality of Navodari, so that the Novifert company has access from its property to the public road. The action is being resolved, the case will continue to be judged in 2025. The risk of a final solution, issued by the court, unfavorable to Rompetrol Rafinare SA, does not imply a significant exposure for it and does not impact the company's activity.

3. The land related to the Fuel Distribution Station located in Constanta, Primăverii Street corner with Soveja Street, is in the private domain of the State, in relation to which the Company acquired a right of use under a joint venture agreement, concluded in 2000, between the Constanta Territorial Administrative Unit, through the mayor and the company Rompetrol Rafinare S.A., having the name, in that period, Petromidia S.A. During 2024, Rompetrol Rafinare SA requested the UAT Constanta through the mayor to carry out the necessary formalities for the signing of a surface contract, by the same parties, for the 400 sqm land on which the fuel distribution station is built, instead of the association contract whose validity period had expired. During this year (2025), the UAT Constanta informed us that the superficies contract will no longer be concluded and asked Rompetrol Rafinare SA to start the demolition procedure of the fuel distribution station. Subsequently, following the discussions held at the level of the local administration, it expressed its intention to find solutions for maintaining the Fuel Distribution Station on the current location, meaning that it was agreed to initiate the steps for solving the urban problem. After solving this issue, the procedure for the completion of the superficies agreement on the land related to the station will be initiated.

3. SECURITIES ISSUED BY THE COMPANY

3.1. MARKETS IN ROMANIA AND IN OTHER COUNTRIES WHERE SECURITIES ISSUED BY THE COMPANY ARE TRADED

Starting April 7, 2004, the Company's shares are traded on the regulated market administered by the Bucharest Stock Exchange S.A. (BVB) under the issuing symbol RRC and ISIN code ROPTRMACNOR5.

Rompetrol Rafinare shares are traded in the Standard category of the Bucharest Stock Exchange. On 31.12.2024, the total number of shares issued by Rompetrol Rafinare is 26,559,205,726, representing a total value of the share capital of 2,655,920,572.60 Lei. The Company's shares are common, registered, issued in dematerialized form, the records of which are kept by DEPOZITARUL CENTRAL S.A. Bucharest, as an independent register, authorized by the Financial Supervisory Authority.

3.1.1. RRC ACTIVITY ON BVB

The activity carried out by RRC in 2024, as an issuer of securities on the capital market in Romania, is presented as follows:

- ❖ In 2024, there were a total of 2,627 transactions with RRC shares, with an average daily number of approx. 11 transactions, compared to 2023 with a total of 1,743 transactions with RRC shares;
- ❖ The total volume of RRC shares traded in 2024 was 23,629,179 shares (approx. 71% more than in 2023 when a total volume of 13,827,615 shares was recorded);
- ❖ The total value of transactions in 2024 with RRC shares was 1,762,057 Lei (approx. 55% more than in 2023 when a total value of transactions of 1,137,610 Lei was recorded);
- ❖ The price of a share during 2024 was between a maximum value of 0.085⁴ Lei and a minimum of 0.061 Lei⁵, decreasing compared to the values recorded in 2023 when the maximum value was 0.089 Lei and the minimum value was 0.076 Lei.
- ❖ The RRC transactions in 2024 were concluded only on the REGS market;

⁴ Registered on January 9, 2024

⁵ Registered on December 3, 2024



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- ❖ Stock market capitalization⁶ on the last trading day of 2022, 2023 and 2024 is presented in the table below. The stock market capitalization on the last trading day of 2024 was at the value at 1,792,75 million Lei, decreasing from 2,230.97 Lei at the end of 2023.

Acțiunile Rompetrol Rafinare	2022	2023	2024
Număr de acțiuni	26.559.205.726	26.559.205.726	26.559.205.726
Capitalizare bursieră, mil. Lei ⁷	2.124,74	2.230,97	1.792,75
Capitalizare bursieră, mil. Euro ⁸	429,60	448,47	360.25
Preț la sfârșitul anului, Lei	0,080	0,084	0,0695

The weighted average price (WAP)⁹ of RRC shares during 2024 = 0.0746 Lei/share, taking into account the transactions made at the Bucharest Stock Exchange on the main market of the regulated market (REGS).

ROMPETROL RAFINARE SHAREHOLDERS

During the analyzed period, there were no changes that could influence the value of the Company's share capital.

On December 31, 2024, the share capital of Rompetrol Rafinare S.A. had a value of **2,655,920,572.60 lei**, representing **26,559,205,726 shares**, with a nominal value of **0.10 lei** each.

⁶ Capitalization represents the total market value of the Company (number of shares * market price of the share)

⁷ Calculated based on the share price on the last trading day of the year under review, namely December 30, 2024, December 29, 2023 and December 30, 2022

⁸ Calculated at the EURO exchange rate (4.9764 lei) applicable in the last trading session of the year under review, namely December 30, 2024

⁹ Calculated as a ratio between Total Value traded and Total volume traded.

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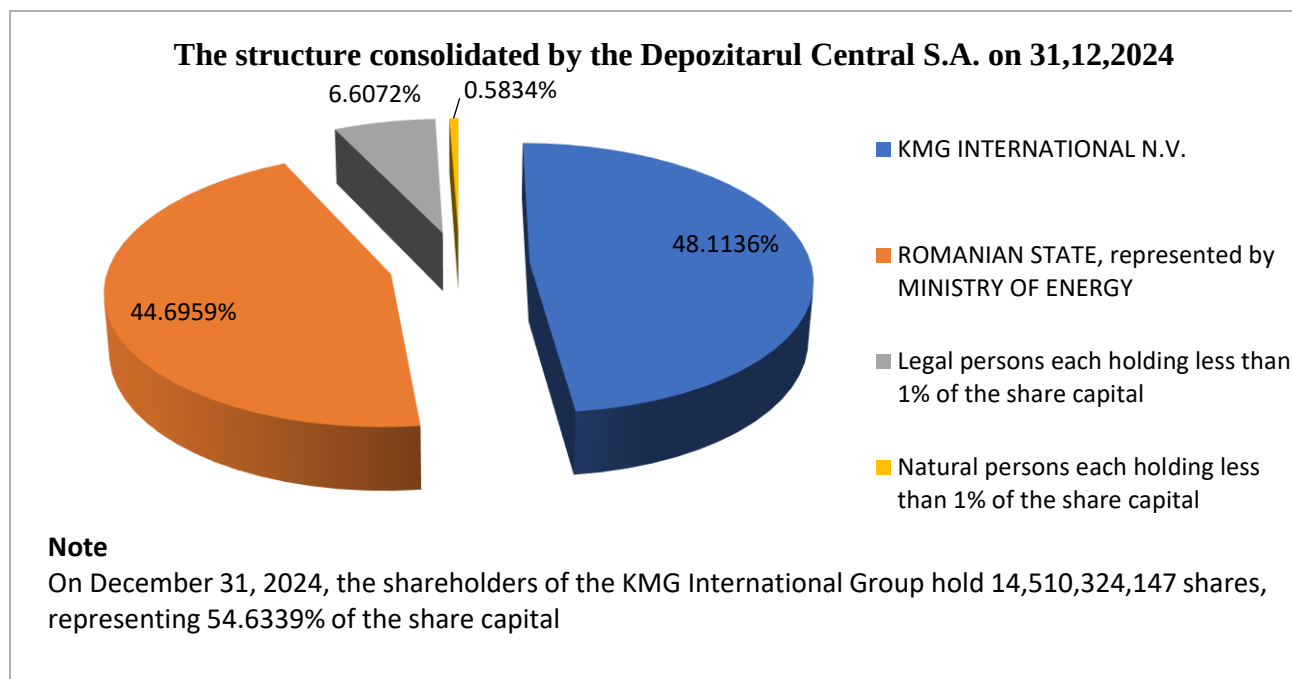


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According to the **Shareholders' Register with the consolidation date of December 31, 2024**, made available by the Central Depository, the structure of the Company's significant shareholders is presented in the table and graph below:

Name of holder of financial instruments on 31.12.2024	Number of holdings (shares) on 31.12.202
KMG INTERNATIONAL N.V.	12,778,577,732
ROMANIAN STATE, represented through THE MINISTRY OF ENERGY	11,870,877,580
Legal Entities that individually own less than 10% of the share capital	1,754,810,682
Individuals who individually own less than 1% of the share capital	154,939,732
TOTAL	26,559,205,726



Source: Depozitarul Central, Rompetrol Rafinare S.A.

At the end of 2024, the Depozitarul Central recorded a total number of 19,070 holders of financial instruments (shares) issued by Rompetrol Rafinare, of which 19,008 were residents and 62 were non-residents.

Of the total number of holders, 19,010 were natural persons and the rest legal persons (60).

As for the resident holders, 18,953 were natural persons and 55 legal persons, and the non-resident holders were 57 natural persons and 5 legal persons.

3.1.2. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Investor Communication and Relations activity is carried out in accordance with the legal provisions in force contained in Law no. 31/1990 republished, with up-to-date amendments and additions, Law no. 24/2017 regarding issuers of financial instruments and market operations, republished, Regulation no. 5/2018 regarding issuers of financial instruments and market operations, the Code of the Bucharest Stock Exchange and the Code of the Depozitarul Central as well as other regulations of the Financial Supervisory Authority.

At internal level, the aim is to communicate information of financial, legislative, corporate governance and social responsibility nature to investors and shareholders (mandatory requirement of a company listed on the stock exchange or following a request from shareholders, investors or other third parties interested in the evolution of the Company). The major goal is the establishment of trust-based relationships between the company and investors, shareholders, which reflect the company's fundamental values, timely and transparent provision to shareholders/investors of financial information, about investments, various projects, so that the decision to invest is based on correct and relevant data.

Communication actions with shareholders and investors in 2024:

- ❖ The prompt submission of information at the requests of shareholders/potential investors;
- ❖ Organization of General Meetings of Shareholders and other actions related to guaranteeing the rights of shareholders.
- ❖ Collecting information, drawing up current reports, submitting them to the competent authorities (Bucharest Stock Exchange (BSE) and the Financial Supervisory Authority (FSA)) and publishing them on the Company's website in compliance with the deadlines imposed by the legislation in force;
- ❖ Constant updating of information on the RRC website to improve access to relevant information for shareholders and investors.

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To ensure a high level of transparency, all Rompetrol Rafinare reports, releases and important information for shareholders, analysts and investors are promptly disseminated on the BVB website, transmitted to the FSA, and uploaded to the Company's website, in the Investor Relations section.

3.2. DIVIDENDS

On December 31, 2022, ROMPETROL RAFINARE recorded a **net profit of 666,277,159 lei**, proposed by the Board of Directors of Rompetrol Rafinare to be distributed as follows:

- *Legal reserve* **62,195,597 Lei**
- *Covering the accounting loss from previous years* **604,081,562 Lei**

On December 31, 2023, ROMPETROL RAFINARE recorded a **net loss of (550,355,167) lei**, due to which the Company could not grant dividends to shareholders for the financial year 2023.

On December 31, 2024, ROMPETROL RAFINARE recorded a **net loss of (470,813,809) lei**, due to which the Company could not grant dividends to shareholders for the financial year 2024.

If Rompetrol Rafinare will register a profit in the following financial years, it can register and pay distributed dividends from the net profit, only after the approval of the annual financial statements by the General Meeting of Shareholders and the proposal for the distribution of the profit.

Information regarding Dividends and the annual distribution of dividends (if applicable) or other benefits to shareholders, will be proposed by the Company's Executive Management (General Manager and Economic Director) and adopted by the Board of Directors.

The profit distribution proposal (when applicable) will be subject to approval during the Annual Ordinary General Meeting of Shareholders. The Company will publish the principles of the annual dividend distribution policy (when the Company registers this indicator) on the RRC website, in the Investor Relations section/ Shares and shareholders subsection / Information about shares/Dividends.

The information regarding the payment of dividends (if it will be possible to calculate and grant them after the approval of the annual financial statements and the proposal for the distribution of the net profit), the way in which the payment will be made, as well as the dates on which the dividend payment will be prescribed (when applicable) will be published on the RRC website.



3.3. OWN ACTIONS

At the end of 2024, ROMPETROL RAFINARE held a total number of 3,698,582 own shares, with a nominal value of 0.10 lei each, for a total value of 369,858.2 lei, representing 0.01393% of the issued share capital.

From the total of 3,698,582 shares registered in the Company's account on 31.12.2024, a number of 4,733 shares resulted from the registration of the reduction of the share capital on December 8, 2021, in proportion to the shareholders' participation quota on the registration date of December 7, 2021, and of the rounding down method used for the above-mentioned operation, approved by EGMS Resolution no. 7/2021 as of August 6, 2021.

During the financial year, ended on December 31, 2024, the Company did not trade (bought or sold) its own shares.

In 2024, Rompetrol Rafinare S.A. it did not redeem or cancel its own shares.

3.4. THE NUMBER AND NOMINAL VALUE OF THE SHARES ISSUED BY THE PARENT COMPANY, HELD BY THE SUBSIDIARIES

In 2024, the company's subsidiaries did not hold shares issued by Rompetrol Rafinare S.A.

3.5. OTHER INFORMATION

Changes in the management of the Company - the Board of Directors

In 2024, the following changes took place at the Board of Directors level:

- **April 26, 2024:** By Decision No. 2/2024 taken by the Ordinary General Meeting of Shareholders, following the expiry of the terms of office of the provisional directors appointed according to the Decision of the Board of Directors of July 24, 2023 and Decision No. 1 of the Board of Directors of September 25, 2023, the election of Ms. Tamila Mikulich, Mr. Constantin Saragea and Mr. Pavel Romanenko as permanent members of the Board of Directors for a term of office as from April 26, 2024 (the date of the OGMS) to April 30, 2026 (the date of expiry of the term of office of the other permanent members of the Board of Directors) was approved. On April 25, 2024, the terms of office as provisional directors of the following persons expired: Ms. Tamila Mikulich and Mr. Constantin Saragea appointed by the Decision of the Board of Directors of July 24, 2023, and Mrs. Zhamilya Meshitbay appointed by the Decision No. 1 of the Board of Directors of September 25, 2023, respectively.

The abovementioned approvals taken by the shareholders at the meeting held on April 26, 2024, were reported to the capital market institutions as well as to the shareholders and investors through Current Report No. 2755/April 29, 2024.

Through Current Report No. 2755 published on April 29, 2024, the Company has informed the shareholders and investors about the above-mentioned Decisions adopted at the OGMS held on April 26, 2024, including Decision No. 2/2024 regarding the changes in the composition of the Board of Directors as of April 26, 2024.

- **October 15, 2024:** through Current Report No. 6180 published on October 15, 2024, the Company informed shareholders and investors about the **Decisions of the Board of Directors of October 14, 2024**, regarding changes in the Board of Directors and the Strategy Committee, namely, the appointment of Mr. Sergey Khegay as provisional director and Chairman of the Board of Directors, following the resignation of Mr. Batyrzhan Tergeussizov from the mandate as member and Chairman of the Board of Directors starting with October 14, 2024 (last day of mandate).

According to the provisions of Article 137² of the Companies Law No. 31/1990, republished, as amended, and Article 14.6 of the Articles of Association of Rompetrol Rafinare SA, upon the proposal of the members of the Board of Directors, Mr. Sergey Khegay was appointed as a provisional member of the Board of Directors, as from October 15, 2024, until the next

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Ordinary General Meeting of the Company's Shareholders which will debate on the confirmation of the mandate of the provisional director or the election of another director.

According to Article 140¹ para. 1 of the Companies Law No. 31/1990, republished, as amended, and Article 14.1 of the Articles of Association of Rompetrol Rafinare S.A., Mr. Sergey Khegay was appointed Chairman of the Board of Directors of the Company, effective as from October 15, 2024.

At the same time, the Board of Directors approved the appointment of Mr. Sergey Khegay as a member of the Strategy Committee of Rompetrol Rafinare S.A., for a term of office starting October 15, 2024. At the same meeting, the Board of Directors approved the appointment of Mr. Pavel Romanenko as a member of the Strategy Committee of Rompetrol Rafinare S.A., for a term of office from October 15, 2024, to April 30, 2026 (end date of the current term of office of the Company's directors).

As a result, in 2024, the composition of the Board of Directors changed as follows:

From January 1, 2024, to April 25, 2024, the Board of Directors consisted of seven directors, as follows:

- **Batyrzhan Tergeussizov**, citizen of Kazakhstan, Chairman of the Board of Directors
- **Adrian Tohănean**, Romanian citizen, member of the Management Board
- **Nicolae Bogdan Codruț Stănescu**, Romanian citizen, member of the Management Board
- **Bogdan-Cătălin Steriopol**, Romanian citizen, member of the Management Board
- **Tamila Mikulich**, citizen of Ukraine, provisional member of the Management Board
- **Constantin Saragea**, Romanian citizen, provisional member of the Management Board
- **Zhamilya Meshitbay**, citizen of Kazakhstan, provisional member of the Management Board

From April 26 to October 14, 2024, the Board of Directors consisted of seven directors, as follows:

- **Batyrzhan Tergeussizov**, citizen of Kazakhstan, Chairman of the Board of Directors
- **Adrian Tohănean**, Romanian citizen, member of the Management Board
- **Nicolae Bogdan Codruț Stănescu**, Romanian citizen, member of the Management Board
- **Bogdan-Cătălin Steriopol**, Romanian citizen, member of the Management Board
- **Tamila Mikulich**, citizen of Ukraine, member of the Management Board
- **Constantin Saragea**, Romanian citizen, member of the Management Board
- **Pavel Romanenko**, citizen of Kazakhstan, member of the Management Board.

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From October 15, 2024, the Board of Directors consisted of seven non-executive members, as follows:

- **Sergey Khegay**, citizen of Kazakhstan, provisional member and Chairman of the Board of Directors
- **Adrian Tohănean**, Romanian citizen, member of the Management Board
- **Nicolae Bogdan Codruț Stănescu**, Romanian citizen, member of the Management Board
- **Bogdan-Cătălin Steriopol**, Romanian citizen, member of the Management Board
- **Tamila Mikulich**, citizen of Ukraine, member of the Management Board
- **Constantin Saragea**, Romanian citizen, member of the Management Board
- **Pavel Romanenko**, citizen of Kazakhstan, member of the Management Board

Changes in the Company management – Executive Directors

In 2024, the following changes in Executive Management took place:

General Manager

September 10, 2024: by this Current Report 5449 published on September 11, 2024, RRC informed the shareholders and investors about Decision No. 1 of the Board of Directors of September 10, 2024, regarding the extension of the term of office of the General Manager of Rompetrol Rafinare S.A., Mr. Florian-Daniel POP, for one (1) year, i.e. from October 1, 2024, to September 30, 2025 (last day of term of office). Mr. Florian-Daniel POP served as General Manager from September 30, 2023, to September 30, 2024.

Financial Manager

February 27, 2024: Through Current Report No. 1193 published on February 28, 2024, the Company informed the shareholders and investors about Decision No. 2 of the Board of Directors of February 27, 2024, regarding the appointment of the Financial Manager of Rompetrol Rafinare SA, namely Mr. **Alexandru Stavarache**, for a term of office from March 1, 2024, to April 30, 2026 (the date of expiration of the terms of office of the members of the Board of Directors who made this appointment). Mr. Alexandru Stavarache served provisionally as Financial Manager from December 1, 2023, to February 29, 2024.

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4. INDIVIDUAL FINANCIAL STATEMENT AS AT 31.12.2024

The individual financial statements are attached. Extracts containing the main elements are presented below.

a) *THE INDIVIDUAL FINANCIAL POSITION STATEMENT*

THE SITUATION OF THE MAIN INDICATORS DURING THE PERIOD
31.12.2022 to 31.12.2024

	2024		2023		2022	
	Lei	%	Lei	%	Lei	%
Intangible assets	69,802,263	1%	111,338,667	1%	13,497,269	0%
Goodwill	152,720	0%	152,720	0%	152,720	0%
Tangible assets	2,982,313,211	30%	2,775,931,136	27%	4,163,154,164	40%
Rights of use assets	47,814,036	0%	50,440,933	0%	53,769,901	1%
Investments in subsidiaries	3,741,084,832	37%	3,531,898,492	35%	3,170,968,557	31%
Deferred tax asset	64,440,282	1%	21,533,586	0%	-	0%
Long-term receivables	27,754,000	0%	41,254,000	0%	-	0%
Total non-current assets	6,933,361,344	69%	6,532,549,534	63%	7,401,542,611	72%
Inventories, net	1,352,193,135	14%	1,411,718,964	14%	1,226,387,029	12%
Debts and expenses	1,315,421,500	13%	1,719,861,179	17%	1,676,716,096	16%
Derivatives	-	0%	-	0%	11,856,741	0%
Cash at bank and in hand	401,448,104	4%	613,521,713	6%	23,243,490	0%
Total current assets	3,069,062,739	31%	3,745,101,856	37%	2,938,203,356	28%
TOTAL ASSETS	10,002,424,083	100%	10,277,651,390	100%	10,339,745,967	100%



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	2024		2023		2022	
	Lei	%	Lei	%	Lei	%
Subscribed Share Capital	2,655,920,573	27%	2,655,920,573	26%	2,655,920,573	26%
Premium related to capital	232,637,107	2%	232,637,107	2%	232,637,107	2%
Revaluation reserve, net of deferred tax impact	508,991,799	5%	648,509,953	6%	1,205,293,893	12%
Other reserves	3,466,473,085	35%	3,474,407,165	34%	3,467,988,066	34%
Reported loss	(4,909,342,958)	-49%	(4,498,505,945)	-44%	(5,308,123,759)	-51%
Result of the current financial year	(470,813,809)	-5%	(550,355,167)	-5%	666,277,159	6%
Total Equity	1,483,865,797	15%	1,962,613,686	19%	2,919,993,039	28%
Long-term loans from banks	1,317,919,120	13%	1,195,433,220	12%	-	0%
Provisions	501,826,097	5%	499,613,187	5%	518,326,405	5%
Long-term lease debts	50,193,790	1%	52,429,915	0%	54,700,998	1%
Deferred tax liability	-	0%	-	0%	214,628,629	2%
Total non-current liabilities	1,869,939,007	19%	1,747,476,322	17%	787,656,032	8%
Trade and other payables	6,168,801,187	62%	5,956,570,269	58%	5,648,166,879	55%
Contract liabilities	210,990,531	2%	274,823,341	3%	98,232,193	1%
Short-term lease debts	2,855,664	0%	2,693,673	0%	2,859,828	0%
Derivatives	16,188,271	0%	-	0%	21,584,319	0%
Short-term borrowings from related parties	30,820,089	0%	-	0%	-	0%
Short term bank loans	218,963,537	2%	192,674,641	2%	283,618,888	3%
Income tax payable	-	0%	140,799,458	1%	577,634,789	6%
Total current liabilities	6,648,619,279	66%	6,567,561,382	64%	6,632,096,896	64%
TOTAL LIABILITIES AND EQUITY	10,002,424,083	100%	10,277,651,390	100%	10,339,745,967	100%

- i) Within the assets, an important share (30%) it represents the **tangible non-current assets** – lands, buildings, technical equipment, construction in progress. At the end of 2024, these reached the value of Lei 2,982,313,211, higher by 7% than that recorded in 2023, respectively lower 28% than that recorded in 2022 especially influenced by the following factors:
- continuation of the new investments;



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- depreciation and impairment of fixed assets;
 - the results of the valuations process of tangible non-current assets as of 31.12.2023 according to the accounting policy adopted by the Company on the recognition and measurement of all tangible non-current assets, from the cost model to the fair value model starting with the financial year ended on 31.12.2021.
- ii) Within the **Investments in subsidiaries** (37%), the entire value (Lei 3,741,084,832) is represented by shares held in the affiliated entities. Their value was revalued at 31.12.2024 as a result of the change in accounting policy regarding the recognition of the Company's financial investments from the cost method to the fair value method starting with the financial year ended on 31.12.2021.
- iii) **Receivables and prepayments** (13%) are lower than those booked at 31.12.2023 by 24%.
- iv) **Share capital** (27%) registers a value similar to that at the end of 2023.
- v) **Equity** registered the value of Lei 1,483,865,797, reaching a level with 24% lower than the value on 31.12.2023 and 49% than the equity at the end of 2022. The reduction in the level of equity is mainly due to the negative result recorded in 2024 (loss of RON 471 million).
- vi) **Trade and other payables** at the end of 2024 register an increase of 4% compared to their value recorded on 31.12.2023 and 9% compared to the end of 2022.
- vii) With regard to **short-term loans (from banks)** their level reached at the end of 2024 a total value of Lei 249,783,626, up by 30% compared to the end of 2023. Compared to the end of 2022, they decreased by 12%.
- viii) With regard to **long-term loans (from banks)** the level at the end of 2024 is in total value of Lei 1,317,919,120 (up 10% compared to the level recorded at the end of 2023), represented by the utilization of the new loan agreement of up to USD 600 million revolving facility (with maturity April 2026).

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b) THE PROFIT AND LOSS ACCOUNT

Lei

Continuous activities	2024	2023	2022
Net Turnover	15,014,243,836	17,120,703,327	23,026,777,606
Gross incomes from the sales of petroleum finished goods	19,495,441,462	21,232,017,845	27,262,684,386
Income from sales of goods	80,111,597	2,047,197	43,815,508
Income from sales of utilities	21,501,822	27,445,317	17,256,728
Income from sales of other products	564,060	392,531	492,997
Income from rents and other services	18,285,348	17,482,320	17,272,901
Gross turnover	19,615,904,288	21,279,385,210	27,341,522,521
Minus sales associated taxes	(4,601,660,452)	(4,158,681,883)	(4,314,744,915)
Total	15,014,243,836	17,120,703,327	23,026,777,606
Cost of sold production	(14,413,354,318)	(16,688,163,711)	(21,069,220,156)
of which:			
Crude oil and other raw materials	13,098,926,105	14,940,352,794	18,050,794,740
Utilities	673,206,936	919,008,059	1,003,551,251
Gross Profit	600,889,518	432,539,616	1,957,557,450
Distribution and general administrative expenses	(500,979,963)	(423,197,026)	(446,821,707)
Other operational incomes/(expenses)	(65,376,559)	(668,830,546)	(184,607,583)
Operational Profit / (Loss)	34,532,996	(659,487,956)	1,326,128,160
Financial expenses	(539,245,395)	(460,970,175)	(383,275,538)
Financial income	323,057,464	458,110,750	582,374,723
Net (Losses)/ gains on exchange rate difference	(332,065,569)	124,797,627	(323,129,338)
Gross Profit / (Loss) before taxation	(513,720,504)	(537,549,754)	1,202,098,007
Income tax	42,906,695	(12,805,413)	(535,820,848)
Exercise Profit / (Loss)	(470,813,809)	(550,355,167)	666,277,159

- i. **The net turnover** registered in 2024 was lower by 12% compared to 2023, respectively 35% compared to 2022. The turnover in 2024 was mainly impacted by the volatility of the environment by the international oil and natural gas market transposed into lower quotations for oil products sold compared to the previous year and compared to 2022, on the background of a lower volume of sales.

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- ii. In respect of the **cost of production sold**, it registers a decrease of approximately 14% compared to 2023 and of 32% compared to the value recorded in 2022. The variations of 2024 compared to 2023 and 2022 were mainly determined by the volatility of the international oil and natural gas market environment, which generated decreased quotations during 2024 compared to 2023 and 2022, on the background of lower level of processed raw materials.
- iii. At 31.12.2024, Rompetrol Rafinare S.A. recorded an **operational profit of Lei 34,532,996**, compared to the negative result recorded in 2023 in the amount of Lei (659,487,956), and to the positive result recorded in 2022 in the amount of Lei 1,326,128,160.
The positive operating result in 2024 is recorded on the background of increased gross profit margins translated into RON compared to those recorded in 2023 and unaffected by other exceptional operating expenses as recorded in 2023 due to the revaluation process of tangible assets. According to the accounting policy adopted by the Company starting with the financial period completed at 31.12.2021, Rompetrol Rafinare SA performed the valuation process of property, plant and equipment as of 31.12.2023. Considering this, a net loss from revaluation was recorded in amount of RON 687 million, being related to items for which the revalued amount was lower than the carrying amount and no previous revaluation reserve was recorded or revaluation reserve previously recorded was lower. Therefore, the result of the revaluation has a significant impact on the operating result of the Company in 2023.
- iv. **Financial expenditures** registered an increase of 17% in 2024 compared to 2023 and by 41% respectively compared to the level recorded in 2022. It is worth mentioning that, at the end of 2024, the company recorded loss from exchange rate differences in the amount of Lei (332,065,569), compared to the gains recorded in 2023 in the amount of Lei 124,797,627 and Lei (323,129,338) loss recorded in 2022. The unfavourable exchange rate differences recorded at the end of 2024 are due to the depreciation of the national currency against USD in 2024. Thus, if at the end of 2023 1 USD = 4.4958 lei, at 31.12.2024, 1 USD was equal to 4.7768 lei.
In 2024 the Company registered **financial revenues** in the amount of RON 323 million with 29% lower than those recorded during 2023 in the amount of RON 458 mil. and 45% lower than those of 2022 in the amount of RON 582 mil. The financial revenues from 2024 are mainly due to the recognition of revenues in the amount of RON 276 million from the revaluation of investments in subsidiaries as a result of the change in the accounting policy regarding the recognition of the Company's financial investments from the cost method to the fair value method starting with the financial year ended 31.12.2021.

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The net effect (revenues less expenses) of recognizing investments in subsidiaries at fair value starting with the financial year ended on 31.12.2021 as a result of the change in accounting policy is: gain of RON 209 mil. in 2024, gain of RON 361 mil. in 2023; gain of RON 538 mil. in 2022.

- v. In respect of the **final result of the financial exercise** concluded on 31.12.2024, **the Company recorded a net loss in amount of Lei (470,813,809)**, this being influenced by the volatility of the international oil and natural gas market environment translated into lower prices for purchased and processed raw materials as well as lower prices for petroleum products sold, on the background of lower volumes of production and sales of petroleum products carried out in 2024 compared to 2023.

A significant impact on the net result of the year 2024 is represented by the negative result recorded from exchange rate differences in the amount of (332,065,569) lei as a result of the depreciation of the national currency against the USD during 2024.

The negative net result in 2024 was also influenced by the recognition by the Company of a turnover tax in the amount of 72.1 million RON (specific turnover tax introduced in 2024 for legal entities carrying out activities in the oil and natural gas sectors and which registered a turnover of over EUR 50 million in the previous year).

A positive impact in net result of the period ended at 31.12.2024 is coming from the recognition of a revenue from deferred income tax in the amount of Lei 42 million.

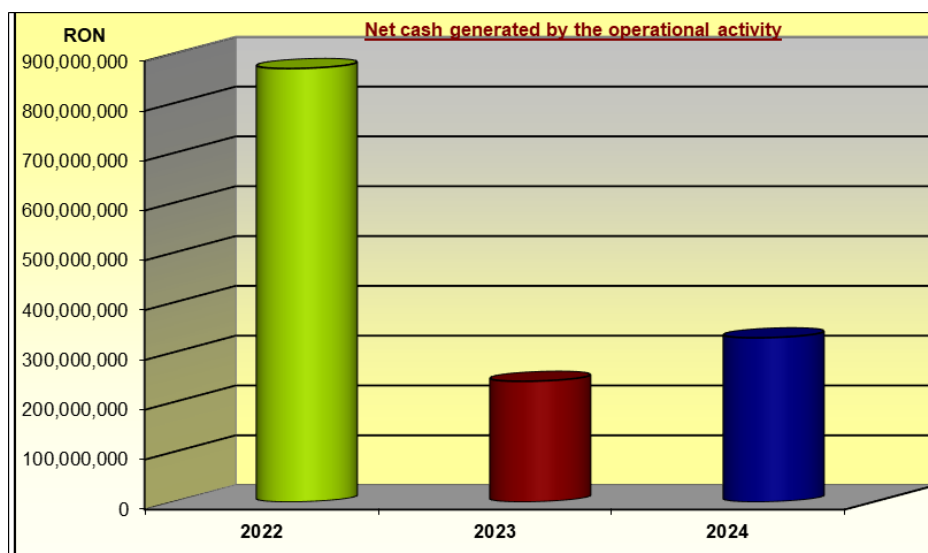
c) CASH FLOW STATEMENT

Cash flows from operating activity during 2024 were influenced by the production and sales activities, the Company recording decreased net refining margins compared to 2023, on the ground of the decrease in international quotations in raw materials purchased and petroleum products sold, on the background of lower volumes of raw materials purchased and processed and petroleum products sold in 2024 compared to those recorded in 2023. The lower production and sales volumes were also impacted by the planned shutdown for turnaround activity starting with 8th of March 2024 and finalized in May 2024 and due to a lower throughput of 10.67 kt/day considering operation of Petromidia refinery without Mild Hydrotreater (MHC unit) in Q1 2024.

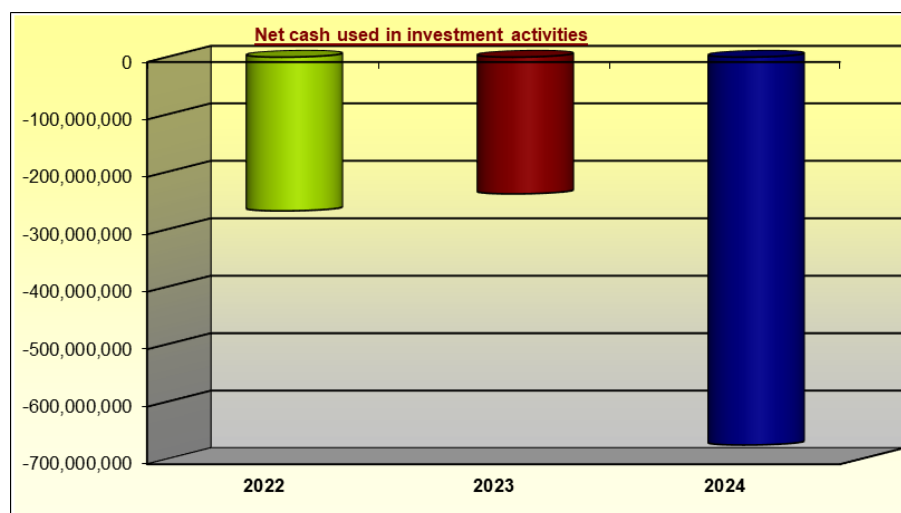


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Net Cash flows from operating activities were significantly impacted by the solidarity contribution in amount of 141 million due for 2023 and paid to the State Budget in 2024.



Major investment projects in 2024 concerned works related to the General Turnaround of the refineries and Company's petrochemicals division, the authorization / reauthorization of equipment from the point of view of ISCIR, the projects of replacement catalysts, the project of acquisition and replacement of new reactors, static refinery equipment replacement projects, implementation of facility safety measures packages, tank rehabilitation and other projects.



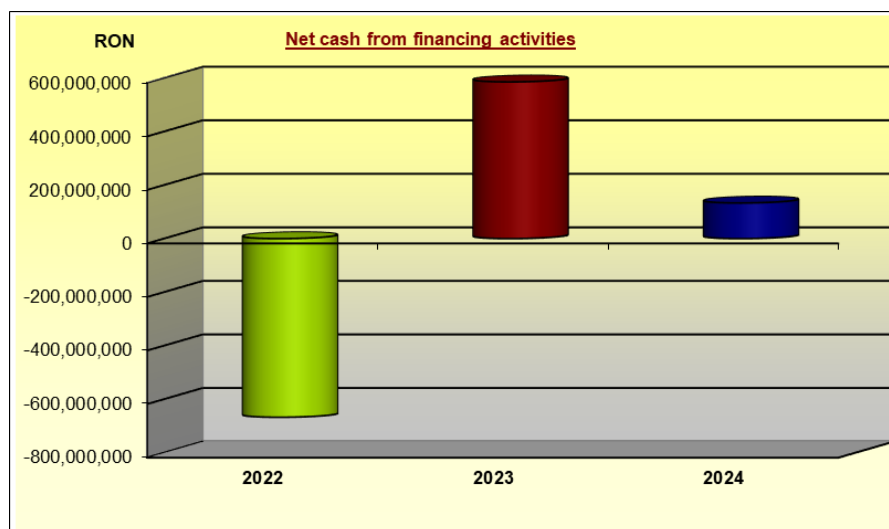
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The cash flow from the financing activities during 2024 was influenced by Company's utilization of Cash pooling contract – a system for optimizing the cash balances, in order to support both the needs generated by the investment activity and the development of the operational activity of the refinery the level of its utilization registering an increase by 46% at the end of 2024 compared to the balance at the end of 2023.

In 2023 the KMG International Group finalized the negotiation for refinancing of the syndicated working capital loan and increase it up to USD 600 million. The facility consists of two parts out of which: USD 265.9 million are committed over 3 years period with an option of adding another 2 years period, and USD 265.9 million as overdraft over one-year period, being an uncommitted facility. Rompetrol Rafinare used the new credit facility starting in 2023, reaching an exposure of 1.3 billion lei on this credit facility at the end of 2024.

The company also contracted loans in 2024 worth 30.6 million lei for a term of 1 year from the affiliated company Rompetrol Gas SRL for the purpose of paying the specific turnover tax for the first two quarters of 2024.

The Company's Cash flow from financing activities in 2024 was also impacted by the interest and bank charges paid for financing the activity amounting to RON 478 million.



5. CORPORATE GOVERNANCE DECLARATION

Rompetrol Rafinare is a company managed in a one-tier management system, issuer of shares listed on the regulated market administered by Bursa de Valori București S.A. ("BVB"). The admission to trading of the shares issued by the Company on the market operated by BSE was decided by Decision No. 27 dated 03/25/2004 of the Stock Exchange Council regarding the admission to trading and the trading starting date was April 7, 2004. Before this date, the Company shares were listed on the regulated market operated by RASDAQ.

The Company's shares are traded at BSE under the market symbol "RRC".

The Corporate Governance Report of Rompetrol Rafinare S.A. for the year 2024 is drafted according to the Corporate Governance Code (here forth CGC or the Code), to Law No. 24/2017 on the issuers of financial instruments and market operations, to the regulations and instructions issued by the Financial Supervisory Authority (here forth FSA) and to the stock exchange regulations.

The Code aims to ensure high transparency and visibility for all shareholders and third parties (here forth stakeholders).

5.1. THE BVB STANDARDS REGARDING THE CORPORATE GOVERNANCE

Rompetrol Rafinare adhered for the first time to the Corporate Governance Code issued by the Bucharest Stock Exchange in 2010 and continues to improve its principles of good corporate governance.

During 2024, Rompetrol Rafinare continued to implement good practices for corporate governance so that internal practices meet the new quality requirements of being a company admitted to trading on the BSE.

Rompetrol Rafinare complies with most of the provisions in the Corporate Governance Code that came into force on 4 January 2016. Further details of the Company's compliance with the principles and recommendations set out in the Corporate Governance Code of the Bucharest Stock Exchange are set out in the Corporate Governance Statement, which is an integral part of this Annual Report.

The "Apply or Explain" statement (see Annex 6 to this report) shows the status of the Company's compliance with the new provisions of the BVB CGC. Rompetrol Rafinare will continue to assess the provisions of the Code and any further progress the Company makes towards compliance will be reported to the market. Negative issues (from compliance to non-compliance) will also be reported.

5.2. INFORMATION ON THE GENERAL MEETING OF SHAREHOLDERS AND THE SHAREHOLDERS' RIGHTS

The corporate bodies of RRC, a company managed in a one-tier management system, are structured as follows: The General Meeting of Shareholders, which is the highest decision-making forum of the Company, and the Board of Directors.

General Meeting of Shareholders (GMS)

The General Meeting of Shareholders is the main corporate governing body of the Company with decision-making powers over the business detailed in the Company's Articles of Incorporation.

In terms of its structure, depending on the matters requiring shareholder approval, the General Meeting of Shareholders may be ordinary or extraordinary.

Ordinary General Meeting of Shareholders (OGMS)

According to Article 11 of the Company's Articles of Incorporation, as amended, in conjunction with the applicable legal provisions, the Ordinary General Meeting is summoned at least once a year, within the mandatory period provided for by law, and shall have the following main duties:

- a) to discuss, approve or amend the annual financial statements, based on the reports presented by the Board of Directors and the Financial Auditor, and to establish the dividend;
- b) to appoint and revoke Company's directors;
- c) to appoint and establish the minimum duration of the financial audit contract and to revoke the financial auditor;
- d) to fix for each current financial year the remuneration owed to the directors;
- e) to offer its opinion on the management of the directors;
- f) to establish the income and expenses budget, and, if such is the case, the activity program, for the following financial year;
- g) to decide on the pledging, leasing, or closure of one or more units of the Company;
- h) to approve the maximum limits of the remuneration of persons occupying/exercising managerial functions when the law so provides;
- i) to approve the Remuneration Policy for Directors and Executive Officers.

At the same time, per Article 106 of Law No. 24/2017, as republished, the Company is obliged to submit the remuneration policy of the Company's managers to the shareholders for approval at the annual ordinary general meeting of shareholders.

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The Company also submits the Remuneration Report for the most recent financial year to a vote, the opinion of the shareholders resulting from the vote and being of an advisory nature.

Extraordinary General Meeting of Shareholders (EGMS)

The Extraordinary General Meeting has the following duties:

- a) to change the Company's legal form;
- b) to move the headquarters of the Company;
- c) to change the Company's object of activity;
- d) to set up or to dissolve secondary offices: branch offices, agencies, representations or any other such units without legal personality;
- e) to extend the duration of the Company;
- f) to increase the share capital;
- g) to reduce the share capital or to replenish it by the issue of new shares;
- h) merger with other companies or division of the Company;
- i) early dissolution of the Company;
- j) conversion of shares from one category to another;
- k) conversion of one category of bonds into another one or into shares;
- l) the bond issue;
- m) any other amendment to the Articles of Incorporation or any other decision for which the approval of an extraordinary general meeting of shareholders is required.

The Extraordinary General Meeting delegates to the Board of Directors the exercise of the powers referred to in paragraphs b) and c) of the above paragraph of the updated Articles of Incorporation.

The Extraordinary General Meeting may also delegate to the Directors the increase of the share capital, per the provisions of Article 86 of Law No. 24/2017 on issuers of financial instruments and market operations.

At the same time, per Article 91, para. 1 and para. 2 of Law No. 24/2017 on issuers of financial instruments and market operations, as republished, the Extraordinary General Meeting of Shareholders approves:

- Acts of acquisition, disposal, exchange, or pledging of assets included in the category of fixed assets of the issuer, the value of which individually or in aggregate during the financial year exceeds 20% of the total value of fixed assets, except receivables.
- Leases of tangible assets for a period exceeding one year, whose individual or aggregate value in relation to the same co-contractor or persons involved or acting in concert exceeds 20% of the value

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of the total fixed assets, less receivables at the date of conclusion of the legal act, as well as joint ventures for a period exceeding one year, exceeding the same value.

In accordance with the provisions of Law no. 31/1990 on companies, recast, the authorisation for the Company to acquire its own shares is granted by the Extraordinary General Meeting of Shareholders, which shall determine the conditions of such acquisition, in particular the maximum number of shares to be acquired, and in the case of acquisition for consideration, their minimum and maximum value and the period of the operation, in compliance with the law; it shall also determine the manner of disposal of the own shares acquired by the Company.

The convening, functioning, voting process and other provisions relating to the AGA are detailed in the Articles of Incorporation of Rompetrol Rafinare S.A. and in the *"Regulations on the conduct of the General Meeting and protection of the rights of Rompetrol Rafinare S.A. shareholders"* published on the Company's website, under the section *"Investor Relations - Corporate Governance - Corporate Governance Documents"*.

GMS convening process

General meetings, both ordinary and extraordinary, are summoned by the Board of Directors of the Company, whenever necessary, per the provisions of the law and the Articles of Incorporation. Notices and, subsequently, AGA Resolutions are sent to the Bucharest Stock Exchange and the Financial Supervisory Authority in accordance with capital market regulations and are also made public on the Company's website, under the section *"Investor Relations - General Meeting of Shareholders"*.

The general meeting of shareholders shall be convened by the directors whenever necessary, by publication of a notice in the Official Gazette of Romania, Part IV, and in one of the widely circulated local or national newspapers at the place of the Company's registered office. General meetings are summoned by the Board of Directors at least 30 days before the scheduled date of the meeting. The notice of the general meeting shall be sent simultaneously to the B.V.B. and the A.S.F., and shall be available at least 30 days before the date of the meeting and on the Company's website at: <https://rompetrol-rafinare.kmginternational.com/>, in the Investor Relations section. All information is disseminated in both Romanian and English.

GMS will be summoned in the following situations:

- (i) Whenever required by the decision of the Board of Directors, by the Chairman of the Board of Directors, or by a member of the Board of Directors, based on a proxy granted by the Chairman.
- (ii) At the request of the shareholders, representing, individually or jointly, at least 5% of the share capital and if the request includes provisions falling within the powers of the meeting.

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rompetrol

KazMunayGas
International
Group Member

Per the applicable provisions (Law No. 31/1990, Law No. 24/2017, the Financial Supervisory Authority Regulation No. 5/2018) as well as the provisions of the Articles of Incorporation, the convening notice of the General Meeting of the Shareholders, includes at least the following information:

- ❖ Name of the issuer.
- ❖ Date, starting time, and venue of the General Meeting of the Shareholders for the first and second calls.
- ❖ Proposed agenda with a clear indication of all topics to be discussed at the meeting.
- ❖ Clear and precise description of the procedures to be followed by shareholders to participate and vote within the GMS, respectively information on:
 - The right of one or more shareholders, representing individually or jointly at least 5% of the Company's share capital, to put topics on the agenda of the general meeting (provided that each topic is accompanied by a justification or a draft decision proposed for adoption by the General Meeting) or to submit draft resolution for the topics included or proposed to be included on the agenda of the General Meeting, within at least 15 days from the date of publication of the convening notice. The agenda filled in with the topics proposed by the shareholders, after summoning, will be published according to all the requirements provided by law and/or the Articles of Incorporation for summoning the general meeting, at least 10 days before the date of the General Meeting of the Shareholders, on the date mentioned in the original convening notice.
 - Specifying expressly that the voting right can be exercised directly, by proxy, or by correspondence, as well as the conditions to exercise such rights. When exercising the vote by proxy (representation), it shall be considered for such type of vote, the proxy forms (special and general) will be used.
 - How the special/general proxy forms can be obtained for the representation within the General Meeting of the Shareholders, the deadline, and the place where proxies will be deposited/received, as well as how the Company can accept the notification regarding the proxy appointed by electronic means.
 - The procedures allowing voting by correspondence.
- ❖ The reference date, as well as the fact that only persons who are shareholders on that date are entitled to attend and vote at the General Meeting of Shareholders; The reference date must meet the following criteria: (i) be subsequent the publication of the summoning and before the GMS, (ii) be before the deadline until when the Company can submit/dispatch the powers, (iii) cannot be prior with more than 30 days before the date of the general meeting to which it applies, (iv) between the publication date of the summoning by the Company and the reference date, a term of at least 8 days should exist. When this term is calculated, the two dates must not be included. (v) between the deadline admitted for the second or next summoning of the general meeting and the reference of at least 6 days should exist. When this term is calculated, the two dates must not be included.



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- ❖ The deadline to receive the proposals related to the candidates for the board of directors in case the agenda of the meeting also includes electing the directors. The deadline is established so that the period during which a proposal can be made on the candidates for the positions of directors should be a minimum of 3 working days after the publication of the summoning/supplement to the summoning, including the election of the director in the agenda. In the summoning report, it will be mentioned that the list including the information related to the name, domicile, and professional training of the persons proposed as members of the Board of Directors is made available for the shareholders, as it can be read and completed by the shareholders.
- ❖ The place where the integral text of the documents and resolution drafts can be obtained, as well as other information related to the topics included on the agenda of the General Meeting of the Shareholders, the date when they become available, as well as the procedure to be followed in this regard; the Company ensures the availability of the documents corresponding to the general meeting of shareholders at the office and on the website of the Company <https://rompetrol-rafinare.kmginternational.com/>, at least 30 days before the date of the general meeting until the meeting date.
- ❖ If the agenda includes proposals for amending the Articles of Incorporation, the convening notice will include the entire text of the proposals.
- ❖ The Company's website.
- ❖ Proposal on the Registration Date, Ex Dates, and, if applicable, a proposal on the payment date.
- ❖ Express specification that the right to vote may be exercised directly, by proxy under a special or general power of attorney or by correspondence and the conditions to exercise such rights.
- ❖ The way to distribute the correspondence voting ballots and the special proxy form for representation within the General Meeting of the Shareholders, as well as the date when they become available.
- ❖ Deadline and place where special/general proxies and correspondence voting ballots will be sent/received.
- ❖ Indication of the exact address where special/general proxies and correspondence voting ballots are sent.
- ❖ Indication that significant shareholders have the right to opt for the application of the cumulative voting method for the election of members of the Board of Directors, if this topic is on the agenda of the GMS per the provisions of Article 85 of Law No. 24/2017, as republished.

The convening notice of the general meeting, any other topics added to the agenda at the request of the shareholders, the documents and information materials relating to the topics on the agenda of the general meeting, the annual financial statements, the annual report, the proposal on the distribution of dividends (if any), the special proxy forms, the postal ballot papers, and the draft resolutions are available to the shareholders of the Company in both Romanian and English at the Company's registered office and can be downloaded from the Company's website from the date of publication of the convening notice of the general meeting.

Shareholders will be able to request copies of these documents in writing, by post, or by e-mail.



Shareholders representing individually or jointly at least 5% of the share capital of the Company may request by a request addressed to the Board of Directors the introduction of new topics on the agenda, and/or submit draft decisions for topics included on the agenda, no later than 15 days after the publication of the convening notice. The agenda supplemented with the topics proposed by the shareholders will be published at least 10 days before the General Meeting, on the date mentioned in the original convening notice.

Each shareholder may address questions in writing to the Board of Directors concerning the topics on the agenda of the General Meeting of Shareholders before the date of the General Meeting of Shareholders, which will be answered at the Meeting. The Company is obliged to answer questions from shareholders. The Company may formulate a general answer to questions of the same content. An answer is deemed to have been given if the information requested is published on the Company's website <https://rompetrol-rafinare.kmginternational.com/>, in question – answer format.

Per capital market regulations, drafts resolutions submitted to the GMS for approval, as well as other supporting materials, are published on the Company's website from the date of publication of the convening notice.

Quorum requirements

Shareholders present at the meeting (directly or by representative) as well as those who have submitted a valid correspondence voting ballot will be taken into account by the technical secretariat of the meeting when determining the weight of the share capital represented at the meeting out of the total share capital of Rompetrol Rafinare S.A., to establish the quorum required to hold the meeting and the validity of the resolutions adopted.

OGMS

For the first call of the OGMS, the quorum requirements are met if shareholders representing at least 1/4 of the total number of voting rights are present or represented at the meeting. Resolutions may be validly passed with the “for” vote of shareholders representing a majority of the votes cast. For the second call, the meeting may decide on topics included on the agenda of the first call, regardless of the number of shareholders present, by the vote of shareholders representing a majority of the votes cast.

EGMS

For the first call of the EGMS, the quorum requirements are met if shareholders representing at least 1/4 of the total number of voting rights are present or represented at the meeting. Decisions may be validly passed with the “for” vote of shareholders representing a majority of the votes held by the

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shareholders present or represented. For the second call, the Meeting may decide on topics included on the agenda of the first call if at least 1/5 of the total number of voting rights are present or represented, adopting resolutions by a majority of the votes held by the shareholders present or represented.

Resolutions to change the Company's main object of activity, to reduce or increase the share capital, to change the legal form, to merge, to divide or to dissolve the Company shall be taken by a majority of at least two-thirds of the voting rights held by the shareholders present or represented.

To properly inform investors about the convening/organization/holding of general meetings of shareholders, the Company prepares and sends to the Bucharest Stock Exchange and the Financial Supervisory Authority the following current reports:

- a) The decision of the Board of Directors on the convening of the general meeting.
- b) The request made by the shareholders entitled to convene/supplement the agenda of the general meeting.
- c) The convening notice of the general meeting of shareholders.
- d) Failure of the general meeting of shareholders to adopt a resolution due to a lack of quorum or failure to meet the majority requirements.
- e) Resolutions of general meetings of shareholders.

***THE GENERAL MEETING OF THE SHAREHOLDERS OF ROMPETROL RAFINARE S.A.,
ACCORDING TO ITS UPDATED ARTICLES OF INCORPORATION***

The general meeting may be summoned at the headquarters of the Company or in other places established by the directors according to the convening notice. At the general meetings of shareholders, only the shareholders registered in the Register of Company Shareholders, held, and issued by Depozitarul Central S.A. Bucharest, have the right to participate and vote on the reference date established through the convening notice of the general meeting. According to the legal provisions, the shareholders may be personally represented (by legal representatives) or by representative, based on a special power of attorney granted for that General Meeting or a general power of attorney granted for a period not exceeding 3 years, or by correspondence, based on a voting Form by correspondence, both documents being made available to the shareholders, translated into English language. The shareholders may fill in the Special/ General Powers of Attorney or the voting Form by correspondence either in Romanian or in English.

The shareholders may also be represented at the general meeting by persons who do not have the condition of the Company shareholders, except for the directors.

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The proxy may not be replaced by another person. Where a proxy is a legal person, it may exercise its mandate through any person who is a member of its administrative or management body or its employees.

Legal persons may be represented by their legal representatives, who may in turn give other persons a proxy for that General Meeting.

In addition to the rules for the organization and conduct of GMSs, RRC fully complies with the legal provisions governing the process of holding GMSs of listed companies.

The general meeting is chaired by the Chairman of the Board of Directors or by a person appointed by the latter, who appoints, among the members of the general meeting members or the company shareholders, one to three secretaries, plus a technical secretary among the employees. They will draft the list of the presence of shareholders and verify the following:

- Identity documents of the people attending the General Meeting as shareholders or their proxies;
- Special or general power of attorney presented by the proxies of the shareholders. The special power of attorney is valid only for the General Meeting of Shareholders for which it has been requested.
- Correspondence voting ballots.

The secretary of the meeting shall also verify the fulfillment of the legal conditions regarding the quorum of the presence of shareholders for validating the general meetings.

If the ordinary or extraordinary general meeting cannot take place because the legal conditions of attendance are not met, the meeting that will take place at a second summoning may deliberate upon the matters of the agenda of the first meeting, regardless of the gathered quorum for OGMS, respectively with the presence of the shareholders holding at least 1/5 of all the voting rights for EGMS, passing decisions with the majority of the expressed votes (for OGMS)/ votes held by the attending or represented shareholders (for EGMS).

After submitting the materials corresponding to the agenda, the shareholders are invited to ask questions and the issues referred to debate are subject to a vote by the Chairman of the meeting.

The resolutions of the general meeting are taken by open vote, except for the cases when the general meeting decides for the vote to be secret or if the law requires a secret vote.

Each share entitles to express one vote within meetings of the general meeting of shareholders of Rompetrol Rafinare. The person representing several shareholders based on special powers of attorney expresses the votes of the represented persons by summing up the total number of votes “for”,

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“against” and position of “abstention” without compensation (e.g., “at point x on the agenda I represent “a” votes “for”, “b” votes “against” and “c” abstention”). The votes thus expressed are validated or, as the case may be, invalidated, based on the third copy of the special power of attorney, by the secretary of the general meeting. The votes pertaining to the special power of attorney are exercised only in the manner decided by the shareholder.

The secretary or secretaries of the meeting, based on the freely expressed vote by the shareholders, shall draft the minutes of the general meeting.

Within no more than 24 hours of the date the general meeting of shareholders took place, the company prepares a current report presenting in a short form the method employed to hold the General Meeting, as well as the resolutions adopted during the meeting. The Report shall be submitted to the institutions of the capital market, respectively to BSE and FSA. The current report corresponding to the resolutions adopted by the general meeting of shareholders is published on the Company website together with the vote results. Moreover, the decisions of the general meeting are published in the Romanian Official Gazette, Part IV.

RESOLUTIONS ADOPTED BY THE GENERAL MEETINGS OF SHAREHOLDERS DURING 2024

The Ordinary General Meeting of Shareholders of Rompetrol Rafinare on April 26, 2024, decided the following:

- Approving the Individual Annual Financial Statements as of and for the year ended December 31, 2023, drawn up according to the Order of the Ministry of Public Finance No. 2844/2016 on the approval of the Accounting Regulations according to International Financial Reporting Standards (IFRS), adopted by the European Union, as subsequently amended and supplemented, and of the Consolidated Annual Financial Statements (drafted according to IFRS), audited, as of and for the year ended December 31, 2023, based on the Annual Reports of the Board of Directors for 2023 and the Independent Financial Auditor's Reports drafted by Ernst & Young Assurance Services SRL for 2023;
- Discharging all directors of the Company for their activities carried out in the fiscal year 2023 based on the reports submitted;
- Approving the Income and Expenditure Budget for 2024 and the Company's Production Program for 2024, including the Investment Budget for 2024;

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for the financial year 2024**

- Approving the election of Ms. Tamila Mikulich, Mr. Constantin Saragea and Mr. Pavel Romanenko as permanent members of the Board of Directors of the Company for a term of office starting on April 26, 2024 (OGMS date) and until April 30, 2026 (the date of expiration of the term of office of the current members of the Board of Directors).
- Approving the gross monthly remuneration due for the fiscal year 2024 to the members of the Board of Directors, as well as establishing the general limit of the additional remuneration of the members of the Board of Directors who have been granted specific roles within the Board of Directors, as follows:
 - *For each member of the Board of Directors, a net monthly remuneration of RON 10,000, corresponding to a gross monthly remuneration of RON 17,094, the tax and social contributions related to this remuneration, owed by the members of the Board of Directors, being withheld and paid to the state budget according to the provisions of tax legislation.*
 - *For each member of the Audit Committee, a net monthly remuneration of RON 4,000, corresponding to a gross monthly remuneration of RON 6,838, the tax and social contributions related to this remuneration, owed by the members of the Audit Committee, being withheld and paid to the state budget according to the provisions of the tax legislation.*
 - *For each member of the Strategy Committee, a net monthly remuneration of RON 4,000, corresponding to a gross monthly remuneration of RON 6,838, the tax and social contributions related to this remuneration, owed by the members of the Strategy Committee, being withheld and paid to the state budget according to the provisions of the tax legislation.*
- Approving by unanimity of the votes cast (votes “for” representing 99.3659% of the share capital and 100% of the votes cast and no votes “against”) of the Remuneration Report of the Company's management structure for the fiscal year 2023, subject to the OGMS's advisory vote, considering the provisions of Article 107 (6) of Law No. 24/2017 on issuers of financial instruments and market operations, republished.
- Approving the reappointment of Ernst & Young Assurance Services S.R.L., a limited liability company registered with the Trade Register under No. J40/5964/1999, Unique Registration Code 11909783, as a financial auditor of Rompetrol Rafinare S.A., for one (1) year, respectively for auditing the financial statements of the Company for the financial year 2024, the duration of the audit service contract being one (1) year.
- Approving the date of May 21, 2024, as the registration date for the identification of the shareholders on whom the effects of Decisions No. 1/2024, No. 2/2024, No. 3/2024 and No. 4/2024 adopted in the OGMS of April 26, 2024, and of May 20, 2024, as *Ex-Date*.
- Empowering Mr. Florian-Daniel Pop, General Manager, to conclude and/or sign on behalf of the Company and/or the Company's shareholders the Decisions No. 1/2024, No. 2/2024, No. 3/2024 and No. 4/2024 adopted by this OGMS and to carry out all legal formalities for the registration, announcement, enforceability, execution, and publication of the adopted decisions, with the possibility of sub-mandating third parties.



5.3. THE MANAGEMENT OF THE COMPANY

5.3.1. BOARD OF DIRECTORS

Structure. Appointment of members

The Board of Directors is responsible for taking all the measures necessary for the performance and monitoring of the Company's activity. Its composition, structure, powers, and duties are set out in the Company's Articles of Association, available on our website (<https://rompetrol-rafinare.kmginternational.com/>, Relation with Investors/Corporate Governance Section, Corporate Governance Documents Subsection).

The Company's activity is managed by a Board of Directors composed of seven (7) members, appointed by the Ordinary General Meeting, who may also be shareholders of the Company, natural or legal persons, of Romanian or foreign citizenship, respectively nationality.

The Chairman of the Board of Directors is appointed for a period not exceeding his term of office as a director and may be revoked anytime by the Board of Directors.

On October 14, 2024, the Board of Directors elected the Chairman of the Board of Directors from among its members, namely Mr. Sergey Khegay, for a term of office from October 15, 2024, to the next meeting of the Ordinary General Meeting of Shareholders of Rompetrol Rafinare S.A., at which the confirmation of the provisional director's powers or the election of another director will be discussed.

Until October 14, 2024, the position of Chairman of the Board of Directors was held by Mr. Batyrzhan Tergeussizov.

According to the legal provisions in force, the members of the Board of Directors are obliged to ensure the avoidance of a direct or indirect conflict of interest with the Company, and in the event of such a conflict to abstain from debating and voting on such matters.

The members of the Board of Directors should professionally exercise their mandate, in good faith, honestly, with the prudence and diligence of a good director, in the best interest of the Company, and they are not allowed to disclose confidential information and business secrets of the Company.

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The directors can be revoked anytime by the Ordinary General Meeting of the Shareholders. Each director has expressly accepted the exercise of his/her mandate. During their term of office, directors may not enter into an employment contract with the Company.

In 2024, the RRC Board of Directors was composed of seven (7) members.

Main duties of the Board of Directors

Regulation on the organization and functioning of the Board of Directors, updated on May 4, 2022, per the Decision No. 1 of the Board of Directors, are published on the Rompetrol Rafinare website in the Investor Relations Section, Corporate Governance/Corporate Governance Documents Subsection.

The directors may be replaced in the following situations:

- a) Upon the expiration of the four (4) years mandate or another period established by the General Meeting of Shareholders at the same time as the appointment of the director.
- b) In case of resignation or recall by the General Meeting of Shareholders.

Upon the mandate expiration, any member of the Board of Directors may be re-appointed by the General Meeting of Shareholders.

The powers of the Board of Directors, according to the Articles of Association and the Regulation on the organization and functioning of the Board of Directors, are as follows:

- a) Establishing the main directions of the Company's activity and development.
- b) Establishing the accounting and financial control system and approving the financial planning.
- c) Appointing, recalling, respectively concluding, and terminating the contracts of the Company's directors.
- d) Supervising the activity of the directors.
- e) Drawing up the annual report, organizing the general meeting, and implementing its decisions.
- f) Submitting the request for opening the company insolvency procedure, according to Law No. 85/2014 on the insolvency procedure.
- g) Except for the legal documents for whose adoption/ conclusion the approval of the General Meeting of Shareholders is necessary, according to the imperative provisions of the law, approving the adoption/conclusion on behalf of the Company of the legal documents whose object exceeds the value of:
 - i) **USD 50,000,000** as regards the legal documents having as object the acquisition of crude, respectively the sale of the following products: gasoline, diesel, jet fuel A1 and Liquefied Petroleum Gas.
 - ii) **USD 20,000,000** for legal acts having a purpose other than the purchase of crude oil, i.e. the sale of the products mentioned in (i) above, including the approval of participation in the establishment of companies or the increase of their share capital with a contribution exceeding this value limit.

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h) Approving the Company's organizational structure.
These duties will not be delegated to the Company managers.

The Board of Directors also has the following duties delegated by the Extraordinary General Meeting of Shareholders under the conditions provided by Article 114 of Law No. 31/1990, as republished:

- a) Taking decisions regarding the relocation of the Company headquarters.
- b) Taking decisions regarding the change of the Company business object of activity (except for the main domain and the main activities of the Company).
- c) Taking decisions regarding the increase of the share capital by the issue of new shares, according to the law.

The Board of Directors also meets other duties, established de jure under their charge, by virtue of the applicable normative acts.

As regards the issue of shares, the Board of Directors may initiate this operation within the share capital increase operations, exercised based on the duties delegated according to the provisions of Law No. 31/1990 corroborated with the provisions of Law No. 24/2017, as republished.

Remuneration of the Members of the Board of Directors

In the Annual Ordinary General Meeting of Shareholders for 2022 held on April 27, 2023, Rompetrol Rafinare drafted and submitted to the approval of the shareholders the reviewed Remuneration Policy for the Company's Management.

Thus, according to Resolution No. 3/2023 of the OGMS of April 27, 2023, *in the presence of shareholders representing 99.3737% of the share capital and 99.3737% of the total voting rights, with a total of 26,391,656,980 "for" votes representing 99.36915% of the share capital and 99.995437% of the votes cast and 1,204,247 "against" votes representing 0.004534% of the share capital and 0.004563% of the votes cast, **the reviewed Remuneration Policy for the Company's management structure was approved***, and is available for viewing on the Company's website <https://rompetrol-rafinare.kmginternational.com/>:

<https://rompetrol-rafinare.kmginternational.com/relatia-cu-investitorii/guvernanta-corporativa/documente-de-guvernanta-corporativa>, Other Policies, Reports and Regulations Section.

The remuneration of the members of the Board of Directors is established on an annual basis by the Ordinary GMS, for the current year.

According to Article 2 of the Resolution No. 3/2023 adopted by OGMS held on April 26, 2024, for 2024 it was approved:



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- *For each member of the Board of Directors a net monthly remuneration of RON 10,000, corresponding to a gross monthly remuneration of RON 17,094, the tax and social contributions related to this remuneration, due by the members of the Board of Directors, being withheld and paid to the state budget according to the provisions of tax legislation.*
- *For each member of the Audit Committee a net monthly remuneration of RON 4,000, corresponding to a gross monthly remuneration of RON 6,838, the tax and social contributions related to this remuneration, due by the members of the Audit Committee, being withheld and paid to the state budget according to the provisions of tax legislation.*
- *For each member of the Strategy Committee a net monthly remuneration of RON 4,000, corresponding to a gross monthly remuneration of RON 6,838, the tax and social contributions related to this remuneration, due by the members of the Strategy Committee, being withheld and paid to the state budget according to the provisions of tax legislation.*

According to the Article 107 of Law No. 24/2017, as republished, Rompetrol Rafinare drafted, a Remuneration Report for the financial year (FY) 2024, which provides a wide overview of the remuneration, including all benefits, regardless of the form, granted or owed during the FY 2024, to the managers individually, per the Remuneration Policy approved by the OGMS held on April 27, 2023.

In the presence of shareholders representing 99.33659% of the share capital and 99.3659% of the total voting rights, with 26,390,792,180 “for” votes representing 99.3659% of the share capital and 100% of the votes cast and no “against” votes, at the Ordinary General Meeting of Shareholders held on April 26, 2024, the shareholders approved the Remuneration Report of the Company's management structure for the financial year 2023, submitted to the consultative vote of the OGMS, in view of the provisions of Article 107, paragraph (6) of Law No. 24/2017 on issuers of financial instruments and market operations, republished.

The Remuneration Report for the financial year 2023 as unanimously approved by the advisory vote of the shareholders who cast their votes at the OGMS on April 26, 2024, was posted on the Rompetrol Rafinare website in the Investor Relations Section, Corporate Governance/Corporate Governance Documents Subsection.

Rompetrol Rafinare drafted a Remuneration Report for the financial year 2024, comprising the remuneration, including all benefits, in whatever form, granted or due during the financial year 2024, to the executives individually, according to the updated Remuneration Policy approved at the OGMS on April 27, 2023. The Remuneration Report of the management structure of the Company for the financial year 2024 will be submitted to the advisory vote of the Annual Ordinary General Meeting of Shareholders scheduled to be held on April 29 (30), 2025.

5.3.1.1. INFORMATION ON THE MEMBERS OF THE BOARD OF DIRECTORS OF ROMPETROL RAFINARE S.A. DURING 1 JANUARY - 31 DECEMBER 2023

In 2024, the following changes occurred in the Board of Directors:

- *April 26, 2024:* following the expiry of the terms of office of Ms. Tamila Mikulich and Ms. Zhamilya Meshitbay and Mr. Constantin Saragea, appointed during 2023 as interim directors by the Board of Directors, as of April 26, 2024 (date of the OGMS), pursuant to the Resolution No. 2/2024 taken by the Ordinary General Meeting of Shareholders, the election of the following new permanent members to the Board of Directors of the Company for a term of office expiring on April 30, 2026 (the date of expiration of the term of office of the members of the Board of Directors in office on the date of the OGMS of April 26, 2024) was approved:
 - Ms. Tamila Mikulich
 - Mr. Constantin Saragea
 - Mr. Pavel Romanenko
- *October 15, 2024:* following the termination of the term of office as Director and Chairman of the Board of Directors of Mr. Batyrzhan Tergeussizov as of October 14, 2024 (last day of his term of office), following his request to terminate his term of office and his capacity as Director and Chairman of the Board of Directors, pursuant to Decision No. 1 taken by the Board of Directors, it was approved to appoint Mr. Sergey Khegay as a provisional Director of the Board of Directors of Rompetrol Rafinare S.A. for a term of office from October 15, 2024 to the next OGMS.

As a result, in 2024, the composition of the Board of Directors changed as follows:

From January 1, 2024, to April 25, 2024, the Board of Directors consisted of seven (7) non-executive members, as follows:

- **Batyrzhan Tergeussizov**, citizen of Kazakhstan, Chairman of the Board of Directors
- **Adrian Tohănean**, Romanian citizen, member of the Board of Directors
- **Nicolae Bogdan Codruț Stănescu**, Romanian citizen, member of the Board of Directors
- **Bogdan-Cătălin Steriopol**, Romanian citizen, member of the Board of Directors
- **Tamila Mikulich**, citizen of Ukraine, provisional member of the Board of Directors
- **Constantin Saragea**, Romanian citizen, provisional member of the Board of Directors
- **Zhamilya Meshitbay**, citizen of Kazakhstan, provisional member of the Board of Directors

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From April 26 to October 14, 2024, the Board of Directors consisted of seven (7) non-executive members, as follows:

- **Batyrzhan Tergeussizov**, citizen of Kazakhstan, Chairman of the Board of Directors
- **Adrian Tohănean**, Romanian citizen, member of the Board of Directors
- **Nicolae Bogdan Codruț Stănescu**, Romanian citizen, member of the Board of Directors
- **Bogdan-Cătălin Steriopol**, Romanian citizen, member of the Board of Directors
- **Tamila Mikulich**, citizen of Ukraine, member of the Board of Directors
- **Constantin Saragea**, Romanian citizen, member of the Board of Directors
- **Pavel Romanenko**, citizen of Kazakhstan, member of the Board of Directors

From October 15, 2024, the Board of Directors consisted of seven (7) non-executive members, as follows:

- **Sergey Kheday**, citizen of Kazakhstan, provisional director and Chairman of the Board of Directors
- **Adrian Tohănean**, Romanian citizen, member of the Board of Directors
- **Nicolae Bogdan Codruț Stănescu**, Romanian citizen, member of the Board of Directors
- **Bogdan-Cătălin Steriopol**, Romanian citizen, member of the Board of Directors
- **Tamila Mikulich**, citizen of Ukraine, member of the Board of Directors
- **Constantin Saragea**, Romanian citizen, member of the Board of Directors
- **Pavel Romanenko**, citizen of Kazakhstan, member of the Board of Directors

At the date of drafting of this Report, the composition of the Board of Directors has changed in the sense that by the Decisions of the Board of Directors of January 31, 2025, and February 1, 2025, the appointment of Mr. Yedil Utekov as a provisional director of the Company and Chairman of the Board of Directors was approved, as well as Mr. Erik Sagiyeu as a provisional director of the Company following the resignation of Mr. Sergey Kheday from the term of office of provisional director and Chairman of the Board of Directors and Mr. Pavel Romanenko from the term of office of director, respectively, from February 1, 2025 (the last day of the terms of office being January 31, 2025), to the next Ordinary General Meeting of the Shareholders of the Company which will debate on the confirmation of the term of office of the provisional directors or the election of other directors of the Company.

Please find below the most relevant elements regarding the structure of the Board of Directors, the qualifications, professional experience of the Company's directors and data on the directors' term of office from January to December 2024.



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The Curriculum Vitae of the current directors of the Company are also posted on the Company's web page <https://rompetrol-rafinare.kmginternational.com/>, *Relations with Investors – Corporate Governance – Board of Directors* Section.

Name	Age (years)	Qualification	Professional experience (years)	Position	Date of appointment	Date of expiry of mandate
Batyrgyzan Tergeussizov	40 years	Engineer	22 years	Non-executive member of the Board of Directors	01.05.2023 (term of office from 01.05.2023 to 30.04.2026 according to Resolution No. 2/2023 of the OGMS of 27.04.2023)	30.04.2026
				Chairman of the Board of Directors	01.05.2023 (term of office to 30.04.2026 according to Decision No. 1 of BoD of 03.05.2023)	30.04.2026
						14.10.2024 (Termination of the term of office as Director and Chairman of the Board of Directors following the resignation from these positions according to Decision No. 1 of BoD of 14.10.2024)
Adrian Tohănean	44 years	Economist	22 years	Non-executive member of the Board of Directors	01.05.2023 (term of office from 01.05.2023 to 30.04.2026 according to Resolution No. 2/2023 of the OGMS of 27.04.2023)	30.04.2026
Nicolae Bogdan Codruț Stănescu	50 years	Doctor of Law, Engineer	27 years	Independent non-executive member of the Board of Directors	12.06.2015 (term of office from 12.06.2015 to 30.04.2018 according to Resolution No. 5/2015 of the OGMS of 12.06.2015)	30.04.2018
						28.04.2016 (Removal as member of the Board of Directors following his resignation from this position from 28.04.2016 according to Resolution No. 2/2016 of the OGMS of 28.04.2016)



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Name	Age (years)	Qualification	Professional experience (years)	Position	Date of appointment	Date of expiry of mandate
					01.05.2018 (term of office for a period of 4 years according to Resolution No. 3/2018 of the OGMS of 27.04.2018)	30.04.2022
					01.05.2022 (term of office for a period of 4 years according to Resolution No. 3/2022 of the OGMS of 28.04.2022)	30.04.2026
Bogdan Cătălin Steriopol	38 years	Economist	18 years	Independent non-executive provisional member of the Board of Directors	04.06.2020 (Provisional term of office until the date of OGMS according to Decision No. 1 of BoD of 04.06.2020)	
				Permanent independent non-executive member of the Board of Directors	18.09.2020 (Permanent term of office from 18.09.2020 to 30.04.2022 according to Resolution No. 6/2020 of the OGMS of 18.09.2020)	30.04.2022
					01.05.2022 (4-year term of office, from 01.05.2022 to 30.04.2026 according to Resolution No. 3/2022 of the OGMS of 28.04.2022)	30.04.2026
Tamila Mikulich	37 years	Information Systems Manager	18 years	Provisional non-executive member of the Board of Directors	01.08.2023 (provisional term of office until the date of the OGMS of 26.04.2024 according to the Decision of the Board of Directors of 24.07.2023)	
				Permanent non- executive member of the Board of Directors	26.04.2024 (Permanent term of office from 26.04.2024 to 30.04.2026 according to Resolution No. 2/2024 of the OGMS of 26.04.2024)	30.04.2026
Constantin Saragea	44 years	Graduate Engineer	20 years	Provisional non-executive member of the Board of Directors	01.08.2023 (provisional term of office until the date AGOA according to the Decision of the Board of Directors of 24.07.2023)	



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Name	Age (years)	Qualification	Professional experience (years)	Position	Date of appointment	Date of expiry of mandate
				Permanent non-executive member of the Board of Directors	26.04.2024 (Permanent term of office from 26.04.2024 to 30.04.2026 according to Resolution No. 2/2024 of the OGMS of 26.04.2024)	30.04.2026
Zhamilya Meshitbay	35 years	Economist	12 years	Provisional non-executive member of the Board of Directors	30.09.2023 (Provisional term of office until the date AGOA according to Decision No. 1 of BoD of 25.09.2023)	
						26.04.2024 (Expire of the provisional term of office as interim director from the date of OGMS of 26.04.2024 following the election of another permanent director according to Resolution No. 2/2024 of the OGMS of 26.04.2024)
Pavel Romanenko ¹⁰	39 years	Geologist; Degree in Petroleum Engineering	19 years	Non-executive member of the Board of Directors	26.04.2024 (Term of office from 26.04.2024 to 30.04.2026 according to Resolution No. 2/2024 of the OGMS of 26.04.2024)	30.06.2026
Sergey Kheday ¹¹	46 years	Physician, Degree in Economics	25 years	Non-executive provisional director and Chairman of the Board of Directors	15.10.2024 (Provisional term of office until the date AGOA according to Decision No. 1 of BoD of 14.10.2024)	

The Members of the Board of Directors are appointed by the Shareholders during the Ordinary General Meeting of Shareholders. To the knowledge of the Directors, **there was no agreement, understanding, or family relationship** between the Directors and other persons that led to their appointment as Directors.

¹⁰ At the date of preparation of this Report, the mandate expired as of February 1, 2025

¹¹ At the date of preparation of this Report, the mandate expired as of February 1, 2025

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According to the Registry of the Company's Shareholders, consolidated as of 31.12.2024 and made available by Depozitarul Central S.A., the Directors of Rompetrol Rafinare do not own any shares issued by the Company.

None of the members of the Company Board of Directors is a person affiliated with the Company, within the meaning of the FSA Regulation No. 5/2018.

Non-executive Directors and the independence of the Directors

According to the criteria for assessing the independence of non-executive members of the Board of Directors and the Declarations of Independence, two members, namely Mr. Nicolae Bogdan Codrut Stanescu¹² and Mr. Bogdan-Catalin Steriopol¹³, in office on 31.12.2024, met the independence criteria set out in the principles and recommendations of the Code applicable for 2024 (Point A4 of the BVB Corporate Governance Code).

¹²Elected as director as from May 1, 2018, according to Decision No. 3/2018 OGMS of April 27, 2018; re-elected as director as from May 1, 2022, to April 30, 2026, according to Decision No. 3/2022 OGMS of April 28, 2022; he was also a director of the Company from 12.06.2015 to 27.04.2016.

¹³Elected as provisional director as from June 4, 2020, according to Decision No. 1 of the Board of Directors of June 4, 2020, and permanent director as from September 18, 2020, according to Decision No. 6/2020 OGMS of September 18, 2020; re-elected as director as from May 1, 2022, to April 30, 2026, according to Decision No. 3/2022 OGMS of April 28, 2022.



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**Information on other commitments and relatively permanent professional obligations
of the members of the Board of Directors in 2024**

<i>Name</i>	<i>Company</i>	<i>Position held</i>	<i>Period</i>
Batyrzhan Tergeussizov	<i>Rompetrol Downstream S.R.L.*</i>	<i>Member of the Board of Directors ("BoD")</i>	<i>08.05.2023 – 09.09.2024</i>
	<i>Rompetrol Well Services S.A.*</i>	<i>Chairman of the BoD</i>	<i>01.05.2023 – 30.09.2024</i>
		<i>Member of the Audit Committee</i>	<i>01.05.2023 – 30.09.2024</i>
	<i>Rominserv S.R.L.*</i>	<i>Chairman of the BoD</i>	<i>01.02.2023 – 01.02.2027</i>
	<i>Rompetrol Energy S.A.*</i>	<i>Chairman of the BoD</i>	<i>01.03.2023 – 31.01.2026</i>
	<i>Rompetrol Georgia*</i>	<i>Member of the BoD</i>	<i>01.05.2023 – indefinitely</i>
Adrian Tohanean	<i>Fondul de Investitii in Energie Kazah-Roman S.A.*</i>	<i>Member of the BoD</i>	<i>23.11.2023 – 06.11.2024</i>
		<i>General Manager</i>	<i>22.07.2024 – 17.01.2027</i>
	<i>Rompetrol Downstream S.R.L.*</i>	<i>Member of the BoD</i>	<i>15.02.2023 – 09.09.2024</i>
	<i>KMG Rompetrol S.R.L.*</i>	<i>Sole Director</i>	<i>15.06.2022 – 15.06.2026</i>
	<i>Rominserv S.R.L.*</i>	<i>Member of the BoD</i>	<i>15.09.2020 – 14.09.2025</i>
	<i>Byron Shipping S.R.L.*</i>	<i>Financial Manager</i>	<i>01.07.2019 – indefinitely</i>
	<i>Rompetrol Logistics S.R.L.*</i>	<i>Financial Manager</i>	<i>01.07.2019 – indefinitely</i>
	<i>Rom Oil S.A.*</i>	<i>Financial Manager</i>	<i>01.07.2019 – indefinitely</i>
	<i>Midia Marine Terminal S.R.L.*</i>	<i>Financial Manager</i>	<i>01.07.2019 – indefinitely</i>
	<i>Rompetrol Energy S.A.*</i>	<i>Member of the BoD</i>	<i>01.06.2023 - 31.01.2026</i>
	<i>Rompetrol Moldova*</i>	<i>Member of the BoD</i>	<i>04.11.2022 - 03.11.2026</i>
Nicolae Bogdan Codrut Stanescu	<i>SNGN Romgaz S.A. – FIGN DEPOGAZ Ploiesti</i>	<i>Chairman of the Board of Directors</i>	<i>04.2018 – present</i>
	<i>Societatea de Administrare a Participatiilor in Energie S.A.</i>	<i>Chairman of the Executive Board</i>	<i>01.08.2019 – present</i>
Constantin Saragea	<i>Ministerul Energiei</i>	<i>Secretary General</i>	<i>June 2023 – present</i>
	<i>Midia Green Energy S.A.</i>	<i>Chairman of the Board of Directors</i>	<i>14.05.2024 – January 2025</i>
Bogdan – Catalin Steriopol	<i>INCERTRANS S.A. (Institutul de Cercetari in Transporturi)</i>	<i>Commercial Manager</i>	<i>2023 – present</i>
Pavel Romanenko	<i>Rompetrol Well Services SA</i>	<i>Chairman of the Board of Directors</i>	<i>01.10.2024 – 30.09.2024</i>
	<i>Rompetrol Energy SA</i>	<i>Member of the Board of Directors</i>	<i>01.11.2024 – 26.01.2025</i>
Sergey Kheday	<i>Fondul de Investitii in Energie Kazah-Roman SA</i>	<i>Member of the Investment Committee</i>	<i>22.07.2024 - 20.01.2025</i>
	<i>Rominserv SRL</i>	<i>Member of the Board of Directors</i>	<i>01.02.2023 - 15.12.2024</i>
	<i>Rompetrol Quality Control SRL</i>	<i>Sole Director</i>	<i>01.02.2023 – 08.02.2025</i>

**Member of the KMG International Group*



5.3.1.2. ATTENDANCE OF DIRECTORS AT THE BOARD OF DIRECTORS MEETINGS

According to the Articles of Association, the Board of Directors will meet at least once every three months and whenever it is necessary. The Members of the Board of Directors have always paid due attention to the duties of diligence and loyalty to the Company. Thus, the members of the Board of Directors and the Executive Management made the decisions regarding the business of Rompetrol Rafinare considering the Company's best interests.

In 2024, the Board of Directors met in 20 meetings. Most of the Board meetings were held by electronic means of communication (by organizing meetings in Microsoft Teams or via email – by electronic voting). 5 (five) meetings were held in the physical presence of the Directors, 6 (six) meetings were held in Microsoft Teams, and the other 9 (nine) meetings were held via electronic communication (in the form of communication via email – by electronic voting).

On the agenda of the meetings of the Board of Directors there were matters concerning the day-to-day business of the Company, for example: for the approval of the Annual Report (individual and consolidated) and the organization of the Annual Ordinary General Meeting to approve the annual financial results, including the endorsement of documents and information materials to be submitted for approval at the Annual OGMS.

At the same time, the agenda of the meetings of the Board of Directors included the following topics: approval of reports and materials related to the preliminary financial results for 2024, semi-annual and quarterly financial results for 2024.

Other topics on the agenda of the Board meetings in 2024 were: approval of the conclusion of significant legal acts (contracts, amendments to contracts, transactions) for the supply of raw materials and sale of petroleum products, purchase of electricity, approval of the termination of the term of office as Director and Chairman of the Board of Directors of Mr. Batyrzhan Tergeussizov following his request to resign from the Board of Directors as of October 15, 2024; election of a provisional member of the Board of Directors, namely Mr. Sergey Khegay; approval of the appointment of Mr. Alexandru Stavarache as Financial Manager as of March 1, 2024 as well as the extension of the term of office of Mr. Florian-Daniel Pop as General Manager until September 30, 2025; approval of the election of Mr. Sergey Khegay and Mr. Pavel Romanenko as members of the Strategy Committee, etc. Also, on the agenda of the meetings of the Board of Directors were other approvals for the smooth running of the Company's business, as well as information from the Executive Management on results and execution of hedging transactions in Q1 and Q3 of 2024, and H1 2024; on the quarterly reports by the QHSE Department and the Internal Department; reports on the Company's operational activity, etc.

The decisions of the Board of Directors in 2024 were made by a unanimous or majority vote of the members present (there were a few abstention vote(s) but no votes against). the majority of abstentions

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votes were cast as it was considered that the topics submitted for approval concerned the appointment of the Director in various positions and for this reason, they agreed to abstain from voting.

The table below highlights the attendance at the Board of Directors' meetings of directors in office for the year ended December 31, 2024:

Name	Attendance
Batyrzhan Tergeussizov ¹⁴	15/15/20
Adrian Tohănean	20/20/20
Nicolae Bogdan Codruț Stănescu	20/20/20
Bogdan-Cătălin Steriopol	20/20/20
Tamila Mikulich	20/20/20
Constantin Saragea	20/20/20
Zhamilya Meshitbay ¹⁵	8/8/20
Pavel Romanenko ¹⁶	12/12/20
Sergey Khegay ¹⁷	5/5/20

The first figure indicates the number of meetings attended in the person's capacity as a member of the Board of Directors, the second figure represents the number of meetings held during the term of office in 2024, and the third figure represents the total number of meetings held by the Board of Directors in 2023.

5.3.2. EXECUTIVE MANAGEMENT OF ROMPETROL RAFINARE

Per Article 16.1 of the last Articles of Incorporation of the Company, as amended on 27 April 2023, the Executive Management of the Company, to which the Board of Directors has delegated management powers per the provisions of Article 143 of Law No. 31/1991 on Companies, is enforced by General Manager and the Financial Manager.

The term of office of the Executive Directors may not exceed the term of office of the directors who appointed them.

General Manager

According to the Articles of Association, the Chief Executive Officer of the Company is directly subordinated to the other organisational structures of the Company and is in turn directly subordinated to the Board of Directors.

¹⁴Member of the Board of Directors until October 14, 2024 (last day of term of office)

¹⁵Interim member of the Board of Directors until April 25, 2024

¹⁶Board Member of the Board of Directors from April 26, 2025

¹⁷Interim member of the Board of Directors since October 15, 2025

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If the company engages in acts of a patrimonial nature, the representation of the company is delegated, in accordance with the provisions of Article 143 of Law 31/1990 on companies, to the General Manager and the Financial Manager.

For acts of a non-patrimonial nature, the representation of the company is delegated to the General Manager.

The General Manager is responsible for taking all measures related to the management of the company, within the limits of the company's activity and in compliance with the exclusive powers reserved by law or by the Articles of Association, the Board of Directors and the General Meeting of Shareholders.

Florian Daniel Pop – General Manager from September 30, 2023, to present

In 2024, Mr. Florian Daniel Pop was appointed General Manager of Rompetrol Rafinare S.A.

By Decision No. 2 of September 25, 2023, the Board of Directors appointed Mr. Florian-Daniel Pop as General Manager of Rompetrol Rafinare for a term of office starting from 30.09.2023 to 30.09.2024 and delegated to him the management of the Company and powers of representation of the Company.

Considering that the term of office of Mr. Florian Daniel Pop as General Manager of Rompetrol Rafinare S.A. ends as of September 30, 2024 (last day of the term of office) according to the Decision of the Board of Directors No. 2/25.09.2023, by Decision No. 1 of September 10, 2024, the Board of Directors approved the extension of the term of office of Mr. Florian-Daniel Pop as General Manager of Rompetrol Rafinare SA under the same conditions, for one year, i.e., for the period from October 1, 2024, to September 30, 2025 (last day of the term of office).

Financial Manager

According to the Articles of Association of RRC, in case the Company engages in patrimonial acts, the representation of the Company is delegated, according to the provisions of Article 143 of Companies Law No. 31/1990, to the General Manager and the Financial Manager.

Alexandru Stavarache – Financial Manager¹⁸ (from December 1, 2023, to present)

In 2024, Mr. Alexandru Stavarache was appointed Financial Manager of Rompetrol Rafinare S.A.

¹⁸From December 1, 2023, to February 29, 2024, he served as provisional Financial Manager.



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By Decision No. 2 of November 27, 2023, following the termination of the term of office of Ms. Ramona-Georgiana Galateanu as Financial Manager, the Board of Directors appointed Mr. Alexandru Stavarache as provisional Financial Manager of Rompetrol Rafinare S.A. for a term of office from December 01, 2023, to February 29, 2024. To the new Financial Manager, the Board of Directors has delegated the management of the Company and powers of representation of the Company together with the General Manager in respect of acts of a patrimonial nature.

During the meeting on February 27, 2024, the Board of Directors decided to appoint Mr. Alexandru Stavarache as Financial Manager for a term of office from March 1, 2024, to April 30, 2026, following the expiration on February 29, 2024, of his term of office as provisional Financial Manager.

Thus, the two Executive Managers to whom management was delegated for the abovementioned purposes, from January to December 2024, were:

Name and Surname	Position	Start date of mandate	End date of mandate
Florian-Daniel Pop	General Manager	30.09.2023 (mandate from 30.09.2023 to 30.09.2024 according to BoD Decision No. 2 of 25.09.2023)	30.09.2024
		01.10.2024 (mandate from 01.10.2024 to 30.09.2025 according to BoD Decision No. 1 of 10.09.2024)	30.09.2025
Alexandru Stavarache ¹⁹	Financial Manager with a provisional mandate	01.12.2023 (appointment for a provisional mandate from 01.12.2023 according to BoD Decision No. 2 of 27.11.2023)	29.02.2024
	Financial Manager	01.03.2024 (appointment for a permanent term from 01.03.2024 according to BoD Decision No. 2 of 27.02.2024)	30.04.2026

¹⁹As of December 1, 2023, he was elected Sole Director of Rompetrol Petrochemicals SRL, a company wholly owned by Rompetrol Rafinare, to replace Ms. Ramona-Georgiana Galateanu, for a term of office that expired on November 30, 2024. By Decision No. 2/2024 taken by the Company's Sole Shareholder on November 21, 2024, the extension of the mandate of Sole Director was approved for a term of office from December 1, 2024, to November 30, 2025.

As of February 17, 2024, he was elected the permanent representative of the Sole Director KMG Rompetrol SRL of Rompetrol Quality Control SRL, a company owned by RRC.



We have no information about any cases of collusion, agreements, or family links between members of the Executive Management and other persons that led to their appointment.

Neither of the two Executive Managers listed in the above table hold shares in the Company.

5.3.3. LITIGATIONS IN WHICH THE DIRECTORS OR MEMBERS OF THE EXECUTIVE MANAGEMENT HAVE BEEN INVOLVED, DURING THE LAST 5 YEARS

The Civil case related to the July 2, 2021, incident involving Directors and members of the Executive Management:

The heiress of one of the victims of the incident on the Petromidia platform from July 2, 2021, filed a lawsuit in the Constanta court against the Company, the Directors, and the Executive Management of the Company, requesting that they be ordered jointly and separately to pay the amount of RON 1,000,000 as a civil compensation for the non-material damage suffered. The case was finally settled in October 2022 by the dismissal of the lawsuit.

5.4. ADVISORY COMMITTEES

In its work, the Board of Directors is supported by two advisory committees, namely: the Audit Committee and the Strategy Committee, being entrusted with concluding analysis and preparing recommendations for the Board of Directors, in the specific areas of activity, having the obligation of submitting periodic activity reports to the members of the Board of Directors.

The Audit Advisory Committee

The Committee was established based on Decision No. 1 of the Board of Directors held on April 13, 2018.

The Strategy Advisory Committee

The Committee was established based on Decision No. 4 of the Board of Directors held on March 20, 2019.

A detailed description of the duties and responsibilities of the Advisory Committees is found in the Organizational and Operational Rules approved by the Board of Directors, regulations published on the Company's webpage <https://rompetrol-rafinare.kmginternational.com/>, Investor Relations – Corporate Governance – Corporate Governance Documents Section.

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Each Advisory Committee has a secretary and a chairman.

The Audit Advisory Committee

The Audit Committee fulfills its legal duties provided under Article 65 of Law No. 162/2017²⁰ consisting mainly in monitoring the financial reporting process, the internal audit process, the risk management process within the Company, and compliance assurance, as well as supervising the activity of statutory audit of the annual financial statements and in the management of the relationship with the external auditor.

During 2024, the structure of the Audit Committee did not undergo any changes, its composition being as follows:

- Dan Alexandru Iancu, Chairman
- Adrian Tohănean – member (non-executive director)
- Nicolae Bogdan Codruț Stănescu - member (independent non-executive director)

Information on the meetings of the Audit Committee in 2024

In 2024, 9 meetings were organized, of which 7 were held through electronic communication means (Microsoft Teams and email), and 2 involved physical attendance.

Additionally, to fulfill its legal responsibilities, in 2024 the Audit Committee had working meetings with the internal departments of the Company, namely with the Risk, Internal Control, and Internal Audit Departments, as well as meetings with the external auditor of the Company.

The table below shows the attendance at Audit Committee meetings of members in office for the year ended December 31, 2024:

Full name	Participation in presentia/ by electronic means of communication
Dan Alexandru Iancu ²¹	9/9/9
Nicolae Bogdan Codruț Stănescu	9/9/9
Adrian Tohănean ²²	8 [*] /9/9

**) Empowerment granted to Mr. Dan Alexandru Iancu*

²⁰Law No. 162 of July 15, 2017, on the statutory audit of annual financial statements and consolidated financial statements and amendments to certain regulations

²¹ Reappointment as a member of the Audit Committee according to the OGMS Resolution No. 3/2022 of April 28, 2022

²² Member of the Audit Committee since May 4, 2022, according to the Decision No. 6 of the Board of Directors of May 4, 2022

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The first digit indicates the number of meetings attended by the individual as a member of the Audit Committee, the second digit is the number of meetings held during the term of office in 2024, and the third digit is the total number of meetings held by the Audit Committee in 2024.

In 2024, the Audit Committee provided recommendations to the Board of Directors of RRC related to subjects that incur under its scope of duties, as follows:

- Documents related to financial reporting for the fiscal year 2023: Individual and Consolidated Financial Statements as of December 31, 2023 (unaudited), prepared in accordance with International Financial Reporting Standards (IFRS – EU), the Board of Directors' Annual Report on Individual Financial Statements for the fiscal year 2023, and the Board of Directors' Annual Report on Consolidated Financial Statements for the fiscal year 2023.
- Quarterly Individual and Consolidated Interim Financial Statements prepared in 2024 in accordance with International Financial Reporting Standards (IFRS - EU);
- The Board of Directors' report for the first semester of 2024, prepared in compliance with legal provisions.
- Remuneration report of the management structure for the fiscal year 2023 (not identified as a recommendation in 2024).
- Appointment of the external auditor of the company.
- Other information materials.

Regarding the management of conflicts of interest, each member of the Board of Directors has to ensure the avoidance of direct or indirect conflict of interest with the Company and in the event of such a conflict, they abstain from discussing and voting on the relevant matters, in accordance with applicable legal provisions.

To ensure the fairness of transactions with interested parties, the members of the Board of Directors use the following criteria, among others:

- Maintaining the authority of the Board of Directors or the annual General Meeting of Shareholders, as applicable, to approve the most important transactions (per the limits of competence contained in the Company's Articles of Incorporation)
- Request a preliminary opinion on the most important transactions from internal control structures.

The transactions conducted in 2024 with affiliated parties, as reported to the Romanian capital market authorities and RRC shareholders according to the provisions of Article 108 of Law No. 24/2017, as republished, did not raise questions about a potential conflict of interest for the directors of the RRC.

The planning of internal audit activities is carried out per the risk assessment process.

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KazMunayGas
International
Group Member

The Strategy Advisory Committee

The Strategy Committee assists the Board of Directors in fulfilling its responsibilities in the field of developing and updating the Company's general development strategy.

During 2024, the composition of the Strategy Committee underwent 2 changes as follows:

- during the OGMS meeting on April 26, 2024, following the termination of the mandate of provisional Administrator of Ms. Zhamilya Meshitbay as provisional Administrator, her mandate as a member of the Strategy Committee also terminated (appointed to this position in accordance with Decision no. 5 of the Board of Directors on September 25, 2023);
- during the Board of Directors meeting on October 14, 2024, the Board of Directors approved the appointment of Mr. Sergey Khegay as a member of the Strategy Committee of Rompetrol Rafinare S.A., for a term starting with October 15, 2024. In the same meeting, the Board of Directors approved the appointment of Mr. Pavel Romanenko as a member of the Strategy Committee of Rompetrol Rafinare S.A., for a term starting with October 15, 2024 and until April 30, 2026 (the end date of the current mandate of the Company's Administrators). Mr. Pavel Romanenko was elected as a Director of the Company in accordance with Decision No. 2/2024 of the Ordinary General Meeting of Shareholders on April 26, 2024.

Thus, during January-December 2024 period, the composition of the Strategy Committee was as follows:

During January 1, 2024 – April 25, 2024:

- Batyrzhan Tergeussizov – Chairman (Nonexecutive Administrator)
- Bogdan-Catalin Steriopol - Member (Nonexecutive Independent Administrator)
- Tamila Mikulich – Member (Nonexecutive Administrator)
- Constantin Saragea – Member (Nonexecutive Administrator)
- Zhamilya Meshitbay – Member (Nonexecutive Administrator)

During April 26, 2024 – October 14, 2024 the structure of the Strategy Committee was as follows:

- Batyrzhan Tergeussizov – Chairman (Nonexecutive Administrator)
- Bogdan-Catalin Steriopol - Member (Nonexecutive Independent Administrator)
- Tamila Mikulich – Member (Nonexecutive Administrator)
- Constantin Saragea – Member (Nonexecutive Administrator)

During October 15 – December 31, 2024, the structure of the Strategy Committee was as follows:

- Sergey Khegay – Chairman (Nonexecutive Administrator)
- Bogdan-Catalin Steriopol - Member (Nonexecutive Independent Administrator)
- Tamila Mikulich – Member (Nonexecutive Administrator)

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- Constantin Saragea – Member (Nonexecutive Administrator)
- Pavel Romanenko – Member (Nonexecutive Administrator)

As per its own regulations, the Strategy Committee carries out the analysis and develops recommendations for the Board of Directors of RRC regarding: coordinating the development/updating and monitoring of the Company's development strategies; periodically analyzing the implementation status of these development strategies and the measures required for the achievement of the established objectives; monitoring the projects to diversify the Company's activity by achieving investment objectives; concluding by the Company of legal acts (contracts, addenda, orders, transactions, etc.) significant from a patrimonial point of view.

In 2024, the activity of the Strategy Advisory Committee mainly aimed at formulating recommendations to the Board of Directors of RRC regarding the proposal for the 2024 Income and Expenditure Budget, the 2024 Production Plan, the 2024 Investment Plan, etc.

5.5. SHARES AND RIGHTS OF THE SHAREHOLDERS

The rights of the shareholders of Rompetrol Rafinare are those conferred by Law No. 31/1990 on companies, Law No. 24/2017 on the issuers of financial instruments and market operations, republished, FSA Regulation No. 5/2018, other regulations and guidelines, issued by FSA, of the Stock Exchange Code and other legal regulations currently in force.

All holders of RRC shares are treated equitably. All the shares issued grant equal rights to the holders.

Each share subscribed and paid up by the shareholders, according to the law, gives them the right to vote within the general meeting of shareholders, the right to appoint and to be appointed by the management bodies, the right to participate in the distribution of profit, in compliance with the provisions of the Articles of Incorporation of the company and the legal dispositions respectively the rights stipulated in the Articles of Incorporation.

The acquisition by a person, directly or indirectly, as provided for by the law, of the ownership right on a share, influences the acquisition de jure of the status of the shareholder of the Company with all their rights and obligations derived therefrom, according to the law and the Articles of Incorporation.

The shareholder who in certain operations has, either personally or as a representative of another person, an interest contrary to the interest of the Company, will have to refrain from any deliberations on that account.

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The shares issued as dematerialized shares are traded on a regulated market in compliance with the legislation of the capital market. The rights and obligations related to the shares follow the shares in case there are transferred under the ownership of other persons. The shareholders have the right to be completely informed during the General Meeting of the Shareholders on the Company's situation. In case new shares are issued, the shareholders existing have the pre-emption right for subscription, under the conditions of the law, pro rata the percent of shares held within the Company.

All holders of financial instruments issued by Rompetrol Rafinare of the same type and class of titles benefit from equal treatment, and the Company makes permanent efforts to ensure transparent communication for the exercise of rights in an equitable manner.

The company has created a special section called Investor Relations, on its website, where relevant information on the procedures regarding access and participation at the General Meeting of Shareholders (GMS), GMS's summon, supplemented agenda of the GMS, the responses to shareholders' questions, Current Reports, Annual, semester and quarterly reports, financial statements, the exercise of voting rights in GMS, GMS agenda materials, special proxy forms, correspondence voting ballots, financial schedule, corporate governance, etc. of the Company is constantly updated and accessible, that contributing to transparency and equitable information for all persons interested.

The main shareholders rights regarding GMS are:

➤ *The right to notice regarding a new GMS*

The RRC Shareholders are informed about an upcoming meeting of shareholders by convening notice published in the Romanian Official Gazette, Part IV and in a newspaper of national circulation at least 30 days before the meeting; also, the convening notice is published on the website of the Company, in the Investor Relations Section and it is submitted to the Financial Supervisory Authority and the Bucharest Stock Exchange, as a current report.

➤ *The right of access to information*

The documents and informative materials are published on the website.

➤ *The right to supplement the agenda of the GMS*

One or several shareholders representing, severally or jointly, at least 5% of the share capital, has/have the right, under the legal conditions, to request to the company Board of Directors: a) to introduce further topics in the agenda of the general meeting, provided that each topic is accompanied by a justification or by a draft resolution proposed to be adopted by the general meeting and b) to submit



the draft resolution for the topics included or proposed to be included in the agenda of the general meetings.

➤ *The right to attend the GMS*

The shareholders registered in the list of RRC shareholders on the reference date communicated in the Summoning of the GMS and received from the Central Depository shall be entitled to attend in person or by a representative at the General Meeting of Shareholders.

➤ *Voting right*

Each share registered in the shareholder's name on the reference date confers a voting right in GMS. The shareholders of Rompetrol Rafinare can exercise their vote rights as follows:

1. Direct vote – in person, during the General Meeting of the Shareholders
2. Vote by a representative with a special or general proxy
3. Vote by correspondence

➤ *The right to ask questions*

Each shareholder, regardless of participation in the share capital, has the right to ask questions relating to topics on the agenda of the general meetings, and the Company may answer the questions asked by the shareholders by posting such answers on the Company website. Questions have to be pertinent, relevant to the topics on the agenda, and not harm the confidentiality and commercial interests of the Company and are in writing, either by mail or courier services or by electronic means. Furthermore, the summons of the general meeting will comprise the deadline by which shareholders may exercise the above-mentioned rights.

The shareholders have the right to participate in presentia and to vote within the GMS and to be informed related to the rules, including the voting procedures, governing the GMS. Each share gives the right to one voting right, one dividend. There are no preferential shares without the right to vote or shares that confer the right to more than one vote.

Shareholders' right to dividends

If the General Meeting of Shareholders approves the distribution of dividends from the net profit of the Company, all shareholders registered in the Register of shareholders at the time of registration decided by the General Meeting which also approves the number of dividends received and the time limit within which they shall be paid to the shareholders shall be entitled to receive dividends.



5.6. OTHER ELEMENTS REGARDING THE CORPORATE GOVERNANCE

5.6.1. TRANSPARENCY, COMMUNICATION AND REGULAR AND CONTINUED REPORTING

Being a Company admitted on the stock exchange, RRC operates in compliance with the information requirements regulated by the capital market norms, by preparing periodic and constant reporting regarding the events concerning the Company, including, but not limited to, its financial reports, performance, ownership, and management of the Company.

In order to ensure transparency by communicating with the legislation in force, Rompetrol Rafinare has created on its website (<https://rompetrol-rafinare.kmginternational.com/>) a special section (Investor Relations), where any investor can easily access information about: (i) news, information and events; (ii) corporate governance; (iii) shareholders' rights; (iv) reports; (v) financial statements; (vi) General Meeting of Shareholders; (vii) financial communication calendar; etc.

Rompetrol Rafinare attaches great importance to transparency in communicating and informing shareholders and investors. During 2024, reports, presentations and press releases were prepared on financial results, GMS meetings and resolutions adopted by the GMS, periodic reports (quarterly, half-yearly, annual), changes in the Company's management structure, i.e. the composition of the Board of Directors, Executive Management and Advisory Committees, significant transactions, various information on events in the Company's activity, significant investment programs in the Petromidia refinery regarding storage capacities, planned works, etc. The information that was the subject of current and periodical communications, information and reports was drawn up bilingually (Romanian and English), communicated to the market operator, the Bucharest Stock Exchange (BSE), the Financial Supervisory Authority and was available by posting on the Company's website, <https://rompetrol-rafinare.kmginternational.com/> in the Investor Relations Section. The information is distributed both in Romanian and in English.

In accordance with the provisions of ASF Regulation No. 5/2018, RRC submitted current reports (prepared bilingually, Romanian and English) to the BVB and ASF under Article 108 of Law 24/2017, transactions that cumulatively exceed 5% of the net asset value reported in the most recent financial report. These current reports sent to the above-mentioned capital market institutions have also been posted on the RRC website and contain the following information: the parties who concluded the legal act, the date of conclusion and the nature of the act, a description of its subject matter, the total amount of the legal act, mutual claims, guarantees provided, penalties, payment terms and conditions.

As required by law, the individual and consolidated financial statements have been audited by an independent financial auditor, Ernst & Young Assurance Services S.R.L.

RRC submits to the Bucharest Stock Exchange no later than 120 days after the end of the reporting period, an annual report prepared per the relevant rules issued by the Financial Supervisory Authority, accompanied by all documents required by the FSA rules.

The RRC submits to the BSE no later than 45 days after the end of the reporting period a semi-annual report and a quarterly report for the first and third quarters, respectively, drawn up per the relevant rules issued by the FSA, accompanied by all documents stipulated by the capital market rules. At the same time, preliminary results reports are also distributed through the BSE channels, they can be found on the website <https://rompetrol-rafinare.kmginternational.com/>, in the Investor Relations/ Financial results and reports Section, Annual reports Subsections, respectively Quarterly interim reports/ Consolidated quarterly reports under IFRS (unaudited).

5.6.2. SUSTENABILITY SECTION

The 2024 Consolidated Sustainability Report (Annex to the Annual Report of the Board of Directors on the consolidated financial statements) provides an overview of Rompetrol Rafinare and its affiliated entities, detailing their environmental, social, and governance (ESG) performance. The report aligns with international reporting frameworks and regulatory requirements, including the European Sustainability Reporting Standards (ESRS), the EU Taxonomy, and IPIECA guidelines for the oil and gas industry.

Key topics covered in the report include greenhouse gas emissions, occupational health and safety, environmental and socioeconomic compliance, fair labor practices, and customer relations. These remain central to Rompetrol Rafinare's sustainability approach, reflecting its commitment to responsible business practices and industry best standards.

The report highlights Rompetrol Rafinare's position in relation to climate change mitigation through energy efficiency initiatives, decarbonization projects. The company monitors and reports its Scope 1, 2, and 3 GHG emissions, aligning with industry best practices. Additionally, efforts in circular economy initiatives, waste management, and resource optimization demonstrate a commitment to minimizing environmental impact. Water conservation and pollution control measures further reinforce the company's dedication to sustainable operations.

Employee well-being is a cornerstone of Rompetrol Rafinare's sustainability strategy, with health and safety programs, diversity initiatives, and fair working conditions ensuring a supportive workplace culture. Beyond its workforce, the company actively invests in community development projects, focusing on education, healthcare, and environmental sustainability. These initiatives reflect the company's broader social responsibility and its role in fostering positive change in the regions where it operates.

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Rompetrol Rafinare aligns its financial reporting with the EU Taxonomy, detailing its eligible and aligned activities within the framework and reporting on its aligned OPEX, CAPEX and Turnover. The company evaluates financial risks and opportunities related to climate transition, ensuring compliance with sustainability regulations.

The comprehensive list of reports of the sustainability performance is available for stakeholders on the corporate website - <https://www.rompetrol.com/ro/rapoarte-de-grup>, as well as the dedicated Rompetrol Rafinare website - <https://rompetrol-rafinare.kmginternational.com/>.

The consolidated sustainability report as of 31.12.2024 was the subject of a limited assurance engagement in accordance with ISAE 3000 (Revised), carried out by Ernst&Young Assurance Services SRL - both in the consolidated and standalone directors' report.

Moreover, in 2024, KMG International continued to be a member of the United Nations Global Compact, an initiative aimed at promoting the adoption and implementation of sustainability policies by businesses globally, enabling companies to adopt an established and globally recognized policy framework for development.

As a company committed to stakeholder engagement and continuous dialogue, Rompetrol Rafinare encourages open communication on ESG-related matters. For any feedback or inquiries regarding sustainability topics, stakeholders are invited to reach out via email at csr@rompetrol.com.

5.6.3. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCEDURES

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

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

Rompetrol's Code of Ethics and Conduct is approved by the Board of Directors and applies to all directors, executives and employees, whatever the nature of their contractual relationship with the Company. The Code creates a frame of reference for understanding and putting into practice the

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Company's expectations as to each person's behavior, in light of the Company's principles of action. Rompetrol's employees undergo regular professional trainings, trainings on ethical standards and anti-corruption conduct.

Whistleblowing incidents are taken very seriously by the Company and its directors. Any complaints or allegations received are investigated properly by the assigned departments. The Company has established and maintained an open channel to handle and discuss internal reports concerning finance, internal control and fraud to ensure that all reports will receive enough attention. In line with Irregularity Reporting Policy, the internal investigations conducted during 2024 and up to the approval date of the financial statements did not reveal any cases of ethical misconduct and non-compliance with applicable laws and regulations. The results of all internal investigations were discussed with the Company's statutory bodies, which concluded that the warnings were not confirmed.

5.7. REPORTED LEGAL ACTS

Rompetrol Rafinare reported the legal acts concluded during 2024 by the Company in accordance with art. 108 of Law no. 24/2017, republished, through the Current Reports registered with the Company with no. 3671/12 June 2024, no. 3921/27 June 2024, no. 7053/22 November 2024 and 7827/30 December 2024. The Company also reported an addendum to the transactions with affiliated parties in accordance with art. 108 of Law no. 24/2017, republished having a value greater than 5% of the Company's net assets according to Report no. 4543/26 July 2024. Within the above-mentioned reports, Rompetrol Rafinare also reported the significant transactions concluded between affiliated parties of RRC and RRC subsidiaries, as well as the significant transactions concluded between the Company's subsidiaries.

All Reports were submitted to the market operator (respectively the Bucharest Stock Exchange), posted on the ASF website (www.asfromania.ro) in the section: Supervision/Capital Market/Electronic Reports as well as on the Company's website <https://rompetrol-rafinare.kmginternational.com/> in the section Investor Relations/Financial Results and Reports, subsection Current Reports.

5.8. EVENTS SUBSEQUENT TO THE BALANCE SHEET

In February 2025, Rompetrol Rafinare SA entered into a repurchase agreement (repo) with KazMunayGas Trading AG involving the sale of 730,000 CO2 certificates. Under the terms of the agreement, the Company is obligated to repurchase the certificates in September 2025. The transaction was undertaken to optimize cash flow management and does not represent a permanent disposal of the CO2 certificates.

Description of the policies and goals of the company regarding the risk management

See information at Chapter "1.1.8. Risk management activity", chapter entitled "Policies and objectives of the company regarding the risk management".

Financial Communication Calendar proposed for year 2025

Financial agenda	Date
Presentation of preliminary, Standalone, and consolidated financial results for 2024 and QIV 2024	28 February 2025 <i>Friday</i>
Ordinary General Meeting of Shareholders for approving financial results for the year 2024	April 29, 2025 (first call)/ April 30, 2025 (second call) <i>Tuesday/ Wednesday Monday</i>
Release of the 2024 Annual Report	30 April 2025 <i>Wednesday</i>
Presentation of the results recorded in the first quarter of 2025	15 May 2025 <i>Thursday</i>
Presentation of the results of the first semester and the second quarter of 2025	15 August 2025 <i>Thursday</i>
Presentation of results for the third quarter and January – September 2025	17 November 2025 <i>Monday</i>
Phone conferences and/ or meetings with investors and financial analytics, as the case may be	Upon request

Investor Relations Contact

Annual, half-yearly, and quarterly reports are made available to shareholders upon request. Requests can also be made electronically by e-mail to:

Investor.Relations.RRC@rompetrol.com.



6. STATEMENTS AND SIGNATURES

Based on the best information available, we hereby confirm that the Individual Financial Statements, audited, prepared according to the Order of the Minister of Public Finance no. 2844/2016 for approving the accounting regulations conform to the International Financial Reporting Standards, and the Consolidated Financial Statements, audited, prepared in accordance with the applicable accounting standards (International Financial Reporting Standards (“IFRS”) approved by the European Union), provide a true correct image regarding the Financial Position of the Company and its subsidiaries respectively included in the process of consolidating the financial statements (“RRC Group”), the Financial Performance and Cash Flows for the financial year 2024. This Report, prepared in accordance with the provisions of Article 65 of Law no. 24/2017 regarding the issuers of financial instruments and market operations, republished, and Annex no. 15 of Regulation no. 5/2018 issued by the Financial Supervisory Authority, for the financial year ended as at December 31, 2024, contains accurate and factual information regarding the development and performance of the Company and the RRC Group, as well as a description of the main risks and uncertainties specific to the activity carried out.

BOARD OF DIRECTORS:

Chairman
Yedil Utekov

Member
Tamila Mikulich

Member
Erik Sagiyeu

Member
Adrian Tohănean

Member
Nicolae Bogdan Codruț Stănescu

Member
Bogdan-Cătălin Steriopol

Member
Constantin Saragea

EXECUTIVE MANAGEMENT:

General Manager
Florian-Daniel Pop

Financial Manager
Alexandru Stavarache



7. ANNEXES

ANNEX 1 - Amendments to the Constitutive Act of the Company

In 2024, there were no changes or updates to the Company's Articles of Incorporation.

ANNEX 2 - Appointment/revocation documents among members of the administration, executive management, auditor.

During the reporting year, among the members of the administration and the executive management, the following acts of appointment/revocation took place.

1	Decision 2 of BoD from 27.02.2024	- Appointment of Mr. Alexandru Stavarache as Economic Director of Rompetrol Rafinare S.A. for a period starting with March 01, 2024, and until April 30, 2026 (expiration date of the mandates of the members of the Board of Directors). During the period December 1, 2023 – February 29, 2024, Alexandru Stavarache held the position of interim Economic Director.
2	Decision No. 2/2024 OGMS of 26.04.2024	- Following the expiration of the provisional mandates of 3 interim Administrators, the election of the following 3 (three) new permanent members of the Board of Directors of the Company for a term starting with the Ordinary General Meeting of Shareholders of April 26, 2024, and which will expire on April 30, 2026 (the expiration date of the mandate of the current members of the Board of Directors): ○ Ms. Tamila MIKULICH, Ukrainian citizen, with the residency in Bucharest, 1st district, Romania; ○ Mr. Constantin SARAGEA, Romanian citizen, with the residency in Bucharest, 3rd district, Romania; Mr. Pavel ROMANENKO, Kazakh citizen, with the residency in Constanta, Romania.
3	Decision No. CA of September 10, 2024	- Approval of the extension of the mandate of Mr. Florian-Daniel Pop as General Manager of Rompetrol Rafinare S.A. for 1 year, respectively for the period October 1, 2024 - September 30, 2025 (last day of mandate). Mr. Florian-Daniel POP held the position of General Manager from September 30, 2023, to September 30, 2024.
4	Decision no. 1 of the Board of Directors of October 14, 2024	- termination of the mandate of Administrator and Chairman of the Board of Directors of Rompetrol Rafinare S.A. of Mr. Batyrzhan Tergeussizov starting with October 14, 2024 (last day of mandate) following the formulation of the request for termination of the mandate and the quality of Chairman and Administrator. - appointment of Mr. Sergey Kheday as Chairman and provisional/temporary Administrator of the Board of Directors of Rompetrol Rafinare S.A. for a



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		mandate starting with October 15, 2024, and until the next meeting of the Ordinary General Meeting of Shareholders of Rompetrol Rafinare S.A.

There were no resignation/dismissal or revocation acts of the external financial auditor of the Company



ANNEX 3 - List of work points of Rompetrol Rafinare

At the end of the year 2024, the company holds two work points, namely:

- i) Work point located in Năvodari, Bulevardul Năvodari, nr. 1 - 283, județul Constanța;
and
- ii) Work point located in Ploiești, str. Văleni nr. 146, județul Prahova, which carries out its activities in the space which is owned by the Company, called "Rompetrol Rafinare - Work Point Vega Refinery".

ANNEX 4 – List of ROMPETROL RAFINARE subsidiaries

At present, Rompetrol Rafinare S.A. holds the control position in the following companies:
directly:

- **Rompetrol Logistics S.R.L.** (with registered office in Ploiești, str. Basarabilor, nr. 7, județul Prahova, registered with the Trade Register under number J29/2556/16.09.2008, having Tax Identification Number RO 14156698).

The main business object of Rompetrol Logistics S.R.L. is *Freight rail transport* - NACE code 4920.

➤ Participation - 66,1911%.

- **Rompetrol Petrochemicals S.R.L.** (with registered office in Năvodari, Bulevardul Năvodari, nr. 215, Pavilion Administrativ, cam. 21, registered with the Trade Register under number J13/2681/09.12.2002, having Tax Identification Number RO15077797).

The main business object of Rompetrol Petrochemicals S.R.L. is *Manufacture of plastics in primary forms* - NACE code 2016.

➤ Participation - 100%.

- **ROM OIL S.A.** (with registered office in Zărnești, Str. Mare, nr. 1, Parter, județul Brașov, registered with the Trade Register under number J8/549/13.05.1998, having Tax Identification Number RO 10600770).

Starting with 2017, the main business object of ROM OIL S.A. is *Renting and operating of own or leased real estate* - NACE code 6820.

➤ Participation - 99,9998508%.

- **Rompetrol Quality Control S.R.L.** (with registered office in Navodari, Bulevardul Navodari nr. 215-Pavilion Administrativ, etaj 2 camera 220, judetul Constanta, registered with the Trade Register under number J13/6775/22.06.2004, having Tax Identification Number RO16542407).

The main business object of Rompetrol Quality Control S.R.L. is *Technical testing and analysis* - NACE code 7120.

➤ Participation - 70,91%.

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rompetrol

KazMunayGas
International
Group Member

- **Rompetrol Downstream S.R.L.** (with registered office in București, City Gate Northern Tower, Piața Presei Libere nr. 3-5, etaj 2, sector 1, registered with the Trade Register under number J40/1716/24.02.2000, having Tax Identification Number RO12751583).

The main business activity of Rompetrol Downstream S.R.L. is *Retail sale of automotive fuel in specialized stores* - NACE code 4730.

➤ Participation - 99,994688898%.

indirectly:

- **Global Security Sistem S.A.** (with registered office in București, strada Constantin Căpitanu, nr. 10, sector 1, registered with the Trade Register under number J40/10517/25.11.1999, having Tax Identification Number RO12452549).

The main business activity of Global Security Sistem S.A. is *Private security activities* - NACE code 8010.

- **Rompetrol Gas S.R.L.** (with registered office in București, strada Piața Presei Libere, City gate Northern Tower, etaj 5, camerele 4 - 5, sector 1, registered with the Trade Register under number J40/11389/12.07.2006, having Tax Identification Number RO18846690).

The main business activity of Rompetrol Gas S.R.L. is *wholesale of solid, liquid and gaseous fuels and related products* - NACE code 4671.

ANNEX 5 – List of Company related parties²³

Rompetrol Rafinare S.A. is part of the KMG International Group²⁴. KMG International NV is 100% owned by "National Company "KazMunayGas" JSC.

The parent companies of Rompetrol Rafinare S.A. (i.e. the shareholders of the company JSC "National Company "KazMunayGas") are (i) JSC National Welfare Fund "Samruk-Kazyna" (67.42%), (ii) the National Bank of the Republic of Kazakhstan (9.58%), and (iii) Finance Ministry of the Republic of Kazakhstan (20%) - all these three companies being headquartered in Kazakhstan, being entirely held by the Kazakh State, and (iv) minority shareholders (3%).

The related parties are presented below:

1. Companies with registered office in Romania

- Oilfield Exploration Business Solutions S.A.
- Rompetrol Downstream S.R.L.
- Rompetrol Well Services S.A.
- Rompetrol Logistics S.R.L.
- Rominserv S.R.L.
- Rom Oil S.A.
- Global Security Sistem S.A.
- Midia Green Energy S.A.²⁵
- Rompetrol Petrochemicals S.R.L.
- Rompetrol Quality Control S.R.L.
- Rompetrol Financial Group S.R.L.
- Rompetrol Gas S.R.L.
- Midia Marine Terminal S.R.L.
- KMG Rompetrol S.R.L.
- Byron Shipping S.R.L.
- Rompetrol Energy S.A.

²³ At this point there have been listed all of the companies in the KMG International Group

²⁴ As Rompetrol Group until March 2014

²⁵ As Uzina Termoelectrică Midia S.A. until December 2022



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- KMG ROMPETROL DEVELOPMENT S.R.L.
- Fondul de Investitii in Energie Kazah-Roman S.A.
- KMG Rompetrol Services Center S.R.L.²⁶
- Rompetrol Renewable S.R.L.²⁷ – suspended activity

2. Companies with registered office abroad

- KMG International N.V.²⁸
- Byron Shipping LTD
- Intreprinderea Mixtă “Rompetrol Moldova” S.A.
- Rompetrol Georgia LTD
- Rompetrol France SAS
- Dyneff SAS
- TRG PETROL TICARET ANONIM ŞIRKETI
- Rompetrol Bulgaria JSC
- KazMunayGaz Trading A.G.
- DPPLN SAS (Depot Petrolier de Port-la-Nouvelle SAS)
- Dyneff Retail SAS;
- DYNEFF ESPAGNE SL;
- DYNEFF GAS STATIONS NETWORK SL;
- DYNEFF Trading SL;
- EPPLN SAS;
- NATGAS France SAS;
- BIO ADVANCED ENERGY SAS;
- DP FOS SA;
- SPR SA;
- ANEO SAS;
- BOISSONNADE COMBUSTIBLES SAS;
- “Paul ORRIOLS” COMBUSTIBLES DE CERDAGNE SAS;
- ETS ROSSIGNOL SAS;
- PLANTIER SAS;
- ORCEYRE SAS;
- AUBAC SAS;
- TPDT SARL;

²⁶ With the old designation of ROMPETROL EXPLORATION & PRODUCTION S.R.L.

²⁷ As Rompetrol Drilling S.R.L. until 31.01.2023

²⁸ Until March 2014, with the name The Rompetrol Group N.V



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- ABC CARBURANTSALLO BEZIAT CARBURANTS SAS;
- GERAUD-TAMPIER SAS;
- DAVID RECOULES SAS;
- ALEGRI SAS.
- BENON JV
- NEEL FRAISSE SAS
- TRAVAUX FORESTIERS ZAPLOTNY SAS;
- BOIS ENERGIE DES TERRITOIRES D'Auvergne SAS;
- FRANCE HABITAT ENR SAS;
- GLOBAL'ETHIC DELTA

Note: there are also 7 branches and representative offices of the KMG International Group



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ANNEX 6 - Stage of implementation of the Corporate Governance Code of the Bucharest Stock Exchange as at 31 December 2024

Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES		
A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	YES		
A.3. The Board of Directors or the Supervisory Board should have at least five members.	YES		



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
A.4. The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a statement that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgement in practice.	YES		
A.5. A Board member's other relatively permanent professional commitments and engagements, including executive and nonexecutive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	YES		



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	YES		
A.7. The company should appoint a Board Secretary responsible for supporting the work of the Board.	YES		
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the Chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.		NO	The company will develop a policy/guidance concerning the Board's evaluation, including the purpose, criteria and frequency of the evaluation process.
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	YES		
A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.	YES		



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
A.11. The Board of Premium Tier companies should set up a nomination committee formed of nonexecutives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.		N/A	The company is included in the Standard category.
B.1. The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the Chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	YES		
B.2. The audit committee should be chaired by an independent nonexecutive member.	YES		



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the internal control system.	YES		
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES		
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.		Partial compliance	The requirement will be implemented
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.	YES		
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	YES		
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by periodical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES		



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES		
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.		NO	The company will prepare a policy/guideline regarding provision B.10 of the Corporate Governance Code
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	YES		
B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES		



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.	YES		In 2021, the Company established the Remuneration Policy in accordance with art. 92¹ of Law no. 24/2017. In OGMS of April 28, 2021, the Company submitted to the approval of the shareholders the Remuneration Policy of the Company's Directors. In March 2023, the Company revised the Remuneration Policy. In the OGMS of April 27, 2023, the Company submitted to the approval of the shareholders the revised Remuneration Policy that entered into force on the date of this OGMS. The Remuneration Policy revised on April 27, 2023 can be found on the Internet, on the Company's website https://rompetrol-rafinare.kmginternational.com/, Investor Relations section, Corporate Governance Documents subsection



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
D.1. The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	YES		
D.1.1. Main corporate regulations: the articles of association, general shareholders' meeting procedures;	YES		
D.1.2. Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and nonexecutive Board positions in companies and non-for-profit institutions;	YES	Partially compliant	The recommendation is not implemented as concerns other professional commitments of the Board's members, including executive and non-executive positions in boards of directors of other companies or non-profit institutions. It will be implemented.
D.1.3. . Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;	YES		



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
D.1.4. Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken;	YES		
D.1.5. Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	YES		
D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request;	YES		
D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semiannual, annual), auditor reports and annual reports.	YES		
D.2. The Company shall have an annual dividend distribution policy or related to other benefits to the shareholders, proposed by the CEO or the Management Board and adopted by the Board, as a set of guidelines the company intends to follow regarding the distribution of net profit. The principles of the annual distribution policy to shareholders should be published on the corporate website.		NO	To be implemented



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
D.3. The company will adopt a policy with respect to forecasts, whether they are distributed or not. Forecasts refer to the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature, such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semestrial or quarterly reports. The forecast policy should be published on the corporate website.		NO	The requirement will be implemented.
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES		
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES		The external auditors are invited to GMS when their reports are submitted within these meetings.



ROMPETROL RAFINARE S.A.
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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
D.6. The Board will present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES		
D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES		
D.8. The quarterly and semestrial financial reports should include information in both Romanian and English regarding the key drivers that influence the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES		



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Provisions of the Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
D.9. A company will organize at least two meetings /conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.		Partially compliant	The regular reporting of the company disclosing financial information is considered complete, highly transparent and relevant in terms of the information needed for investment decision-making. The organization of such events will be established as requested by investors.
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	YES		

Legend:

GMS = General Meeting of Shareholders

BoD = Board of Directors

CV = Curriculum Vitae

Chairman of the Board of Directors

Yedil Utekov



**Shape the future
with confidence**

Ernst & Young Assurance Services SRL
Bucharest Tower Center Building, 21st Floor
15-17 Ion Mihalache Blvd., District 1
011171 Bucharest, Romania

Tel: +40 21 402 4000
Fax: +40 21 310 7193
office@ro.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Rompetrol Rafinare S.A.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rompetrol S.A. (the Company) with official head office in 215 Navodari Boulevard, Administrative Pavilion, 907500 – Navodari, Romania, identified by sole fiscal registration number RO1860712, which comprise the statement of financial position as at December 31, 2024, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying standalone financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the standalone financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Description of each key audit matter and our procedures performed to address the matter

Key audit matter	How our audit addressed the key audit matter
<i>Impairment testing of property, plant and equipment and right of use assets</i> Disclosures on the impairment testing of property, plant and equipment and right of use assets, are included in Note 2 e) and 2 j), Note 5 and Note 6 respectively, to the standalone financial statements	
Property, plant and equipment of RON 2,982 million and right of use assets of RON 48 million are significant to our audit because of the magnitude of the carrying amounts in the statement of financial position as at 31 December 2024. Under the International Financial Reporting Standards, the Company is required to assess at least at each reporting date, whether indicators for potential impairment exist and, if they exist, an impairment test is required. The assessment of whether there is an indication that an asset may be impaired requires significant judgement, as it involves consideration of various sources of information, including factors related to the economic environment and industry specific factors. The impairment test exercise is complex, requires significant management judgments and is based on unobservable market data and assumptions that are affected by expected future market conditions, including the acceleration of the pace of transition to a lower carbon economy and energy system. As of 31 December 2024, the management has performed a triggering events analysis and performed impairment testing in respect of each of the cash generating units (CGUs) identified - Refining and Petrochemicals, for property, plant and equipment and right of use assets. The impairment test for the each of the CGUs indicated that the recoverable amount was higher than the carrying value, and therefore no impairment adjustment was required.	We evaluated the triggering events analysis and the test of impairment performed by management in respect to property, plant and equipment and right of use assets as of 31 December 2024. Specifically, our audit work included, but was not limited to the following procedures: • we considered whether the impairment testing prepared by an external expert covered all CGUs for which impairment indicators existed at the end of the reporting period; • we compared the future short and long-term oil and gas prices and product margins used in the Company's budgets for consensus with analyst's forecasts; • we assessed the historical accuracy of management's budgets and forecasts by comparing them to actual performance in prior years; • we assessed the considerations used by the Company for decarbonization and transition to lower carbon economy and economy system; • we involved our internal valuation specialists to assist us in evaluating the key assumptions and the methodologies used by the Company for the impairment test of property, plant and equipment and right of use assets. Our evaluation was focused on the discount rate estimate, on the sensitivity analysis of the recoverable amount to changes in the significant assumptions, as well as on the key assumptions applied in the estimates of future cash flows (such as expected sale prices, production/sales volumes, operating



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Key audit matter	How our audit addressed the key audit matter
In light of the judgements and estimates used by management in the determination of cash flow projections used in the impairment testing, as well as uncertainties regarding current and future economic environment, the impairment assessment of property, plant and equipment and right of used assets is considered a key audit matter.	profit, discount rate, growth rate, working capital changes, impact of additional taxes as per local legislation, etc.) by analyzing their consistency with the general and industry-specific economic environment, relevant available market information and the business plans of the Company; • we checked the mathematical accuracy of the management's cash flow models for determining the fair value less cost of disposal and its conformity with the requirements of the International Financial Accounting Standards; • We evaluated of the competence, capabilities and objectivity of management's external valuator. Furthermore, we assessed the adequacy of the Company's disclosures in respect of impairment testing of property, plant and equipment and right of use assets in the notes to the standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
<i>Fair value measurement of investments in subsidiaries</i>	
Disclosures on fair value measurement for subsidiaries are included in Note 2 i), 2 j) and Note 7 to the standalone financial statements	
Investments in subsidiaries at Fair Value through profit or loss are measured at RON 3,741 million as at 31 December 2024. We considered the fair value measurement of investments in subsidiaries to be significant for our audit due to the magnitude of the carrying amounts involved, the high level of subjectivity in respect of assumptions underlying the fair value assessment and the significant judgements and estimates that need to be made by management over the determination of the fair value of financial assets not quoted in an active market. The Company has investments in different subsidiaries, as indicated in Note 7 to the standalone financial statements, measured at fair value through profit or loss. 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. Applied internal valuation techniques can be subjective in nature, involving multiple assumptions and estimates. For these reasons, we have considered this as a key audit matter	We audited management's estimate of the fair value of financial assets not quoted in an active market, having a fair value of RON 3,741 million as of 31 December 2024. Specifically, our work included, but was not limited to the following procedures: • We analysed the key assumptions used in the valuation report prepared by an external expert, by analyzing their consistency with the industry-specific economic environment, relevant available market information and the business plans approved by management for each subsidiary; • We evaluated if the valuation exercise included all factors that influence the investments at the end of the reporting period and its compliance with International Financial Reporting Standards requirements; • We involved our valuation specialists to assist us in evaluating key assumptions and the methodologies applied in the valuation report by the external expert in the fair value exercise of the financial assets. Our procedures were focused on the discount rate estimate, on the sensitivity analysis of the fair value to changes in the significant assumptions, as well as on the key assumptions applied in the estimates of future cash flows for the respective subsidiary (such as expected sale prices, sales volumes, operating profit, growth rate, working capital changes, etc.) by analysing their consistency with the business plans of the subsidiaries; • We checked the mathematical accuracy of management's exercise for determining the fair value; • We evaluated of the competence, capabilities and objectivity of management's external valuator. Furthermore, we assessed the adequacy of the Company's disclosures about fair value measurement of investment in subsidiaries in the notes to the standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
<i>Completeness and measurement of environmental provisions</i>	
Disclosures about environmental provision are included in Note 2 f) and 2 m), Note 17 and Note 29 to the standalone financial statements.	
As at 31 December 2024, the Company has environmental provision of RON 453 million out of which RON 426 million is related to the provision for the rehabilitation of Vega lagoons as presented in Note 17 to the standalone financial statements. The assessment for environmental provision related to Vega lagoons is significant to our audit due to the magnitude of the amounts involved and the subjective judgments of Company's management in making these estimates, which is impacted by extension of the timeline for the finalization of the rehabilitation works, current environmental and regulatory requirements, the nature of the activities and costs incorporated for the provision estimate. In light of the judgements and estimates used by management in the determination of environmental obligation and inherent complexity in estimating future environmental remediation costs, this is considered a key audit matter.	We evaluated the management's assessment for the environmental obligation. Specifically, our audit work included, but was not limited to the following procedures: • we assessed main assumptions considered for the computation of provision, such as quantities, prices per activity and updated timeline for the rehabilitation plan; • we checked the accuracy of historical remediation provisions by comparing to actual expenditure. We used this knowledge to challenge management's current cost estimations for the remediation works; • we inspected the underlying documentation for management's determination of future required activities, their timing, and associated cost estimations and comparing them to the nature and quantum of costs contained in the provision balance as of 31 December 2024; • we checked the mathematical accuracy of the management's assessment for the environmental provision and its compliance with the requirements of the International Financial Reporting Standards; • we involved our internal valuation specialists to assist us in evaluating the discount rate used for the computation of the provision. Furthermore, we assessed the adequacy of the Company's disclosures about environmental risks and obligations and related provision in the standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
<i>Completeness and measurement of provisions for litigations</i> Disclosures about litigations are included in Note 27 and Note 28 to the standalone financial statements.	
The Company is involved in various and significant litigations, including in relation to regulatory and / or governmental proceedings as well as investigations by tax and other authorities which are disclosed in Note 27 and Note 28 to the financial statements. This area is significant to our audit due to the inherent uncertainties over the final outcome of these litigations, complexity of the cases and the significant judgement applied by the management in estimating the final outcome of such assessments and exposures (i.e. whether a liability should be recognized, or a contingency should be disclosed and whether the potential outflows can be reliably estimated). Due to the significance and complexity of these litigations, adverse outcomes that could potentially significantly impact the Company's reported financial performance and financial position, we considered this as a key audit matter.	Our audit work included, but was not limited to the following procedures: - obtaining legal confirmations from the Company's external lawyers advising on these matters and also supporting documentation from the Company's internal legal counsel regarding the status of these litigations. - We have inspected the minutes of the Board of Directors' meetings and held periodic meetings with management to discuss and understand the developments in legal proceedings and the management assumptions and judgement in respect of these matters. We assessed whether the opinions of external lawyers and internal legal counsel are consistent with the assumptions and estimates applied by management regarding recognition and measurement of provisions or measurement and disclosure of contingent liabilities in respect of these matters, based on the facts and circumstances available. - We assessed the competence, objectivity and independence of external lawyers. - Our internal specialists were involved, where appropriate, to assist us to analyze the legal cases and the assumptions made by management. We further evaluated the adequacy of disclosures regarding provisions recognized and contingencies resulting from legal proceedings in the notes to the standalone financial statements.

Other information

The other information comprises the Individual annual report of the Board of Directors which includes the Remuneration Report, but does not include the standalone financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Standalone Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Individual Annual Report of the Board of Directors and Remuneration Report, we have read these reports and report that:

- a) in the Individual Annual Report of the Board of Directors we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying standalone financial statements as at December 31, 2024;
- b) the Individual Annual Report of the Board of Directors includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, Annex 1 articles 15 – 19;

- c) based on our knowledge and understanding concerning the Company and its environment gained during our audit of the standalone financial statements as at December 31, 2024, we have not identified information presented in the Individual Annual Report of the Board of Directors, except the sustainability statement which is subject to a standalone assurance reporting, that contains a material misstatement of fact.
- d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

Declaration on the Report on corporate income tax information for the year 2023

For the financial year ended December 31, 2023, the Company had an obligation, under articles 60²-60⁶ from Annex 1 of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, to publish a Report on corporate income tax information. The Company published this report in accordance with the requirements of article 60¹⁰ of the Ministry of Public Finance Order no. 2844/2016 with all subsequent amendments.

Our audit opinion on the financial statements does not cover the Report on corporate income tax information for the year ended December 31, 2023 and we do not express any form of assurance conclusion thereon.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Company by the General Meeting of Shareholders on 26 April 2024 to audit the standalone financial statements for the financial year end December 31, 2024. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 17 years covering the financial periods end December 31, 2008 till December 31, 2024.

Consistency with Additional Report to the Audit Committee

Our audit opinion on the standalone financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on the same date as the issue date of this report.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Company and we remain independent from the Company in conducting the audit.

In addition to statutory audit services and services disclosed in the annual report and in the financial statements, no other services which were provided by us to the Company, and its controlled undertakings.

Report on the compliance of the electronic format of the standalone financial statements, included in the annual standalone report with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the standalone financial statements presented in XHTML format of ABC (the Company) for the year ended 31 December 2024, with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”).

These procedures refer to testing the format and whether the electronic format of the standalone financial statements (XHTML) corresponds to the audited standalone financial statements and expressing an opinion on the compliance of the electronic format of the standalone financial statements of the Company for the year ended 31 December 2024 with the requirements of the ESEF Regulation. In accordance with these requirements, the electronic format of the standalone financial statements, included in the annual report should be presented in XHTML format.

Responsibilities of the Management and Those Charged with Governance

The Management of the Company is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the standalone financial statements in XHTML format and for ensuring consistency between the electronic format of the standalone financial statements (XHTML) and the audited standalone financial statements.

The responsibility of the Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the standalone financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process for the preparation of standalone financial statements, including the application of the ESEF Regulation.

Auditor's Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the standalone financial statements with the requirements of the ESEF Regulation.

We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the standalone financial statements of the Company is prepared, in all material respects, in accordance ESEF regulation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of the standalone financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic reporting format (XHTML) of the standalone financial statements of the Company, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the financial statements of the Company, including the preparation of the standalone financial statements of the Company in XHTML format
- tested the validity of the applied XHTML format
- checked whether the electronic format of the standalone financial statements (XHTML) corresponds to the audited standalone financial statements

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the compliance of the electronic format of the standalone financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, our opinion is that the electronic format of the standalone financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

On behalf of,

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania

Registered in the electronic Public Register under No. FA77

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Firma de audit: ERNST & YOUNG ASSURANCE SERVICES S.R.L.
Registrul Public Electronic: FA77

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar: Ivanovici Alice Andreea
Registrul Public Electronic: AF3617


Name of the Auditor/ Partner: Ivanovici Alice Andreea
Registered in the electronic Public Register under No. AF3617

Bucharest, Romania
29 March 2025

ROMPETROL RAFINARE SA

STANDALONE FINANCIAL STATEMENTS

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

31 DECEMBER 2024

ROMPETROL RAFINARE SA
Standalone Financial Statements
Prepared in compliance with
the Order of the Minister of Public Finance no. 2844/2016
as at 31 December 2024

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ROMPETROL RAFINARE SA
STANDALONE STATEMENT OF THE FINANCIAL POSITION
for the financial period ended 31 December 2024
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	December 31, 2024	December 31, 2023
Intangible assets	3	69,802,263	111,338,667
Goodwill	4	152,720	152,720
Property, plant and equipment	5	2,982,313,211	2,775,931,136
Rights of use assets	6	47,814,036	50,440,933
Investments in subsidiaries	7	3,741,084,832	3,531,898,492
Deferred tax asset	23	64,440,282	21,533,586
Long-term receivables		27,754,000	41,254,000
Total non current assets		6,933,361,344	6,532,549,534
Inventories, net	8	1,352,193,135	1,411,718,964
Receivables and prepayments, net	9	1,315,421,500	1,719,861,179
Cash and cash equivalents	10	401,448,104	613,521,713
Total current assets		3,069,062,739	3,745,101,856
TOTAL ASSETS		10,002,424,083	10,277,651,390
Subscribed share capital	11	2,655,920,573	2,655,920,573
Share premium	11	232,637,107	232,637,107
Revaluation reserves, net of deferred tax impact	11	508,991,799	648,509,953
Other reserves	11	3,466,473,085	3,474,407,165
Accumulated losses		(4,909,342,958)	(4,498,505,945)
Current period result		(470,813,809)	(550,355,167)
Total equity		1,483,865,797	1,962,613,686
Long-term borrowings from banks	15	1,317,919,120	1,195,433,220
Provisions	17	501,826,097	499,613,187
Long-term lease debts	16	50,193,790	52,429,915
Total non-current liabilities		1,869,939,007	1,747,476,322
Trade and other payables	12	6,168,801,187	5,956,570,269
Contract liabilities	13	210,990,531	274,823,341
Short-term lease debts	16	2,855,664	2,693,673
Derivatives	30	16,188,271	-
Short-term borrowings from related parties	14	30,820,089	-
Short-term borrowings from banks	14	218,963,537	192,674,641
Income tax payable	23	-	140,799,458
Total current liabilities		6,648,619,279	6,567,561,382
TOTAL LIABILITIES AND EQUITY		10,002,424,083	10,277,651,390

The standalone financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN-DANIEL POP
General Manager

ALEXANDRU STAVARACHE
Financial Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant

ROMPETROL RAFINARE SA
STANDALONE INCOME STATEMENT
for the financial period ended 31 December 2024
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	January - December 2024	January - December 2023
Net revenues from contracts with customers	18	15,014,243,836	17,120,703,327
Cost of sales	19	(14,413,354,318)	(16,688,163,711)
Gross profit		600,889,518	432,539,616
Selling, general and administrative expenses	20	(500,979,963)	(423,197,026)
Other operating expenses	21	(217,145,575)	(907,165,553)
Other operating income	21	151,769,016	238,335,007
Operating profit / (loss)		34,532,996	(659,487,956)
Financial expenses	22	(539,245,395)	(460,970,175)
Financial revenues	22	323,057,464	458,110,750
Net foreign exchange gains / (losses)	22	(332,065,569)	124,797,627
Loss before income tax		(513,720,504)	(537,549,754)
Income tax credit / (charge)	23	42,906,695	(12,805,413)
Net Loss for the period		(470,813,809)	(550,355,167)
Earnings per share (RON bani/share) Basic	26	(1.77)	(2.07)

The standalone financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN-DANIEL POP
General Manager

ALEXANDRU STAVARACHE
Financial Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant

ROMPETROL RAFINARE SA
STANDALONE STATEMENT OF OTHER COMPREHENSIVE INCOME
for the financial period ended 31 December 2024
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	January - December 2024	January - December 2023
Net Loss	(470,813,809)	(550,355,167)
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	(11,094,849)	9,727,579
Total comprehensive income to be reclassified to income statement in subsequent periods (net of tax):	(11,094,849)	9,727,579
<i>Other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax):</i>		
Actuarial gain / (losses) relating on defined benefit plan	3,160,769	(3,308,480)
Revaluation of property plant and equipment	-	(519,497,369)
Deferred tax on the revaluation reserve	-	83,119,579
Total other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax):	3,160,769	(439,686,270)
Total other comprehensive result for the period, net of tax	(7,934,080)	(429,958,691)
Total comprehensive result for the period, net of tax	(478,747,889)	(980,313,858)

The standalone financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN-DANIEL POP
General Manager

ALEXANDRU STAVARACHE
Financial Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant

ROMPETROL RAFINARE SA
STANDALONE STATEMENT OF CASH FLOWS
For the financial period ended 31 December 2024
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	December 31, 2024	December 31, 2023
Net result before income tax		(513,720,504)	(537,549,754)
<i>Adjustments for:</i>			
Depreciation and amortisation	19, 20	453,339,167	454,610,061
Provisions for inventories	21	(40,034,510)	17,069,319
Allowance for trade and other receivables	21	2,633,395	2,404,896
Impairment for property, plant and equipment (incl write-off), net		19,738,358	(26,101,157)
Loss from revaluation of property, plant and equipment, net		-	686,558,889
Gains from investment in subsidiaries held at fair value, net		(209,186,340)	(360,929,936)
Provision for environmental liabilities and litigations	17	10,458,617	(8,063,894)
Retirement benefit provisions	17	1,471,112	2,306,194
Late payment interest		6,342,623	11,970,573
Unwinding of discount - lease	16	1,765,054	1,824,610
Unwinding of discount - environmental provision	17	(6,556,050)	8,877,322
Interest expenses		477,646,981	442,598,197
Interest income		(47,382,731)	(89,510,769)
Income from dividends		(98,984)	-
(Gain)/Loss on sale or disposal of assets		-	(504)
Unrealised foreign exchange (gain)/loss	22	251,857,391	(121,355,064)
Cash flows from operations before working capital changes		408,273,579	484,708,983
<i>Net working capital changes in:</i>			
Receivables and prepayments		236,494,840	(250,638,400)
Inventories		140,329,672	(202,401,255)
Trade and other payables and contract liabilities		(313,820,285)	790,754,314
Changes in working capital		63,004,227	337,714,659
Income tax paid		(141,346,991)	(579,748,875)
Net cash inflow from operating activities		329,930,815	242,674,767
Cash flows from investing activities			
Purchase of property, plant and equipment		(673,532,018)	(237,520,169)
Purchase of intangible assets		(1,666,052)	(418,235)
Dividends received		98,984	-
Receipts from selling of assets		-	504
Net cash (outflow) from investing activities		(675,099,086)	(237,937,900)
Cash flows from financing activities			
Cash pooling movement		511,984,977	(91,740,420)
Short - term loans received from banks		400,655,519	1,392,037,370
Short - term loans paid to banks		(373,539,724)	(453,117,121)
Long - term loans received from banks		45,763,000	185,686,319
Short - term loans received from shareholders and related parties		30,614,462	-
Lease repayments		(4,736,590)	(4,726,595)
Interest and bank charges paid, net		(477,646,982)	(442,598,197)
Net cash inflow from financing activities		133,094,662	585,541,356
Increase / (Decrease) in cash and cash equivalents		(212,073,609)	590,278,223
Cash and cash equivalents at the beginning of period		613,521,713	23,243,490
Cash and cash equivalents at the end of the period		401,448,104	613,521,713

The standalone financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN-DANIEL POP
General Manager

ALEXANDRU STAVARACHE
Financial Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant

ROMPETROL RAFINARE SA
STANDALONE STATEMENT OF CHANGES IN EQUITY
for the financial periods ended 31 December 2024 and 31 December 2023
(All amounts expressed in Lei ("RON"), unless otherwise specified)

	Share capital	Share premium	Acumulated losses	Revaluation reserves	Deferred tax on the revaluation reserve	Other reserves	Total equity
1st of January 2023	2,655,920,573	232,637,107	(4,641,846,600)	1,434,873,687	(229,579,794)	3,467,988,066	2,919,993,039
Net loss for 2023	-	-	(550,355,167)	-	-	-	(550,355,167)
Revaluation reserves	-	-	-	(519,497,369)	-	-	(519,497,369)
Deferred tax on the revaluation reserve	-	-	-	-	83,119,579	-	83,119,579
Actuarial gain/losses related on defined benefit plan	-	-	-	-	-	(3,308,480)	(3,308,480)
Net gain/(loss) on cash flow hedges	-	-	-	-	-	9,727,579	9,727,579
Total other comprehensive income for 2023	-	-	-	(519,497,369)	83,119,579	6,419,099	(429,958,691)
Total comprehensive income for 2023	-	-	(550,355,167)	(519,497,369)	83,119,579	6,419,099	(980,313,858)
Transfer of realized revaluation reserve to Retained earnings	-	-	143,340,655	(143,340,655)	-	-	-
Deferred tax on the realized revaluation reserve	-	-	-	-	22,934,505	-	22,934,505
1st of January 2024	2,655,920,573	232,637,107	(5,048,861,112)	772,035,663	(123,525,710)	3,474,407,165	1,962,613,686
Net loss for 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 for 2024	-	-	-	-	-	(7,934,080)	(7,934,080)
Total comprehensive income for 2024	-	-	(470,813,809)	-	-	(7,934,080)	(478,747,889)
Transfer of realized revaluation reserve to Retained earnings	-	-	166,093,040	(166,093,040)	-	-	-
Deferred tax on the realized revaluation reserve	-	-	(26,574,886)	-	26,574,886	-	-
31st of December 2024	2,655,920,573	232,637,107	(5,380,156,767)	605,942,623	(96,950,824)	3,466,473,085	1,483,865,797

The standalone financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN-DANIEL POP
General Manager

ALEXANDRU STAVARACHE
Financial Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant

1. GENERAL

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

Rompetrol Rafinare SA production facilities are located in Romania. The number of employees of the Company as at 31 December 2024 is 1,173, respectively 1,176 as at 31 December 2023.

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

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

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

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of preparation and statement of compliance

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

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

b) The going concern

The financial statements of the Company are prepared on a going concern basis. As at 31 December 2024 and 31 December 2023, the Company's net assets amount to 1,484 million and RON 1,963 million, respectively. For the period ending 31 December 2024 the Company reported a loss of RON 471 million (31 December 2023: loss of RON 550). The loss incurred during 2024 was comprised of operational profit RON 35 million (31 December 2023: loss of RON 659 million) and financial losses of RON 548 million (31 December 2023: profit of RON 122 million). The operating profit recorded during 2024 is triggered by the refining activity specificity, characterized by a significant volatility and low level of refinery margins recorded in the current year. Also, a negative impact on the Company's net result was triggered by the general turnaround, which began on 8th March and lasted for two months. This turnaround is a significant event that occurs once every four years and is crucial for our operations. During this period, were conducted comprehensive maintenance, inspections, and upgrades across various units of the refinery to ensure optimal performance and safety standards. It involves shutting down certain operations temporarily to carry out these activities efficiently.

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 10 March 2025, the Company received a letter of support from its main shareholder, KMG International NV, for the next 12 months from date of approval of financial statements. The support letter covers intercompany liabilities of RON 6,012 million and also intercompany receivables of RON 1,010 million, adjusted net current position after excluding intercompany balance being net current assets of RON 1,423 million as of 31 December 2024 (2023: RON 1,535 million). Management believes that the support from KMG International NV and banks 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.

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

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

c) Changes in accounting policies

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

The accounting policies adopted are consistent with those of the previous financial year. The amendments with an application date starting with January 1, 2024 do not have a material impact on the financial statements.

New and amended standards and interpretations

• IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied within twelve months after the reporting period.

Management assessed that amendments have no material impact on the Company's accounting estimates and related disclosures included in the consolidated financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

• IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. Under the amendments, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. The amendments apply retrospectively to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.

Management assessed that amendments have no material impact on the Company's accounting estimates and related disclosures included in the consolidated financial statements.

• IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

Management assessed that amendments have no material impact on the Company's accounting estimates and related disclosures included in the consolidated financial statements.

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

The Company has not early adopted the following standards/interpretations:

d.1) Standards/amendments that are not yet effective, and they have been endorsed by the European Union.

• IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. Management is in process of assessing the impact at Company level from application of these amendments.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d.2) Standards/amendments that are not yet effective, and they have not yet been endorsed by the European Union

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU.

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

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments have not yet been endorsed by the EU.

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

- **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. The standard has not yet been endorsed by the EU.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted.

The standard has not yet been endorsed by the EU. Management is in process of assessing the impact at Company level from application of these amendments.

- **Annual Improvements to IFRS Accounting Standards – Volume 11**

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards. The standard has not been endorsed by the EU.

Management is in 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.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- Revaluation of property, plant and equipment

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

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

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

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

- Impairment of non-financial assets

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

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

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

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

- Fair value measurement of investments in subsidiaries

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

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

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

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

- Provision for environmental liability

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

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

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

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

- Deferred tax assets

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

As of 31 December 2024 no deferred taxes arising from jurisdictional implementation of the Pillar Two rules was recognized by the Group considering the result of the Routine Profits test prepared at the level of KMGI Group (Note 23 c).

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

- Carrying value of trade and other receivables

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

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

- Provision for litigations

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

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

f) Financial instruments

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

a. Financial assets

Initial recognition and measurement

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The 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.

Subsequent measurement

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

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

Financial assets at fair value through profit or loss

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

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

Financial assets at fair value through OCI

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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.

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

For trade receivables and contract assets, the 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Derecognition

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

c. Offsetting of financial instruments

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

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

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

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

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

Following the change in the accounting policy regarding property, plant and equipment from historic cost model to revaluation method, also the economic useful remaining life of the property, plant and equipment was revised as at 31 December 2023. The depreciation of property, plant and equipment based on the revised remaining useful life applies starting 1 January 2024. The change from cost to revaluation provide a more transparent and up to date picture of the value of the Company's assets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

h) Intangible assets

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

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

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

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

i) Investments in subsidiaries

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

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

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

j) Impairment of non-financial assets,

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

k) Provisions

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

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

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 16).

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 weighted average cost (WAC).

n) Trade receivables

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

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

o) Cash and cash equivalents

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

p) Revenue from contracts with customers

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

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

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

2. SUMMARY OF 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 recognised for the earned consideration that is conditional.

Trade receivables

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

Contract liabilities

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

q) Interest bearing loans and borrowings

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

r) Borrowings costs

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

s) Retirement benefit costs

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

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

The 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 6.8% (2023: 6.9%) with an expected rate of long-term salary increase 3.6% (2023: 3.8%). Also, attrition rate was considered 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.

t) Taxes

- Current income tax

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

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

- Deferred tax

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

The Group applies the mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules. (Note 23 c).

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

u) Dividends

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

v) Foreign Currency Transactions

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

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

Currency	31 December 2024	31 December 2023
RON / USD	4.7768	4.4958
RON / EUR	4.9741	4.9746

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

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

w) Derivative financial instruments

The Company enters into contracts to purchase and sell crude oil and oil products 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.

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 effective is assessed based on:

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

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

Cash Flow Hedge

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

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

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

Cash flow hedge is accounted as following:

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 respective group companies and purchase rights are also initially recognized at cost.

The liability component is measured at the amount that it is expected to cost the entity to settle the obligation. The Company measures the provision as the expected cost of the shortfall in number of CO₂ allowances, meaning the amount of emissions exceeding the free allocation, at their market price at the reporting date.

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 reporting 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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

z) Current versus non-current classification

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

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

Or

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

All other assets are classified as non-current.

A liability is current when:

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

Or

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

The Company classifies all other liabilities as non-current.

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

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.

ROMPETROL RAFINARE SA
NOTES TO STANDALONE FINANCIAL STATEMENTS
for the financial period ended 31 December 2024
(All amounts expressed in Lei ("RON"), unless otherwise specified)

3. INTANGIBLE ASSETS

	Software / Licenses	Other	Intangibles in progress	Total
Cost				
Opening balance as of January 1, 2023	73,891,434	5,104,316	39,659	79,035,409
Additions	-	103,731,426	418,235	104,149,661
Transfers*	-	90,460	(90,460)	-
Closing balance as of December 31, 2023	73,891,434	108,926,201	367,435	183,185,070
Additions	1,407,505	-	260,898	1,668,403
Disposals	-	(40,769,334)	-	(40,769,334)
Transfers, reclassifications and adjustments*	-	-	(2,350)	(2,350)
Closing balance as of December 31, 2024	75,298,939	68,156,868	625,982	144,081,789
Accumulated amortization				
Opening balance as of January 1, 2023	(62,350,060)	(3,188,080)	-	(65,538,140)
Charge for the year	(5,298,998)	(1,009,266)	-	(6,308,264)
Closing balance as of December 31, 2023	(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)
Net book value				
As of December 31, 2023	6,242,376	104,728,856	367,435	111,338,667
As of December 31, 2024	6,088,752	63,087,528	625,983	69,802,263

During 2023 Rompetrol Rafinare acquired a number of 251,000 CO2 allowances amounting RON 103.7 million, representing the estimated quantity of CO2 allowances needed to comply with the quota for 2023, however actual emissions for 2023 were lower by 97,438 CO2 allowances considering the new refinery flow without MHC unit in function affected by the incident. As of 31 December 2023, acquisitions of CO2 allowances made during the year were accounted for as intangible assets, while the deficit of 97,438 CO2 allowances corresponding to RON 40.8 million were accounted for liability (Note 12), in line with the accounting policy detailed in Note 2 x).

In September 2024 Rompetrol Rafinare met its obligation to the Romanian authority by complying with the 2023 quota, resulting in a disposal of RON 40.8 million.

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

4. GOODWILL

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

ROMPETROL RAFINARE SA
NOTES TO STANDALONE FINANCIAL STATEMENTS
for the financial period ended 31 December 2024
(All amounts expressed in Lei ("RON"), unless otherwise specified)

5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Furniture and others	Construction in progress	Total
Cost or valuation						
As of January 1, 2023	283,899,987	1,389,986,434	2,807,305,482	9,699,804	201,293,300	4,692,185,008
Acquisitions	-	110,972	2,103,736	28,203	235,277,258	237,520,169
Revaluation	(63,193,237)	(255,306,907)	(884,863,820)	(2,692,293)	-	(1,206,056,258)
Transfers from CIP	-	34,910,729	103,778,108	-	(138,688,837)	-
Elimination of accumulated depreciation against the gross carrying amount of the revalued assets	(13,610,597)	(274,562,335)	(643,202,354)	(1,771,737)	-	(933,147,024)
As of December 31, 2023	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
Accumulated depreciation & Impairment						
As of January 1, 2023	(8,265,581)	(164,926,607)	(351,743,540)	(923,632)	(3,171,485)	(529,030,844)
Charge for the year	(5,345,016)	(122,178,843)	(316,415,534)	(848,703)	-	(444,788,096)
Impairment	-	12,543,115	24,956,720	597	(11,399,274)	26,101,157
Elimination of accumulated depreciation against the gross carrying amount of the revalued assets	13,610,597	274,562,335	643,202,354	1,771,737	-	933,147,024
As of December 31, 2023	-	-	-	-	(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)
Net book value as of December 31, 2023	207,096,153	895,138,892	1,385,121,151	5,263,977	283,310,962	2,775,931,136
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

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- Construction in progress

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

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

In 2023, the significant contribution to the total acquisitions for construction in progress is represented by the projects of replacement catalysts (approximately RON 32.7 million), Tank rehabilitation projects (about RON 19.3 million), the ISCIR projects within the two refineries (about RON 26.7 million), the project Fire-fighting Water Main Replacement (about RON 4.8 million), Refinery MHC unit restart (approximately RON 88.5 million), the project of acquisition and Install of 2 new Reactors -125-DHT (about RON 17.8 million), the project of replace subassembly of reformer heater 352-H201 (about RON 15.2 million) and other projects totaling RON 30.3 million.

At the end of 2023, the main projects remaining in construction in progress refers to the following ISCIR projects within the two refineries (about RON 26.6 million), Refinery MHC unit restart (about RON 88.5 million), Replacement of PEM strategic equipment (rotors) (about RON 20.5 million RON), Mild Hydrocracking Unit Reliability (about RON 5.7 million) Tank rehabilitation projects (about RON 6.2 million), Preparing to 2024 general repair and 2020 HPP Unit (about RON 7.5 million), the projects of replacement catalysts (about RON 48.0 million), acquisition and Install of 2 new Reactors -125-DHT (about RON 17.8 million), replace subassembly of reformer heater 352-H201 (about RON 15.2 million) and other refinery ongoing project totaling RON 62.0 million.

- Disposal

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.

No asset disposals were recorded during 2023.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- Capitalization of borrowing costs

As of December 31, 2024, capital projects (mainly the general turnaround performed every 4 years) are financed from Company's' operating cash flow as well as general borrowings from banks, however capital projects do not met the definition of a qualifying asset under IAS 23 considering that it is not a long period of time to make the "qualifying asset" ready for use. Therefore, no borrowing cost capitalized under IAS 23 as of 31 December 2024 (31 December 2023: 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 2024 and 2023 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.

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

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

- Revaluation of property, plant and equipment

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

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

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

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

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

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The economic obsolescence test covering Refinery and Petrochemicals CGUs had impact at the level of Rompetrol Rafinare leading to recognition of revaluation deficit and revaluation loss.

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.

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

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 0.65% (2023: negative growth rate 1.5%). The capitalization rate used for residual values is 11.9% (2023: 13.1%). The discount rate applied to cash flow projections is 11.2% (2023: 11.6%).

Petrochemicals

Petrochemicals CGU includes the petrochemical business of the Company, 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 0.65% (2023: negative growth rate 1.5%). The capitalization rate used for residual values is 11.9% (2023: 13.1%). The discount rate applied to cash flow projections is 11.2% (2023: 11.6%).

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

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

Volumes

Over the projected period, the quantity of diesel is expected to weight on average 46% of total quantity of products sold by Petromidia Refinery, whereas the weight of gasoline is expected to remain constant at about 25% of total quantity of products sold. According to the new regulation, diesel and gasoline products will incorporate biodiesel 6.8%, respectively 8% bioethanol for gasoline. Moreover, gasoline and diesel will contain a value 1% of second-generation biocomponents during the forecast period. The decrease in production volume is determined by the general turnaround of Petromidia, planned for 2028 (approximately 55 days). During 2025-2029, white products yield is expected to remain relatively flat at 86%. The variation in output is determined by the planned shutdown -different no of days in each of the forecast years.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Contribution margin

The main assumptions incorporated within the Operating profit margin are the following: refinery Margin, demand and contribution on retail segments.

The approved business plan used by Management for the explicit period projects higher EBIT for the forecasting period as compared with previous impairment tests, reflecting in this way the market assumptions (market refining margins, market demand) as per international market agencies.

In 2024, Refinery's actual EBIT was lower due to the volatility of international quotations for crude oil and refined products as well as the operation of Petromidia refinery were shut down for two months due to the general turnaround.

Cracks of key products gasoline and diesel were assumed at the average of all main external forecasters such as, Wood Mackenzie, Platts and Kpler. However, the cracks of diesel are expected to be above the base case scenario of Kpler forecast, whereas quotations for gasoline are below the Kpler and Platts forecasts.

Brent quotation used in the business plan are as average between Kpler base case, Wood Mackenzie and Platts forecasts for the period 2025 – 2029.

Perpetuity Growth rate

The perpetuity growth rate (the period after the explicit forecast period) was estimated as the annual growth rate during 2029-2051 for market refinery margins estimated by Platts-PIRA and Wood Mackenzie available as at valuation date 31 December 2024. Considering the long-term perspective of the oil & gas sector as per the market reports provided by well-known research agencies related to the market refining margins / oil products demand, the long-term growth rate was estimated at an annual negative average of 0.65%.

Cost of capital

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the industry. The weighted average cost of capital of 11.2% used reflects the capital recovery rates expected of shareholders and creditors, weighted according to their contribution to invested capital.

New taxes

As per Law no 296/2023, the companies in the oil & gas sector with turnover of more than EUR 50m will have to pay an additional 0.5% turnover tax to the corporate income tax for 2024-2025 and the maximum value between 1% turnover tax and corporate income tax from 2026 onwards.

Other key considerations

It became a constant preoccupation for KMGI Group that it has to adapt its strategy to the rising climate change concern and energy transition effects. Global focus on climate change has created a risk environment very dynamic and volatile as a result of actions of various actors at global, local or business level. As a result of changing behavior of our clients to reduce emissions it might expect a decline in demand and a negative impact in fossil fuels prices with a potential negative effect on earnings or future investment. Physical effects of climate change might also affect operations.

Pressure of regulators both on climate and sustainability side has added on the need of urgent actions therefore a **Decarbonization Strategy** with clear directions has been developed in which we are seeking to find economically viable solutions to reduce emissions. A climate risk framework including policies and regulations, as well as inclusion of sustainability aspects in current risk management system are directions which KMGI Group wants to strengthen in the future.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company constantly monitors the latest government legislation in relation to climate-related matters. 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.

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

Sensitivity analysis

As part of the economic obsolescence test, a sensitivity analysis was performed for the value in use 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 (%)	VIU (k USD)	VIU variation (%)
Volumes	Base case	0%	100.0%	627,883	-
	Worst case	(1%)	99%	572,709	(8.8%)
	Best case	1%	101%	683,056	8.8%
Contribution margin	Base case	0%	100.0%	627,883	-
	Worst case	(2%)	98.0%	559,065	(11.2%)
	Best case	2%	102.0%	696,700	11.2%
Cost of capital	Base case	0%	11.2%	627,883	-
	Worst case	0.8%	12.9%	571,720	(8.9%)
	Best case	(0.8%)	10.4%	692,195	10.2%
Perpetuity growth rate	Base case	0%	(0.7) %	627,883	-
	Worst case	(1.5%)	(2.2) %	571,025	(9.1%)
	Best case	1.5%	0.8%	701,221	11.7%

Reconciliation of carrying amount

	Land	Buildings	Plant and equipment	Furniture and others	Total
Carrying amount and fair value as at 31 December 2023	207	895	1,385	5	2,493
Depreciation for the year	(6)	(126)	(315)	(1)	(447)
Additions / Disposals / Impairment / Transfers and reclassifications	-	16	713	1	731
Carrying amount and fair value as at 31 December 2024	201	786	1,784	5	2,776

* Carrying amount does not include Construction in progress in amount of RON 206.1 million (2023: RON 283.3 million).

If property, plant and equipment would be measured using the cost model, carrying value would be higher as compared fair value measured through revaluation, therefore an impairment assessment would be required as of 31 December 2024.

- **Pledged property, plant and equipment**

The company pledged property, plant and equipment with a carrying value of of RON 597,280,822 (2023: RON 980,878,704) for securing banking facilities granted to the Company.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

5.1 IMPAIRMENT TEST

The Company performed impairment test as of 31 December 2024 and 2023. 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 there are no indicators for impairment as of 31 December 2024.

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

6. RIGHTS OF USE ASSETS

	Land, building and special constructions	Plant and equipment	Vehicles and others	Total
Initial cost / revalued				
Opening balance at January 01, 2023	60,979,574	2,553,982	2,840,704	66,374,260
Re-measurement and other adjustments	-	106,795	77,939	184,734
Closing balance at December 31, 2023	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
Opening balance at January 01, 2023	(9,376,286)	(1,948,779)	(1,279,294)	(12,604,359)
Charge for the year	(2,422,300)	(497,388)	(594,014)	(3,513,701)
Closing balance at December 31, 2023	(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)
Closing balance at December 31, 2024	(14,220,886)	(2,936,616)	(2,288,120)	(19,445,622)
Net book value as of December 31, 2023	49,180,989	214,610	1,045,334	50,440,933
Net book value as of December 31, 2024	46,758,688	591,724	463,625	47,814,036

The re-measurement during the period represent mainly contracts concluded by the Company for industrial water pumping stations.

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 category includes mainly the agreements in relation to the car fleet rental.

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7. INVESTMENT IN SUBSIDIARIES

	31 December 2024	31 December 2023
Investments in subsidiaries	3,741,084,832	3,531,898,492
Total	<u>3,741,084,832</u>	<u>3,531,898,492</u>

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

Details regarding subsidiaries at 31 December 2024 and 31 December 2023 are as follows:

		Ownership at		Balance at	Balance at
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Range of activity				
Rompetrol Downstream SRL	Retail Trade of Fuels and Lubricants	99.99%	99.99%	2,878,531,671	2,636,679,161
Rompetrol Petrochemicals SRL	Petrochemicals	100.00%	100.00%	441,850,561	410,642,057
Rom Oil SA	Wholesale of Fuels; fuel storage	99.99%	99.99%	142,730,866	196,286,906
Rompetrol Logistics SRL	Fuels Transportation	66.19%	66.19%	250,955,974	263,789,344
Rompetrol Quality Control SRL	Quality Control Services	70.91%	70.91%	27,015,760	24,501,024
Total investments				<u>3,741,084,832</u>	<u>3,531,898,492</u>

**Note: all subsidiaries are Romanian companies*

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

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7. INVESTMENT 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 (RON)	Equity value variation (%)
Rompetro Downstream SRL	DCF Method	Quantity sold	Base case	0%	100.0%	2,878,532	-
			Worst case	(2%)	98%	2,697,290	(6.9%)
			Best case	2%	102%	3,077,773	6.9%
		Gross margin	Base case	0%	100.0%	2,878,532	-
			Worst case	(2%)	98.0%	2,617,150	(9.1%)
			Best case	2%	102.0%	3,139,913	9.1%
		Cost of capital	Base case	0%	11.2%	2,878,532	-
			Worst case	3%	12.2%	2,690,741	(6.5)%
			Best case	(3%)	10.2%	3,103,163	7.8%
		Perpetuity growth rate	Base case	0%	0.7 %	2,878,532	-
			Worst case	(1.5%)	(0.8) %	2,690,741	(7.2%)
			Best case	1.5%	2.2%	3,156,202	9.6%
Rom Oil S.A.	DCF Method	Gross margin	Base case	%	100.0%	142,731	-
			Worst case	(7%)	93%	118,697	(16.8%)
			Best case	7%	107%	166,765	16.8%
		Operating expenses	Base case	0%	100%	142,731	-
			Worst case	5%	105%	139,970	(1.9%)
			Best case	(5%)	95%	145,493	1.9
		Yield real estate	Base case	0%	7.5%	142,731	-
			Worst case	0.5%	8%	134,899	(5.5%)
			Best case	(0.5%)	7%	151,756	6.3%
Rompetro Quality Control	DCF Method	Gross margin	Base case	0%	100.0%	27,016	-
			Worst case	(1%)	99.0%	23,562	(12.8%)
			Best case	1%	101.0%	30,469	12.8%
		Operating expenses	Base case	0%	100%	27,016	-
			Worst case	1%	101%	23,987	(11.2%)
			Best case	(1%)	99%	30,054	11.2%
		Cost of capital	Base case	0%	11.2%	27,016	-
			Worst case	1%	12.2%	25,059	(7.2)%
			Best case	(1%)	10.2%	29,470	9.1%
		Perpetuity growth rate	Base case	0%	2.3 %	27,016	-
			Worst case	(1%)	1.3 %	25,996	(3.8%)
			Best case	1%	3.3%	28,289	4.7%

**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.

7. INVESTMENT 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 2023	3,170,968,557
Total unrealised gains or losses for the period recognised in profit or loss	360,929,936
As at 1 January 2024	3,531,898,492
Total unrealised gains or losses for the period recognised in profit or loss	209,186,340
As at 31 December 2024	3,741,084,832

Total unrealized gains for the period recognized in profit or loss in amount of 209,186,340 refers mainly to fair value gains related to the Company's investment in Rompetrol Downstream SRL, in amount of RON 242 million, Rompetrol Petrochemicals SRL in amount of RON 31 million and Rompetrol Quality Control SRL in amount of RON 3 million, offset by the fair value loss related to Company's investment in Rom Oil SA in amount of RON 54 mill RON and Rompetrol Logistics SRL in amount of RON 13 million.

The unrealized gains recognized in profit or loss related to the Company's investment in Rompetrol Downstream are generated by the increased gross profit margins according to the approved business plans incorporating the effect of the Advance Price Agreement agreed with Romanian Tax Authorities, while unrealized gains recognized in profit or loss related to the investments in Rompetrol Quality Control SRL is generated by increased profit margins according to the approved business plans. The unrealized gains for the period recognized in profit or loss in amount of RON 31 million related to the investment in Rompetrol Petrochemicals 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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8. INVENTORIES, NET

	December 31, 2024	December 31, 2023
Crude oil and other feedstock materials (at lower of cost and net realisable value)	693,476,850	817,257,429
Finished products (at lower of cost and net realisable value)	402,595,869	285,123,020
Work in progress (at cost)	210,434,698	262,405,751
Spare parts (at cost less inventories write-down)	16,557,135	16,143,084
Other consumables (at cost less inventories write-down)	22,327,634	24,958,884
Merchandises (at cost less inventories write-down)	39,076	79,630
Other inventories (at cost less inventories write-down)	6,761,873	5,751,166
Total	1,352,193,135	1,411,718,964

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

Movements in inventories reserve, related to net realizable value provision for 2024 and 2023:

	December 31, 2024	December 31, 2023
Reserve at the beginning of the year	(175,811,979)	(158,742,661)
Accrued provision	(98,018,065)	(196,081,227)
Reversal provision inventories reserve	138,052,575	179,011,909
Reserve at the end of the period	(135,777,469)	(175,811,979)

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

As of December 31, 2024, there was no material difference in crude oil stock levels compared to December 31, 2023. The quantity in stock was approximately 50kt lower than a standard crude oil vessel (~80kt). Regarding crude oil prices, the year-on-year variation was minimal, with average quotations in 2024 being only 2% lower than in 2023. This was despite market fluctuations throughout the year, which did not result in a substantial overall impact on the annual average price.

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

The Company has pledged inventories in gross amount of RON 1,397 million (2023: RON 1,437.4 million) to secure banking facilities.

9. RECEIVABLES AND PREPAYMENTS, NET

	December 31, 2024	December 31, 2023
Trade receivables	1,186,286,531	1,290,259,409
Advances to suppliers	19,569,887	65,183,063
Sundry debtors	27,841,936	60,363,794
VAT to be recovered	103,845	16,060,627
Other receivables	156,579,014	360,272,586
Provision for expected credit losses related to trade receivables	(74,959,713)	(72,278,300)
Total	1,315,421,500	1,719,861,179

Included in Sundry debtors in 2024 is an amount of RON 25.1 million (2023: RON 25.1 million) for principal liabilities and related penalties paid to ANAF following General Tax Inspection Report covering 2011 - 2015 period; the amount is fully provisioned as at December 31, 2024.

At 31 December 2024, out of the total amount of RON 19.6 million (2023: RON 65.2 million) representing advances to suppliers, RON 18.8 million (2023: RON 64.4 million) are in respect of other raw materials, utilities, investment projects and others.

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

	December 31, 2024	December 31, 2023
Sundry debtors	27,841,936	60,363,794
Other receivables	156,579,014	360,272,586
Provision for sundry debtors and other receivables	(26,361,654)	(26,361,654)

Out of the total amount of other receivables and sundry debtors of RON 184.4 million (2023: RON 420.6 million) an amount of RON 26.4 million (2023: RON 26.4 million) is provisioned.

Out of the total balance for other receivables of RON 156.6 million (2023: RON 360.3 million), an amount of RON 35.0 million (2023: RON 206 million) relates to cash pooling receivables. Also, in other receivables an amount of RON 72.2 million (2023: RON 113.5 million) refers to excise receivables.

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

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	(72,278,300)	(44,755,759)
Charge for the year	(7,190,813)	(3,176,332)
Utilized	4,557,418	771,435
Reclassification between balance sheet items	-	(25,141,319)
Exchange rate differences	(48,019)	23,675
Balance at the end of the period	(74,959,713)	(72,278,300)

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9. RECEIVABLES AND PREPAYMENTS, NET (continued)

As at 31 December 2024 and 31 December 2023, the aging analysis of trade receivables and the respective balance of expected credit loss is as follows:

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

		Trade receivables					
		Days past due					
31 December 2023	Total	Current	1 - 30 days	30 - 60 days	60 - 90 days	90 - 120 days	> 120 days
Expected credit loss rate	3.13%	0.00%	1.94%	8.79%	21.05%	30.00%	95.48%
Estimated total gross carrying amount at default	1,290,247,116	1,181,235,887	62,996,860	1,567,717	2,474,438	2,413,908	39,558,306
Expected credit loss	40,376,503	-	1,224,375	137,870	520,782	724,172	37,769,304

		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 2024	1,143,216,322	1,031,398,155	64,096,230	28,648,212	12,142,728	5,752,868	1,178,129
31 December 2023	1,249,870,613	1,181,235,887	61,772,485	1,429,847	1,953,656	1,689,736	1,789,002

At 31 December 2024, the trade receivables at the initial value of RON 43.1 million (2023: RON 40.4 million) have been considered uncertain and provisioned.

As at 31 December 2024, a recoverability analysis was performed for trade receivables balance that resulted in an amount of RON 43.06 million (2023: RON 40.4 million). See below for the movements in the provision for impairment of trade receivables.

	Collectively impaired
At January 1, 2023	(37,995,282)
Value adjustments for impairment of receivables	(3,176,332)
Reversed provisions	771,435
Exchange rate difference	23,675
At December 31, 2023	(40,376,503)
Value adjustments for impairment of receivables	(7,190,813)
Reversed provisions	4,557,418
Exchange rate difference	(48,019)
At December 31, 2024	(43,057,917)

Trade receivables totaling RON 213 million as at 31 December 2024 and RON 168.7 million as at 31 December 2023 are pledged to obtain credit facilities (see Note 15).

10. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash at bank	400,812,616	612,681,924
Cash on hand	1,362	9,227
Transitory amounts	265,094	213,335
Other cash equivalents	369,032	617,227
Total	401,448,104	613,521,713

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

11. EQUITY

11.1 SHARE CAPITAL

As at 31 December 2024 and 31 December 2023 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 2024 and 31 December 2023:

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

11. EQUITY (continued)

11.2 SHARE PREMIUM

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

11.3 REVALUATION RESERVES

At 31 December 2024, the Revaluation reserves balance in amount of RON 509 million (2023: RON 648.5 million) presented in net off the deferred tax recognized on the revaluation surplus and net off the transfer to retained earnings of the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the assets.

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

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

11.4 OTHER RESERVES

Hybrid Loan

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

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

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

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

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

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

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

11. EQUITY (continued)

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

In May 2021, the 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.

During 2024 unrealized derivative gains / (losses) was recorded and also gains / (losses) related to retirement benefits were booked in Other Reserves as follows:

	2024	2023
Actuarial gain / (losses) related to retirement benefits	3,160,769	(3,308,480)
Gains / (losses) related to derivative financial instruments	(11,094,849)	9,727,579
Total	(7,934,080)	6,419,099

12. TRADE AND OTHER PAYABLES

	December 31, 2024	December 31, 2023
Trade payables	4,148,248,411	4,294,946,460
VAT payable	177,860,992	166,636,930
Special found tax for oil products	27,560,632	27,560,632
Taxes payable	20,880,477	(88,023)
Employees and social obligations	23,137,830	33,733,551
Other liabilities	1,771,112,845	1,433,780,719
Total	6,168,801,187	5,956,570,269

The increase in trade payables is mainly related to the increase in debts in relation to KMG Trading for crude oil purchases.

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 1,759.88 million (2023: RON 1,413.25 million) and is recognised in "Other liabilities".

Trade payables line include payables in relation to KazMunayGas Trading AG in amount of RON 3,752 million as of 31 December 2024 (2023: RON 3,804.1 million) which represents the liability for the acquisition of crude oil. For outstanding trade payables, late payment interest is computed and paid by the Company to KazMunayGas Trading AG (Note 22).

Acquisitions of crude oil are financed through a series of credit facilities obtained by KazMunayGas Trading AG from different financial institutions. According to the agreements, credit facilities are due in a period up to 210 days from withdrawn date and different interest rates are applied.

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

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13. CONTRACT LIABILITIES

	December 31, 2024	December 31, 2023
Short-term advances from other customers	210,990,531	274,823,341
Total short-term advances	210,990,531	274,823,341

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

14. SHORT-TERM BORROWINGS

Short-term loan from related parties:

	31 December 2024	31 December 2023
Rompetrol Gas SRL	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	205,627	-
TOTAL	30,820,089	-

Short-term loan from banks:

	31 December 2024	31 December 2023
Banca Transilvania	123,277,339	112,131,624
Revolving credit ceiling on short term credit facility of up to EUR 30 million, for working capital purposes, for issue of letters of credit and letters of guarantee. Maturity date is July 25, 2025; guarantee on the credit balances of all current accounts; Corporate unconditional and irrevocable guarantee issued by KMG International; mortgage on the delayed coking unit; pledge on machinery and equipment; mortgage on real estate land area of 30,380.96 m ² ; assignment of rights from insurance compensation.		
Banca Transilvania	40,237,652	43,242,307
Short-term credit facility type cash and non-cash amounting to EUR 27,961,890 for the current activity, issuing letters of credit and letters of guarantee, due on July 25, 2025; guarantee on the credit balances of all current accounts; Corporate unconditional and irrevocable guarantee issued by KMG I; assignment of rights from insurance compensation; rank mortgage on installations: HDV = EUR 9.3 million; DAV = EUR 14,3 million; DGRS = EUR 7.3 million; AFPE = EUR 16.08 million; GA (G1 + G3) = EUR 5.2 million; ON202 = EUR 5.7 million; warranty on land and buildings - EUR 181,000; warranty on the equipment; pledge on movable production assets EUR 10.9 million.		
Interest due	518,951	1,345,850
	164,033,943	156,719,782
Syndicated loan – auxiliary component representing overdraft loan granted by Garanti Bank	7,161,595	13,434,880
Syndicated loan – auxiliary component representing overdraft loan granted by Alpha Bank Romania	-	18,048,944
Syndicated loan – auxiliary component representing overdraft loan granted by OTP Bank Romania	-	4,471,035
Syndicated loan – auxiliary component representing overdraft loan granted by Banca Comerciala Intesa Sanpaolo Romania	47,768,000	-
TOTAL	218,963,537	192,674,641

At the level of KMG International NV, loan covenants are tested every 6 months, at half-year and at year end.

15. LONG-TERM BORROWINGS

Long-term loan from banks

	31 December 2024	31 December 2023
Loan facility – through BCR (Banca Comerciala Romana) as payer agent		
General corporate purposes and working capital facility of USD 531,800,000 with possibility to increase up to USD 600,000,000 considering an accordion clause of USD 68,200,000. Facility granted by a consortium of banks, namely Banca Comerciala Romana S.A. (BCR), ING Bank N.V Amsterdam – Bucharest Branch, Raiffeisen Bank S.A., UniCredit Bank S.A., Alpha Bank Romania S.A., Garanti Bank S.A. and OTP Bank Romania S.A. The facility consists of two parts: (I) USD 275,9 million committed line and the maturity date is April 13, 2026 with an option of adding another 2 years until 2028 and (II) USD 275,9 million uncommitted line for a period of 1 year, with yearly possibility of prolongation. The facility is secured by: inventories, receivables, depots, gas stations and current accounts.	<u>1,317,919,120</u>	<u>1,195,433,220</u>
TOTAL	<u>1,317,919,120</u>	<u>1,195,433,220</u>

During 2023, the Company reimbursed in full the previous syndicated loan and entered into a new senior facilities agreement obtained at KMG International Group level. Under the terms of the new contract, KMG International Group secured up USD 600 million revolving facility, comprising two components out of which: USD 265.9 million are committed over 3 years period with an option of adding another 2 years period (extended maturity by April 2028), and USD 265.9 million as overdraft over one-year period, being an uncommitted facility.

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15. LONG-TERM BORROWINGS (continued)

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

The movement of loans in 2023 is presented below:

	At January 01, 2023	Drawings	Repayments	Interest accrual	Reclass between short- term and long- term	Exchange rate impact	At December 31, 2023
Long-term borrowings from banks	-	185,686,319	-	-	858,203,386	151,543,515	1,195,433,220
Short-term borrowings from banks	283,549,979	1,392,037,370	(453,117,121)	-	(858,203,386)	(172,938,051)	191,328,791
Interest Short-term borrowings from banks	68,909	-	(83,542,997)	84,819,937	-	-	1,345,850
Total	283,618,888	1,577,723,689	(536,660,118)	84,819,937	-	(21,394,536)	1,388,107,861

The variation of long-term borrowings from banks resulted from the additional USD 10 million from working capital syndicated loan facility, in respect of Intesa Sanpaolo Bank, with maturity of April 2026.

At the level of KMG International NV, loan covenants are tested every 6 months, at half-year and at year end. For both 2024 and 2023, there were no instances of non-compliance.

The loans are secured with pledges on inventories of RON 1,397 million (2023: RON 1,437.4 million) and trade receivables of RON 212.9 million (2023: RON 168.7 million).

16. OBLIGATION UNDER LEASE AGREEMENTS

	2024	2023
Opening balance at 01 January	55,123,588	57,560,826
Re-measurement	867,562	184,734
Payments	(4,736,590)	(4,726,595)
Interest accrued	1,765,053	1,824,610
Exchange rate impact	29,841	280,013
As at 31 December	53,049,454	55,123,588
Non-current	50,193,790	52,429,915
Current	2,855,664	2,693,673

As of 31 December 2024 there are no sale and leaseback agreements and no lease agreements signed and not commenced yet.

The amount related to re-measurement of RON 0.9 million in 2024 refers to extension of lease agreements for water pumping stations.

The amount related to re-measurement of RON 0.2 million in 2023 refers to extension of lease agreements for cars and equipments.

17. PROVISIONS

The movement of the provisions is presented below:

	As at 1 January 2024	Other comprehensive income	Changes during the year	Unwinding of discount	As at 31 December 2024
Provision for litigations	3,600,000	-	-	-	3,600,000
Retirement benefit provision	46,620,785	(3,160,769)	1,471,112	-	44,931,128
Environmental provision	449,392,402	-	10,458,617	(6,556,050)	453,294,968
Total	499,613,187	(3,160,769)	11,929,729	(6,556,050)	501,826,097

Environmental provision

Vega lagoons

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

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

17. PROVISIONS (continued)

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

The results of the reassessment lead to a net increase of provision by RON 2.4 million (2023: RON 2.85 million decrease), mainly triggered by updated computation due to change in assumptions and foreign exchange effect of RON 8.05 million (2023: RON 13.3 million positive effect), offset by an unwinding of discount effect of RON 5.6 million (2023: RON 10.5 million negative effect).

Vadu cassettes

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

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

At the end of 2024, the environmental provision was reassessed to reflect updated assumptions (discount rate, exchange rate). The reassessment resulted in a revised provision in amount of RON 26.8 million (2023: RON 25.4 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 2022; 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 6.8% (2023: 6.9%) with an expected rate of long-term salary increase 3.6% (2023: 3.8%). Also, attrition rate was considered calculated 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.

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17. PROVISIONS (continued)

Amounts recognized in the salaries, interest expenses in respect of this obligation are as follows:

	December 31, 2024	December 31, 2023
Interest on obligation	3,142,777	3,529,965
Service cost	3,825,735	3,599,217
Benefits paid	(5,497,400)	(4,822,988)
Total	1,471,112	2,306,194

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

	December 31, 2024	December 31, 2023
Opening balance	46,620,785	41,006,111
Interest on obligation	3,142,777	3,529,965
Service cost	3,825,735	3,599,217
Curtailment due to restructuring/retirement	(5,497,400)	(4,822,988)
Changes in assumptions (tax rate, salary increase, turnover)	(3,160,769)	3,308,480
Closing balance	44,931,128	46,620,785

Actuarial losses refer to change in assumption in amount of RON 3.2 million (2023: gain of RON 3.3 million) (using a discount rate of 6.8% (2023: 6.9%), with an expected rate of long-term salary increase of 3.6% (2023: 3.8%)), the charge for the year is included in the staff costs in the income statement for 2024, amounting to RON 1.5 million (2023: RON 2.3 million).

It is estimated that there are no significant liabilities relating to the provisions that will arise in the twelve months to 31 December 2025.

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

	Impact on defined benefit obligation	
	2024	2023
	RON million	RON million
Discount rate assumptions:		
1% increase	(3.72)	(7.79)
1% decrease	4.24	(0.21)
	2024	2023
	RON million	RON million
Salary sensitivity assumption:		
1% increase	4.40	0.03
1% decrease	(3.91)	(8.04)
	2024	2023
	RON million	RON million
Longevity sensitivity assumption:		
1% increase	1.59	(3.92)

The other variables (exchange rate, mortality rate and turnover) had no significant impact in 2024.

Other provisions

In 2023 the ANAF provision was reclassified to "Provision for expected credit losses related to trade receivables and provision for sundry debtors and other receivables".

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18. NET REVENUES FROM CONTRACT WITH CUSTOMERS

	January - December 2024		TOTAL 2024	January - December 2023		TOTAL 2023
	Refining	Petrochemicals		Refining	Petrochemicals	
Gross revenues from the sale of finished oil products	19,164,475,660	330,965,802	19,495,441,462	20,663,388,999	568,628,846	21,232,017,845
Revenues from petrochemicals trading	-	23,143	23,143	-	46,173	46,173
Revenues from other merchandise sales	80,088,455	-	80,088,455	2,001,024	-	2,001,024
Revenues from utilities sold	18,548,477	2,953,345	21,501,822	25,794,883	1,650,434	27,445,317
Revenues from the sale other products	564,060	-	564,060	392,531	-	392,531
Revenues from other services	18,285,348	-	18,285,348	17,482,320	-	17,482,320
Gross Revenues	19,281,961,999	333,942,289	19,615,904,288	20,709,059,757	570,325,453	21,279,385,210
Less sales taxes	(4,601,660,452)	-	(4,601,660,452)	(4,158,681,883)	-	(4,158,681,883)
Total	14,680,301,547	333,942,289	15,014,243,836	16,550,377,874	570,325,453	17,120,703,327

In 2024 the decrease of revenues compared with 2023 was triggered by the refinery planned general turnaround in place since 8th of March 2024, for a period of approximately 2 months corroborated with the volatile market environment (Gasoline quotations decreased by 6% and Diesel quotations decreased by 9% in 2024 vs 2023).

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

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19. COST OF SALES

	January - December 2024	January - December 2023
Crude oil and other raw materials	13,098,926,105	14,940,352,794
Consumables and other materials	46,059,720	70,249,647
Utilities	673,206,936	919,008,059
Staff costs	156,780,419	183,155,202
Transportation	270,516	214,995
Maintenance	137,265,942	147,122,019
Insurance	18,960,671	12,376,081
Environmental expenses	21,961,360	51,034,577
Other	66,696,183	76,959,289
Cash production cost	14,220,127,853	16,400,472,663
Depreciation and amortization	355,181,825	383,491,043
Production costs	14,575,309,678	16,783,963,706
Less: Change in inventories	(72,785,184)	(119,242,210)
Less: Own production of property, plant & equipment	(23,061,153)	(3,210,876)
Cost of petrochemicals trading	36,879	45,469
Cost of other merchandise sales	79,059,474	1,954,790
Cost of utilities sold	19,318,094	24,652,831
Realised (gains)/losses on derivatives	(164,523,470)	-
Total	14,413,354,319	16,688,163,711

In 2024 crude oil costs are lower compared with the prior year given the following:

- decline attributed to weakening global demand, particularly from China, concerns over economic growth, rising oil inventories, and increasing supply from OPEC+ and the U.S., which outweighed the impact of geopolitical tensions and supply disruptions.
- total throughput for Petromidia refinery was 4.62 million tons, lower by 8% as compared with the same period from last year. The decrease was affected by operation of Petromidia refinery without the Mild Hydrocracking unit (MHC) in Q1 2024, due to a technical incident that occurred on 21st of June 2023 and also following the planned general turnaround of the refinery in 2024, that happens once every four years, which triggered a decrease of quantities processed. As a result, the net effect of 2024 crude oil and other raw materials against 2023 is in amount of approximately RON 1,400 million.
- The above stated factors led also to lower costs for main categories of costs, especially for utilities consumption which was affected on one hand by the decreased production as stated above, and on the other hand by lower tariffs (main categories power by 35% and natural gas by 18%)

The decrease in depreciation compared to the prior year can be attributed to certain portions of property, plant, and equipment reaching the end of their useful lives. Following the revaluation process conducted in 2023, the useful life of assets was revised, particularly in cases where technological equipment will be further utilized.

Also for Rompetrol Rafinare SA the cost of merchandise increased by RON 77 million and was primarily driven by the spring general turnaround. Since production was suspended during this period, the company had to purchase additional quantities of diesel to fulfil existing sales contracts.

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19. COST OF SALES (continued)

Rompetrol Rafinare has the obligation to comply with the CO2 emission rights quota. Thus, Refinery CO2 emissions are offset with EUA certificates. In 2024 the actual emissions have not exceeded the free allocated EUA certificates quota (see also note 8 for additional details) and in this respect no acquisitions were made during the year. For 2023 the amount recorded was RON 40.1 million, of which RON 36 million in Cost of sales and RON 4.1 million in General and Administrative expenses – Note 20.

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 variance as compared with the similar period from last year is triggered by the following:

- positive result of RON 15.1 million generated by hedging activities recorded during 2024 which were primarily focused on mitigating price decrease risks associated with Base Operating Stocks (BOS) on the ICE Exchange Market using Futures contracts. The ICE Brent Front quotation decreased from 86.9 to 74.5\$/bbl. (-14.2%) between 22nd April (the restart date of hedging program) – 31st December 2024, generating positive Realized Paper impact. This impact is recorded as fair value through P&L.
- another hedging program using Over-the-Counter (OTC) Swap instruments to protect the Refinery diesel, gasoline, jet and naphtha cracks against depreciation had a positive Realized Paper impact of RON 149.4 million. The Refinery managed to hedge overall 1.213 KT (diesel, gasoline, jet, naphtha cracks) for May-Dec 2024 at a hedge level of 163\$/MT, while the realized market price for this period was 135.1\$/MT. This means a Realized Paper gain of +27.9\$/MT x 1.213 KT because the market price decreased vs the hedge level. This impact is recorded as cash flow through P&L.

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

	January - December 2024	January - December 2023
Staff costs	73,058,553	51,516,760
Utilities	27,052,098	25,353,777
Transportation	63,894,003	67,693,591
Professional and consulting fees	49,386,028	55,682,563
Consumables	2,664,369	923,898
Marketing	350,151	246,877
Taxes	6,236,490	4,600,686
Communications	34,609	35,852
Insurance	6,466,622	3,418,282
IT related expenditures	9,286,287	7,583,386
Environmental expenses	3,501,511	6,561,431
Maintenance	34,570,411	26,504,445
Fees and penalties	31,890,813	33,197,185
Other expenses	94,430,676	68,759,275
Costs before depreciation	402,822,622	352,078,008
Depreciation and amortisation	98,157,341	71,119,018
Total	500,979,963	423,197,026

20. SELLING, GENERAL AND ADMINISTRATIVE COSTS, INCLUDING LOGISTIC COSTS
(continued)

The increase in depreciation and amortization expenses in 2024 is primarily driven by a couple of factors:

- 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) – RON 24.5 million;
- impact of the revaluation process carried out at the end of 2023 modified the depreciation spread across various assets, affecting the depreciation charges recorded in 2024.

21. OTHER OPERATING (INCOME) / EXPENSES, NET

	January - December 2024	January - December 2023
Loss / (gain) from impairment of property, plant and equipment, net	19,738,358	(26,101,157)
Provision for receivables, net and write-off, net	2,633,395	2,404,896
Provision for inventories, net and write-off net	(38,670,688)	17,250,702
Other provisions, net	10,458,617	(8,063,894)
Loss from revaluation of property, plant and equipment	-	686,558,889
Turnover tax	72,064,382	-
Other, net	(847,505)	(3,218,890)
Total	65,376,558	668,830,546

In 2024 Rompetrol Rafinare SA recognized an impairment related to specific equipment in amount of RON 19.7 million (for LDPE unit) also detailed in Note 5.

Starting 2024 a specific turnover tax has been introduced in addition to the profit tax for legal entities that conduct activities in the oil and natural gas sectors and that registered turnover over EUR 50 million in the previous year. Rompetrol Rafinare recognized for 2024 a specific turnover tax in amount of RON 72.1 million.

The related contribution is calculated and paid quarterly. The contribution for the fourth quarter of 2024 is due by 25th of June 2025.

Other provisions, net in amount of RON 10.5 million (2023: RON minus 8 million) mainly refers to the increases of the environmental provision in respect of Vega lagoons in amount of RON 8.1 million (2023: RON minus 2.85 million), the increase in environmental provision in respect of Vadu cassettes in amount of RON 2.4 million (2023: RON minus 5.2 million).

In 2023, following the voluntary change of accounting policy, adopted in the previous periods (2017 and 2021), a revaluation exercise was carried out for property, plant and equipment. Considering this, a loss from revaluation was recorded in amount of RON 686.5 million, being related to items for which the revalued amount was lower than the carrying amount and no previous revaluation reserve recorded or revaluation reserve previously recorded was lower.

The movement in provisions is presented in Notes 5, 8, 9 and 17.

22. FINANCIAL COST, FINANCE INCOME AND FOREIGN EXCHANGE

	January - December 2024	January - December 2023
Finance cost		
Losses related to financial investments recognised at fair value	66,389,410	7,670,046
Interest expense	117,153,238	88,349,902
Interest expense shareholders and related parties	149,473,233	154,714,039
Unwinding of discount - lease	1,765,054	1,824,610
Unwinding of discount - environmental provision	(6,556,051)	8,877,322
Other financial expense	211,020,512	199,534,256
	539,245,395	460,970,175
Finance income		
Gains related to financial investments recognised at fair value	(275,575,750)	(368,599,981)
Interest income	(44,502,754)	(83,581,936)
Other financial income	(2,978,960)	(5,928,832)
	(323,057,464)	(458,110,750)
Finance cost / (income), net	216,187,931	2,859,425
Unrealized net foreign exchange losses/(gains)	251,857,391	(121,355,064)
Realized net foreign exchange losses/(gains)	80,208,178	(3,442,562)
Foreign exchange (gain)/loss, net	332,065,569	(124,797,627)
Total	548,253,500	(121,938,202)

In 2024 out of the total of RON 211.0 million (2023: RON 199.5 million) representing other financial expenses an amount of approximately RON 210.9 million (2023: RON 199.0 million) represents late payment penalties owed to KMG Trading for financing.

23. INCOME TAX

a. The current income tax rate in 2024 was 16%, the same as in 2023.

	December 31, 2024 RON	December 31, 2023 RON
Tax expense comprises:		
Current expense with income tax, out of which	-	142,913,544
Current income tax	-	-
Solidarity contribution*	-	142,913,544
Deferred tax expense / (income)	(42,906,695)	(130,108,131)
Total tax expense / (income)	(42,906,695)	12,805,413

*In 2023 the Company submitted a rectifying Corporate income tax statement for 2022, adjusting the fiscal result for 2022 by RON 3.5 million increase, representing the amount of accounting depreciation of right of use assets considered non-deductible expense. Further the Company calculated and paid an additional solidarity contribution of RON 2.1 million related to the difference of fiscal result for 2022. Thus of out RON 142.9 million solidarity contribution recognized in 2023, RON 140.8 million is related to fiscal result for 2023 and RON 2.1 million is related to fiscal result for 2022.

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23. INCOME TAX (continued)

As of 31 December 2024, the Company had the following total unused fiscal losses:

Entity	Fiscal loss 2024 Million RON	Fiscal loss 2023 Million RON
Rompetrol Rafinare SA	(542.3)	(474.1)

A breakdown of tax losses of the Company in years is displayed below:

Entity Rompetrol Rafinare SA	Fiscal loss Million	Fiscal loss Expires in
2021	(474.10)	2028
2024	(68.25)	2031
	(542.35)	

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, 2024 RON	December 31, 2023 RON
Result before tax	(470,813,808)	(550,355,167)
Tax at prevailing tax rate (16%)	-	-
Effect of losses carried forward	(474,101,395)	(708,767,159)
Effect of statutory items non-deductible / (not taxable) for tax purposes	402,567,584	785,020,931
Non-deductible expenses	2,074,842,125	2,339,209,355
Not - taxable income	(469,502,886)	(720,307,127)
Other items equivalent to expense/(revenues)	(847,603,734)	(505,074,739)
Non-fiscal depreciation	(355,167,921)	(328,806,558)
Deferred tax income / (expense)	42,906,695	130,108,131
Solidarity contribution	-	(142,913,544)
Income tax (expense) / revenue recognized in profit or loss	42,906,695	(12,805,413)

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 2024 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 150.9 million;
- Non-taxable income from revaluations (RON 275.6 million).
- Revenues from deferred tax (RON 42.9 million)

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

- Expenses with accounting depreciation, amounting RON 453.3 million;

23. INCOME TAX (continued)

- Expenses with provisions amounting RON 137.2 million;
- Interests amounting RON 1,341.2 million;
- Losses from revaluations RON 66.4 million;
- Expenses with non-deductible penalties in the amount of RON 0.3 million;
- Specific turnover tax for oil & gas in the amount of RON 72.1 million;
- Other non-deductible expenses amounting to RON 4.5 million.

b. The deferred tax assets and liabilities

	Balance at 1 January 2024	Charged to Profit & loss	Charged to Equity	Balance at 31 December 2024
Temporary differences				
Asset/Liability				
Property, plant and equipment	565,978,638	166,093,040	-	732,071,678
Provisions	(700,563,549)	(102,073,811)	-	(802,637,360)
Total temporary differences (Asset)/Liability	(134,584,911)	64,019,229	-	(70,565,682)
Property, plant and equipment	90,556,582	(26,574,885)	-	63,981,697
Provisions	(112,090,168)	(16,331,810)	-	(128,421,979)
Differed tax (assets)/liability recognised	(21,533,586)	(42,906,695)	-	(64,440,282)

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 2024 (Note 17), lead to an increase of RON 0.6 million (2023 increase of RON 0.1 million) in the related deferred tax asset. In 2023 an increase of RON 110 million of deferred tax assets was recognized for revaluation losses charged to P&L following the revaluation process concluded at the end of the year. The related deferred tax asset was recorded considering Management's assessment on the ability of the Company to generate taxable profits in the future.

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 542.35 million (2023: RON 474.1 million) of tax losses carried forward, for which no deferred tax asset was recognized as of 31 December 2024 (2023: nil) considering the historical fiscal results recorded.

Based on the assessment performed as of 31 December 2024 on elements that may generate temporary differences for which deferred tax assets or deferred tax liabilities may be recognized, the 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.

23. 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 2024;

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.

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).

23. INCOME TAX (continued)

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 Group operates effective for the financial year beginning 1 January 2024.

The obligations in respect of Pillar Two Rules belongs in principle to the Ultimate Parent Entity (UPE) in Kazakhstan, which should perform an assessment of the potential exposure to Pillar Two income taxes. However, no Pillar Two legislation has been enacted in Kazakhstan for full year 2024.

However, KMGI Group has performed an assessment of each jurisdiction in which the group operates based on 2024 financial information for the constituent entities in the Group.

As per Romanian legislation (Law 431/2023), constituent entities within a Group subject to Pillar Two Rules are liable for QDMTT unless a safe harbor regime applies. An analysis of the safe harbor regimes for 2024 was conducted for the entities of KMGI Group located in the jurisdiction, based on the indicators which will be reported CbCR for the 2024 financial year. Following this analysis, the conclusion is that in Romania, KMGI qualifies for the application of the transitional CbCR safe harbor regime, as it records a jurisdictional loss. According to the OECD Administrative Guidance, 2024 consolidated version, Annex A, Chapter I - Transitional CbCR Safe Harbor Regime, paragraph 22 of the Routine Profits Test, if a jurisdiction reports a loss, this test is automatically considered met.

Therefore, the Romanian jurisdiction did not record an additional tax estimate for Pillar Two purposes in the financial statements for the financial year 2024.

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.

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24. OPERATING SEGMENT INFORMATION

A. Operating segments

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

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)

2023 Income statement

	Refining	Petrochemicals	Unallocated amounts between the segments	Total
Net turnover	16,550,377,874	570,325,453	-	17,120,703,327
Cost of sales	(15,793,012,508)	(895,151,203)	-	(16,688,163,711)
Gross profit / (loss)	757,365,366	(324,825,750)	-	432,539,616
Selling, general and administrative expenses	(363,783,817)	(59,413,209)	-	(423,197,026)
Other operating revenues / expenses, net	(568,243,420)	(100,587,126)	-	(668,830,546)
Operating loss	(174,661,871)	(484,826,085)	-	(659,487,956)
Financial expenses	-	-	(460,970,175)	(460,970,175)
Financial revenues	-	-	458,110,750	458,110,750
Net foreign exchange gains / (losses)	-	-	124,797,627	124,797,627
Profit / (loss) before income tax	(174,661,871)	(484,826,085)	121,938,202	(537,549,754)
Income tax	-	-	(12,805,413)	(12,805,413)
Net Loss	(174,661,871)	(484,826,085)	109,132,789	(550,355,167)
Depreciation and amortization	(398,016,428)	(56,593,633)	-	(454,610,061)
Revaluation losses	(585,971,763)	(100,587,126)	-	(668,558,889)

24. OPERATING SEGMENT INFORMATION (continued)

In 2024 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 9,521.1 million (2023: RON 11,283.1 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 segments

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

	December 31, 2024	December 31, 2023
Romania	9,805,451,133	11,450,710,515
Europe	5,140,934,011	5,467,280,589
Asia	67,858,692	202,712,223
Total	15,014,243,836	17,120,703,327

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25. RELATED PARTIES

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

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

25. RELATED PARTIES (continued)

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

A. At 31 December 2024 and 31 December 2023, Rompetrol Rafinare had the following balances with the related parties:

	Receivables and other assets	
	December 31, 2024	December 31, 2023
KazMunayGas Trading AG	191,393,723	230,506,456
Rompetrol Downstream S.R.L	595,113,264	749,865,007
Rompetrol Petrochemicals S.R.L.	481	481
KMG International N.V.	672,666	545,327
Rompetrol Gas SRL	3,489,482	27,008,023
Rompetrol Moldova ICS	61,461,741	28,148,161
Rompetrol Bulgaria JSC	23,425,368	1,832,551
Rominserv S.R.L.	23,178,020	47,196,399
Rompetrol Quality Control S.R.L.	179,554	165,739
Rompetrol Logistics S.R.L	1,988	2,071
Midia Marine Terminal S.R.L.	1,442,885	1,195,121
Midia Green Energy SA (former Uzina Termoelectrica Midia SA)	274,985	274,985
KMG Rompetrol SRL	36,327,732	210,411,841
Global Security Systems S.A.	610,005	608,033
Rompetrol Energy S.A.	69,322,732	80,788,696
Byron Shipping Ltd.	2,759	2,695
Oilfield Exploration Business Solutions S.A.	2,990,454	2,964,917
Rompetrol Financial Group SRL	11,321	11,194
KMG Rompetrol Services Center SRL	47,455	44,916
KMG Rompetrol Development SRL	485,655	-
Total	1,010,432,270	1,381,572,613

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25. RELATED PARTIES (continued)

	Payables, loans and other liabilities	
	December 31, 2024	December 31, 2023
KazMunayGas Trading AG	3,789,357,013	3,911,405,971
Rompetrol Downstream S.R.L	50,200,971	72,264,156
Rompetrol Petrochemicals S.R.L.	6,981,531	8,315,590
Rompetrol Gas SRL	35,864,103	3,248,392
Rompetrol Moldova ICS	128,591,613	66,076,957
Rominerv S.R.L.	194,641,119	150,601,133
Rompetrol Quality Control S.R.L.	1,086,136	23,672,159
Midia Marine Terminal S.R.L.-trade debts	5,779,277	12,340,927
Midia Green Energy SA (former Uzina Termoelectrica Midia SA)	415	415
KMG Rompetrol SRL- debt cash pooling	1,746,434,350	1,404,248,845
KMG Rompetrol SRL-interest cash pooling	12,450,257	9,038,687
KMG Rompetrol SRL-trade debts	8,735,344	27,424,489
Global Security Systems S.A.	1,348,557	1,357,022
Global Security Systems Fire Services S.R.L.	1,859,020	2,637,941
KMG Rompetrol Development	-	7,425,858
Rompetrol Energy S.A.	28,502,064	37,594,909
KMG Rompetrol Services Center SRL	1,007,948	1,612,763
TRG Petrol Ticaret Anonim Sirketi	10,346	10,346
Total	6,012,850,064	5,739,276,560

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

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25. RELATED PARTIES (continued)

In 2024, respectively in 2023, Rompetrol Rafinare had the following transactions with the related parties:

0 Name of related party	0 Nature of transaction , sales / purchases	Sales		Purchases	
		January - December 2024	January - December 2023	January - December 2024	January - December 2023
KazMunayGas Trading AG	Raw materials / Petroleum products	2,708,629,877	3,048,306,733	12,449,060,662	14,792,835,024
Rompetrol Downstream S.R.L.	Petroleum products, rent, utilities and other	6,814,592,802	8,237,243,878	2,813,050	2,782,488
Rompetrol Petrochemicals S.R.L.	Other	-	-	-	821
KMG International N.V.	Loan interest, management services	-	-	5,451,337	6,825,307
Rompetrol Gas SRL	Platform operation, propane / Petroleum products, rent, loan interest, other	391,390,270	459,647,078	1,870,918	800,365
Rompetrol Moldova ICS	Sales intermediary services	1,577,451,211	1,460,806,858	-	-
Rompetrol Bulgaria JSC	Sales intermediary services	51,616,082	32,587,744	-	-
Rominerv S.R.L.	Acquisition and maintenance of fixed assets	3,073,675	3,220,154	773,427,000	366,722,497
Rompetrol Quality Control S.R.L.	Laboratory analysis/Rent, utilities, other services, dividends	1,680,474	1,803,877	49,510,942	49,147,685
Rompetrol Logistics S.R.L.	Transport, rent/Rent, utilities	55,877	14,783	164,324	164,324
Midia Marine Terminal S.R.L.	Handling services/ Ren, utilities, re invoicing, others	1,667,182	2,432,331	83,694,588	78,673,951
Rompetrol Well Services S.A.	Other	-	-	218	488
Rompetrol Energy S.A.	Acquisition of utilities	157,424,374	329,585,687	285,305,046	237,160,763
KMG Rompetrol S.R.L.	Loan interest, management services	19,158,503	43,593,321	204,363,332	216,584,865
Global Security Systems S.A.	Security and protection services	1,657	1,641	12,351,235	11,216,924
Global Security Systems Fire Services SRL	Security and protection services	-	-	10,927,674	10,209,734
Byron Shipping S.R.L.	Demurrage /Rent, reinvoices of other services	24,103	23,395	-	-
Romol S.A.	Reinvoicing bank loan fees	96,905	-	10,245	651,530
KMG Rompetrol Services Center SRL	Shared services	462,617	458,769	12,978,751	12,349,777
		11,727,325,609	13,619,726,247	13,891,929,322	15,786,126,542

25. RELATED PARTIES (continued)

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

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

The salaries paid to the Company directors in 2024 were RON 2,016,567 (1,606,840 in 2023). The salaries and bonuses paid to the Company management in 2024 (in average 14 persons) was RON 7,476,428 (RON 10,422,331 in 2023, in average 16 persons).

26. EARNINGS PER SHARE

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

	December 31, 2024	December 31, 2023
Net profit (+), loss (-)	(470,813,808)	(550,355,167)
Average number of shares	26,559,205,726	26,559,205,726
Result per share - base (RON bani/share)	(1.77)	(2.07)

27. CONTINGENCIES

Rompetrol Rafinare SA - Distressed Assets - Hybrid Conversion

By the Emergency Ordinance ("EGO") 118/2003 approved by Law 89/2005 and the Issuing Convention of 5 December 2003 ("Issuing Convention"), the RON 2,177.7 million of state budget liabilities, including penalties were denominated into 22,812,098 convertible bonds (i.e. a total of EUR 570.3 million at the RON / EUR exchange rate as of 30 September 2003 or 3.8185 RON / EUR or USD 719.4 million at the same date), hereinafter referred to as "Hybrid instruments" or "Bonds".

The Bonds carried interest and were redeemable on or before maturity, partially or entirely. The bonds not redeemed by 30 September 2010 should be convertible, at a fixed conversion rate, into ordinary shares of Rompetrol Rafinare S.A., at the option of the 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. Therefore from October 1, 2010 the State became therefore shareholder of the Company with 44.69%.

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

27. CONTINGENCIES (continued)

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

The Memorandum of Understanding includes also the following aspects:

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

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

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

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

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

On 3 March 2025 ANAF started the appropriate formalities to lift the seizure from refinery installations and further Management will assess the potential implications derived from this as stated in the Memorandum of Understanding concluded with the Romanian State.

Risk management and internal control

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

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

The Rompetrol's Code of Ethics and Conduct is approved by the Board of Directors and applies to all directors, executives and employees, whatever the nature of their contractual relationship with the Company. The Code creates a frame of reference for understanding and putting into practice the Company's expectations as to each person's behavior, in light of the Company's principles of action.

27. CONTINGENCIES (continued)

Company's employees undergo regular professional training, training on ethical standards and anti-corruption conduct. The Code of Ethics and Conduct explicitly prohibits engaging in bribery or corruption in any form. Anti bribery and corruption policies and procedures in place at Group level include measures and guidance to assess risks, understand relevant laws and report concerns.

Whistleblowing incidents are taken very seriously by the Company and its directors. Any complaints or allegations received are investigated properly by the assigned departments. The Company has established and maintained an open channel to handle and discuss internal reports concerning finance, internal control and fraud to ensure that all reports will receive enough attention. In line with Irregularity Reporting Policy, the internal investigations conducted during 2024 and up to the approval date of the financial statements did not reveal any cases of ethical misconduct and non-compliance with applicable laws and regulations. The results of all internal investigations were discussed with the Company's statutory bodies, which concluded that the warnings were not confirmed.

28. LEGAL MATTERS

Litigation with the State involving criminal charges

I. Criminal case

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

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

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

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

II. Civil files

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

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

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

28. 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).

Litigations between Rompetrol Rafinare and National Company – Constanta Maritime Port Administration SA

In consideration of the violation by Compania Nationala Administratia Porturilor Maritime Constanta (National Company of Constanta Maritime Ports Administration) of the legal provisions regulating its activity, in the sense that it does not ensure the maintenance in operational parameters of the Midia port found under its administration, so as to ensure the safety of navigation, the preservation of at least the technical features designed for the port, the assurance of safe access and operation, the company initiated court claim against the Constanta Port Administration for Rompetrol Rafinare damages related to lower port drafts during January - May 2015 (0.8 mil USD) and for restitution of dredging expenses (USD 1.7 million). On 19 May 2017, the Court partially admitted the claim of the plaintiff Rompetrol Rafinare SA against the defendant Constanta Port Administration and obliged the defendant to pay to the plaintiff:

- The amount of EUR 1.57 million, representing dredging expenditures paid by Rompetrol Rafinare SA, during the period 30 April 2015 - 11 May 2015;
- The amount of RON 0.079 million representing legal costs.

Both parties filed for appeal against the solution pronounced by first court. On 27 December 2017, Constanta Court of Appeal admitted the appeal filed by Constanta Port Administration, reject the appeal filed by Rompetrol Rafinare SA and changed the sentence pronounced by the first court, so all the claims of Rompetrol Rafinare against APMC have been rejected. Rompetrol Rafinare will submit the appeal within 30 days since the communication of the decision issued by Constanta Court of Appeal. The decision has been communicated and the recourse has been filed by Rompetrol Rafinare SA on 6 August 2018. The case is in filter proceedings, and the first hearing term will be established later. During the filter proceedings, National Company "Administratia Porturilor Maritime" SA has raised the exception of inadmissibility of our recourse, motivated by the fact that, according to art. 483 paragraph 2 of the Civil Procedure Code, the decisions regarding the civil navigation and port activity processes are exempted from the right of recourse. Rompetrol Rafinare SA has raised the exception of unconstitutionality regarding the art. 483 paragraph 2 of the Civil Procedure Code. From this reason, The High Court of Cassation and Justice has suspended the procedure until the Constitutional Court solves the exception submitted by Rompetrol Rafinare.

In the file registered for this purpose at the Constitutional Court under no. 1639D/2019, the Court issued its decision on 30 January 2024, rejecting the exception of unconstitutionality raised by Rompetrol Rafinare.

Following this solution, it is expected that The High Court of Cassation and Justice will reopen its recourse file and a hearing date will be fixed and announced to the parties, when the recourse will have to be solved. On October 17, 2024, the High Court of Justice rejected the Company's' recourse as inadmissible. Against this solution the Company submitted an appeal for annulment before the High Court of Cassation and Justice which, on 11 February 2025, was rejected as inadmissible, without any possible appeal.

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.

28. LEGAL MATTERS (continued)

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 8, 2025.

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

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

Litigation on Tax Assessments received by Rompetrol Rafinare SA in 2017

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

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 is scheduled for June 19, 2025.

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

Criminal case concerning Petromidia Refinery incident on July 2nd 2021

On July 2, 2021 there was an explosion followed by a fire at Petromidia refinery, Diesel Hydrotreatment Unit (in Romanian "instalatie Hidrofinare Petrol Motorina" hereinafter HPM plant). As a result of the incident, 3 employees of the company died and one employee was hospitalized due to a hip fracture. The criminal investigations are carried out by the Prosecutor's Office attached to the Constanta Tribunal, was finalised and communicated to the Company the technical expertise carried out by INCD INSEMEX Petrosani, at the request of the criminal investigation bodies, document analysed both by the criminal lawyers, by the party expert 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.

28. LEGAL MATTERS (continued)

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

DIICOT Criminal Investigation File in connection with Vega lagoons greening Project

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

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

Vega lagoons greening Project located on the territory of Vega Refinery

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

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

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

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

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

28. 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.

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. 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.

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.

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.

28. LEGAL MATTERS (continued)

On September 24, 2024, the Court rejected Rompetrol Rafinare's request for suspension of the turnover tax payment. The Supreme Court' final decision on suspension is expected until March 31 unless postponed.

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.

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

The Corlătești Plant has been providing wastewater treatment services for the Vega Refinery even before privatization occurred in 1999. The Plant was operated by Gentoil SRL until December 2023.

Subsequently, the treatment facilities were managed by Ecorin SRL, which provided services to the Vega Refinery until May 2024. The price for wastewater treatment services at that time ranged from 3 to 4.93 RON/m3 of treated wastewater.

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

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

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

A main claim was submitted on June 17, 2024.

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

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

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

28. LEGAL MATTERS (continued)

Vega Refinery activity

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

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

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

29. COMMITMENTS

Environmental risks and obligation

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

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

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

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

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

Climate change and energy transition

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

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

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

However, meeting the goals of the low-carbon economy is a global aspiration that must be cemented in reality. This requires the world economy to transform in complex and connected.

29. COMMITMENTS (continued)

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

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

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

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

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

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

War and conflict 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 exchange rate depreciation pressure.

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

29. COMMITMENTS (continued)

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

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

Cyber risk

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

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

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

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

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.

Other commitments

As of 31 December 2024, Rompetrol Rafinare SA contracted capital commitments for projects related to capital maintenance, authorizations and compliance with Euro standards at the Petromidia refinery in amount of USD 20.4 million, RON equivalent 97.4 million. (2023: USD 82.2 million, RON equivalent 369.9 million) and Vega refinery of USD 0.68 million, RON equivalent 3.2 million (2023: USD 4.6 million, RON equivalent 20.7 million).

29. COMMITMENTS (continued)

Sale and purchase commitments

As of 31 December 2024, Rompetrol Rafinare SA contracted purchase contracts for raw materials and utilities estimated to USD 3,498.23 million, RON equivalent 16,710 million (2023: USD 3,716.63 million, RON equivalent 16,709 million) and has commitments for sales of petroleum, petrochemicals products and utilities sales estimated to USD 2,212.10 million, RON equivalent 10,567 million (2023: USD 1,904.99 million, RON equivalent 8,564 million).

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS

A. CAPITAL RISK

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

B. GEARING RATIO

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

	December 31, 2024	December 31, 2023
Debt (excluding shareholder and related parties loans)	1,536,882,657	1,388,107,861
Cash and cash equivalents	(401,448,104)	(613,521,713)
Net Borrowings	1,135,434,553	774,586,148
Equity (including shareholder and related parties loans)	1,514,685,886	1,962,613,686
Gearing ratio	75.0%	39.5%

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

	December 31, 2024	December 31, 2023
Long-term borrowings	1,317,919,120	1,195,433,220
Total equity	1,483,865,797	1,962,613,686
Gearing ratio	88.82%	60.91%

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

C. FINANCIAL INSTRUMENTS

	31 December 2024	31 December 2023
Financial assets		
Investments in subsidiaries	3,741,084,832	3,531,898,492
Trade receivables and other receivables	1,139,168,754	1,278,344,903
Long-term receivables	27,754,000	41,254,000
Cash and bank accounts	401,448,104	613,521,713
TOTAL FINANCIAL ASSETS	<u>5,309,455,690</u>	<u>5,465,019,108</u>
Financial liabilities		
Short term borrowings from shareholders and related parties	30,820,089	-
Derivates	16,188,271	-
Commercial liabilities and other liabilities	5,934,883,168	5,752,887,700
Short term loans	218,963,537	192,674,641
Long term borrowings from banks	1,317,919,120	1,195,433,220
Lease debts	53,049,454	55,123,588
Profit tax payable	-	140,799,458
TOTAL FINANCIAL LIABILITIES	<u>7,571,823,639</u>	<u>7,336,918,607</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.

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

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

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

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

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques;
- The Company enters into derivative financial instruments with various counterparties. As at 31 December 2024, the marked to market value of derivative position is for financial instruments recognised at fair value.

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

Fair value hierarchy

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

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

	31 December 2024	Level 1	Level 2	Level 3
Financial assets				
Investments in subsidiaries	3,741,084,832	-	-	3,741,084,832
Trade receivables and other receivables	1,139,168,754	-	1,139,168,754	-
Long-term receivables	27,754,000	-	27,754,000	-
Cash and bank accounts	401,448,104	401,448,104	-	-
TOTAL FINANCIAL ASSETS	5,309,455,690	401,448,104	1,166,922,754	3,741,084,832

Financial liabilities				
Short term borrowings from shareholders and related parties	30,820,089	-	30,820,089	-
Derivates	16,188,271	-	16,188,271	-
Commercial liabilities and other liabilities	5,934,883,168	-	5,934,883,168	-
Short term loans	218,963,537	-	218,963,537	-
Long term borrowings from banks	1,317,919,120	-	1,317,919,120	-
Lease debts	53,049,454	-	53,049,454	-
TOTAL FINANCIAL LIABILITIES	7,571,823,639	-	7,571,823,639	-

	31 December 2023	Level 1	Level 2	Level 3
Financial assets				
Investments in subsidiaries	3,531,898,492	-	-	3,531,898,492
Trade receivables and other receivables	1,278,344,903	-	1,278,344,903	-
Long-term receivables	41,254,000	-	41,254,000	-
Cash and bank accounts	613,521,713	613,521,713	-	-
TOTAL FINANCIAL ASSETS	5,465,019,108	613,521,713	1,319,598,903	3,531,898,492

Financial liabilities				
Commercial liabilities and other liabilities	5,752,887,700	-	5,752,887,700	-
Short term loans	192,674,641	-	192,674,641	-
Long term borrowings from banks	1,195,433,220	-	1,195,433,220	-
Lease debts	55,123,588	-	55,123,588	-
Profit tax payable	140,799,458	-	140,799,458	-
TOTAL FINANCIAL LIABILITIES	7,336,918,607	-	7,336,918,607	-

At 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.

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

D. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

Statement of financial position

	31 December 2024	31 December 2023
Derivative financial assets	-	-
Derivative financial liabilities	(16,188,271)	-
Net position – asset / (liability)	(16,188,271)	-

Income Statement

	31 December 2024	31 December 2023
Realised losses – net	(164,523,470)	-
Total position - loss / (gain)- in Cost of sales	(164,523,470)	-

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

	31 December 2024	31 December 2023
Derivative asset / (liability) 2023	-	(9,727,578)
Cash received / (payments)	(5,093,421)	-
Cash flow hedge reserve	(11,094,850)	9,727,578
Derivative asset / (liability) 2024	(16,188,271)	-

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

The income statement results recorded in 2024 and 2023 are presented in Cost of sales, detailed in Note 19.

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

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 purchase / sell	Base operating stock (BOS) – meaning crude oil, feedstock, diesel, gasoline and jet Priced operational stock above or below BOS	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.

E. MARKET RISK

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

F. FOREIGN CURRENCY RISK MANAGEMENT

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

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

G. FOREIGN CURRENCY SENSITIVITY ANALYSIS

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

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

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

	USD		EUR	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
RON				
5%	(283,399,686)	(260,092,755)	(301,003)	10,827,187
(5%)	283,399,686	260,092,755	301,003	(10,827,187)

H. INTEREST RATE RISK MANAGEMENT

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

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

If the interest rates had varied by + / - 50 points and all the other variables had remained constant, the net result of the Company as at 31 December 2024 would decrease / increase by RON 31.0 million (2023: decrease / increase by RON 27.0 million).

ROMPETROL RAFINARE SA
NOTES TO STANDALONE FINANCIAL STATEMENTS
for financial period ended on 31 December 2024
(all amounts expressed in Lei ("RON"), unless otherwise specified)

30. 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 2023 and 31 December 2022 based on contractual outdated payments, including interest payable until the end of the contracts for finance leasing and loans.

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	5,645,683,108	288,224,701	975,359	-	-	5,934,883,168
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
	5,647,823,784	332,848,307	327,844,316	1,363,060,568	53,744,309	7,725,321,282

Balance as at 31 December 2023	Less than 1 month or current	<3 months	3 – 12 months	1 - 5 years	>5 years	Total
Trade and other payables	5,399,978,901	352,573,903	334,896	-	-	5,752,887,700
Short term borrowings from banks	2,598,140	3,756,885	195,396,591	-	-	201,751,616
Long term borrowings from banks	-	24,221,629	72,664,886	1,324,615,240	-	1,421,501,755
Lease debts	369,039	738,079	3,321,355	14,518,714	57,083,731	76,030,919
	5,402,946,080	381,290,496	271,717,728	1,339,133,954	57,083,731	7,452,171,990

30. 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 2024 includes Inventory and Cracks hedge.

At Company level, total 2024-year hedging (paper) instruments gain has been of USD +32.63 million, with the main impact coming from Refinery cracks hedging program which had a positive impact of USD +30.26 million.

Related to cracks hedge, Rompetrol Rafinare managed to hedge (sell paper) overall 2.074 KT (diesel, gasoline, jet and naphtha cracks) for May24-Dec25 at a strike/hedge price of 151.6\$/MT, with +17.4\$/MT better than the Budget of 134.2\$/MT. At the end of Dec'24, the Market price (actual + forward) for May24-Dec25 was 136.4\$/MT. The Market price decreased vs Hedge level because of middle distillates (diesel & jet) fall due to low demand and high imports to Europe from India, the Persian Gulf and US. Considering all of this, the Refinery has at the end of Dec'24 the following results for Cracks hedging program:

- Physical= +4.57mil USD, because the Market price (136.4\$/MT) was higher than the Budget (134.2\$/MT), which resulted in a gain of +2.2\$/MT x 2.074KT.
- Paper= +30.26mil USD, because the Market price (136.4\$/MT) was lower than the Hedge level (151.6\$/MT) and considering the protection against market decrease, the effect resulted in a gain of +15.2\$/MT x 2.074KT.
- Net result = Physical + Paper = +34.84mil USD (saving vs Budget)

Out of this, the Realized hedge impact booked in P&L for Cracks hedge as of YTD Dec'24 is +32.59mil USD. The difference of -2.33 mil USD is Unrealized (MTM) for Jan25-Dec25 period.

Overall, the total Realized hedge impact booked in P&L at the Company level in 2024 is +36.03 mil USD, including inventory (+3.44 mil USD).

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

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

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.

31.SUBSEQUENT EVENTS

In February 2025, Rompetrol Rafinare SA entered into a repurchase agreement (repo) with KazMunayGas Trading AG involving the sale of 730,000 CO2 certificates. Under the terms of the agreement, the Company is obligated to repurchase the certificates in September 2025. The transaction was undertaken to optimize cash flow management and does not represent a permanent disposal of the CO2 certificates.

The standalone financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN-DANIEL POP
General Manager

ALEXANDRU STAVARACHE
Financial Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant



ANNUAL REPORT OF THE BOARD OF DIRECTORS OF ROMPETROL RAFINARE ON THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE FINANCIAL YEAR 2024

The figures for 2024 include consolidated financial statements in accordance with International Financial Reporting Standards („IFRS”). Consolidated financial statements of Rompetrol Rafinare Group (the Group) include the results of the parent company Rompetrol Rafinare and its subsidiaries Rompetrol Petrochemicals S.R.L., Rom Oil S.A., Rompetrol Downstream S.R.L., Rompetrol Quality Control S.R.L and Rompetrol Logistics S.R.L. (with its subsidiary Rompetrol Gas S.R.L.).

COMPANY HISTORY

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

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

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

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

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

The number of employees of Rompetrol Rafinare S.A. and its subsidiaries at the end of 2024 was 1,917.

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



COMPANY SHARES AND LISTING

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

The Company's shares are traded on BVB Standard category. On 31.12.2024, the total number of shares issued by the Issuer is 26,559,205,726, representing a total share capital of 2,655,920,572.60 lei. The Company's shares are common, nominative, dematerialized, and the shareholder's register is held by the DEPOZITARUL CENTRAL S.A. Bucuresti, as an independent register, authorized by the Financial Supervisory Authority.

The activity carried out by RRC in 2024, as issuer of securities on the Romanian capital market, is presented as follows:

- in 2024, there were a total number of 2,627 transactions with RRC shares, with an average daily number of 11 transactions, compared to 2023 when a total of 1,743 transactions with RRC shares took place;
- the total volume of the RRC shares traded in 2024 was of 23,629,179 shares (approximately 71% more than in 2023, when the total volume of 13,827,615 shares was registered);
- the total value of transactions in 2024 with RRC amounted to RON 1,726,057 (approximately 55% more than in 2023, when the total value of transactions was RON 1,137,610);
- the price of 1 share during 2024 was between a maximum value of 0.085 RON (reached on 9th of January 2024) and a minimum value of 0.061 RON (reached on 3rd of December 2024);
- the RRC transactions in 2024 were concluded only on the REGS market;

The market capitalization¹ on the last trading day in 2022, 2023 and 2024 is shown in the table below:

The Rompetrol Rafinare shares	2022	2023	2024
Number of shares	26,559,205,726	26,559,205,726	26,559,205,726
Stock exchange capitalization, Lei mil. ²	2,124.74	2,230.97	1,792.75
Stock exchange capitalization, Euro mil. ³	429.60	448.47	360.25
Price at the end of the year, lei	0.080	0.084	0.0695

¹ Capitalization represents the total market value of the Company (number of shares * market price of the share)

² Calculated based on the share price on the last trading day of the year under consideration, respectively December 30, 2024, December 29, 2023, December 30, 2022.

³ Calculated at the EURO exchange rate (4.9764 lei) applicable in the last trading session of the analyzed year, namely December 30, 2024.

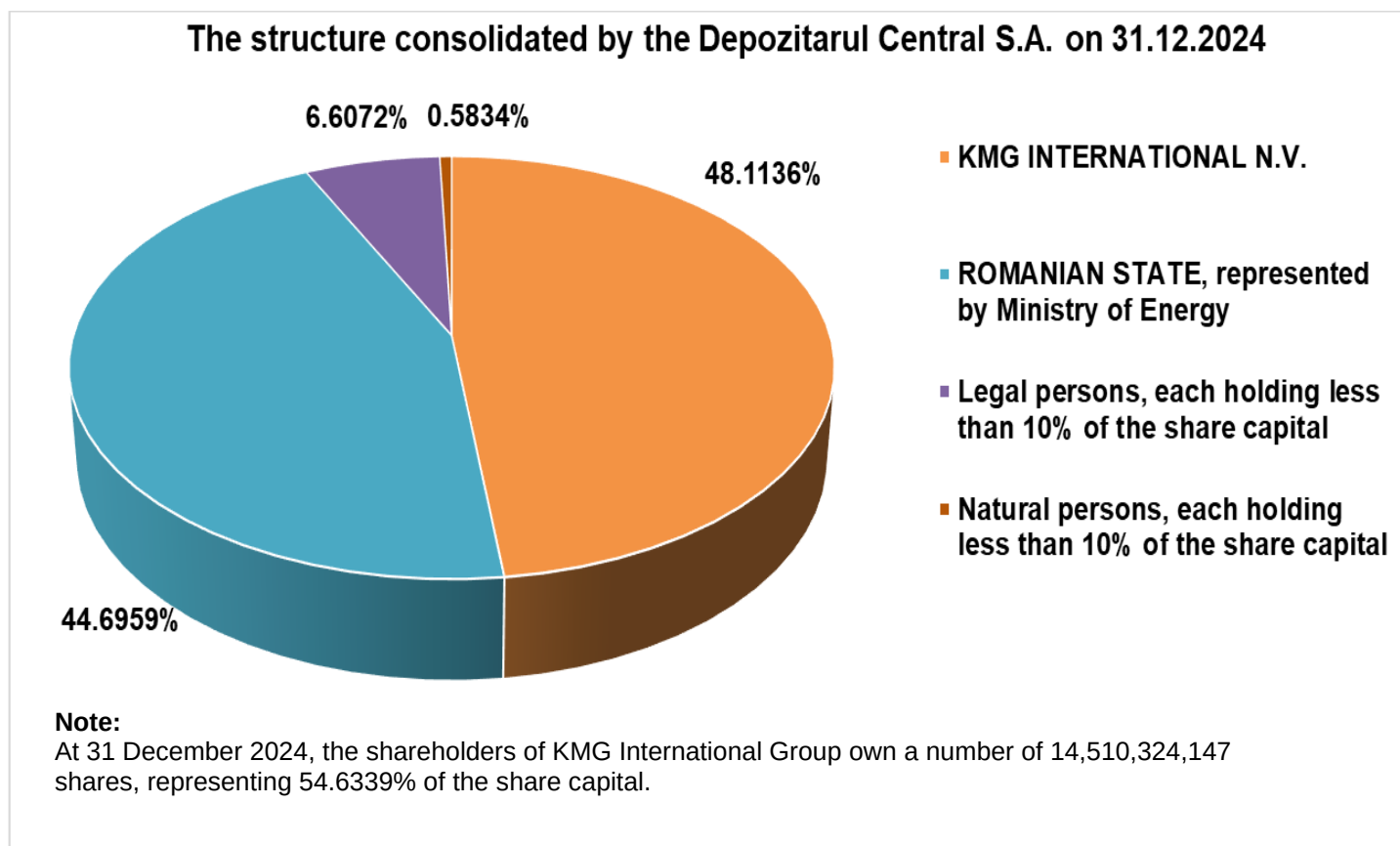


WEIGHTED AVERAGE PRICE

The weighted average price (WAP)⁴ of the RRC shares during 2024 = RON 0.0746 per share taking into account the transactions carried out on the Bucharest Stock Exchange on the main market of the regulated market (REGS).

ROMPETROL RAFINARE SHAREHOLDERS STRUCTURE

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



COMPANY'S OWN SHARES

At 31.12.2024, ROMPETROL RAFINARE S.A. held a number of own shares of 3,698,582 having a nominal value of RON 0.10 per share and a total value of RON 369,858.20, which represents 0.01393% of Company's share capital.

The Company did not trade (by acquiring or selling) its own shares during 2024.

In 2024, Rompetrol Rafinare did not redeem or cancel its own shares.

⁴ Calculated as the ratio between Total Trading Value and Total Trading Volume.



THE NUMBER AND NOMINAL VALUE OF THE SHARES ISSUED BY THE PARENT COMPANY, OWNED BY SUBSIDIARIES

In 2024, the subsidiaries of the company have not held shares issued by Rompetrol Rafinare.

THE FINANCIAL CALENDAR PROPOSED FOR THE YEAR 2025

Financial Calendar	Date
Presentation of the preliminary, unaudited, individual and consolidated results of the year 2024 and fourth Quarter of 2024	Friday, February 28 th , 2025
Ordinary General Assembly of Shareholders, to approve the annual financial results of year 2024	Tuesday, April 29 th , 2025 (first meeting) Wednesday, April 30 th , 2025 (second meeting)
Publication of the 2024 Annual Report	Wednesday, April 30 th , 2025
Presentation of the results recorded during the first quarter of 2025	Thursday, May 15 th , 2025
Presentation of the results recorded during the first semester and second quarter of 2025	Thursday, August 14 th , 2025
Presentation of the results recorded during the third quarter of 2025 and between January – September 2025	Monday, November 17 th , 2025
Telephone conferences and / or meetings with investors and financial analysts, as appropriate	On request

CORPORATE GOVERNANCE

Corporate Governance Report of Rompetrol Rafinare S.A. for the year 2024 it is drawn up on the basis of the Corporate Governance Code ("CGC" or "the Code"), of Law no. 24/2017 regarding the issuers of financial instruments and market operations, of the regulations and instructions issued by the Financial Supervisory Authority - "Autoritatea de Supraveghere Financiara ASF" and of the stock exchange regulations.

The statement "Apply or Explain" presents the stage of compliance of the Company with the new provisions of the CGC BVB. Rompetrol Rafinare will continue to evaluate the provisions of the Code and any subsequent progress that the Company will make in complying with it will be reported on the market. The "negative" aspects (from compliance to non-compliance) will also be reported.

In 2024, Rompetrol Rafinare continued the process of implementing good corporate governance practices so that the internal practices correspond qualitatively to the new requirements in respect of companies admitted to trading at BVB.



PRESENTATION OF THE COMPANY'S ADMINISTRATORS

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

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

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

Advisory committees

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

Audit Advisory Committee

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

Strategy Advisory Committee

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

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

INFORMATION ON THE GENERAL MEETING OF SHAREHOLDERS AND THE SHAREHOLDERS' RIGHTS

The corporate bodies of RRC, company managed in unitary system, are structured as follows: The General Meeting of Shareholders, which is the highest decision-making body of the Company and the Board of Directors.

The General Meeting of the Shareholders ("GMS")

The General Meeting of Shareholders is the main corporate governing body of the Company, having decision making tasks on detailed activities within the Article of Incorporation of the Company.

In terms of structure, depending on the points on the agenda that the shareholders are required to approve, the General Meeting of the Shareholders can be ordinary or extraordinary.

The Ordinary General Meeting of the Shareholders ("OGMS")



According to article 11 of the Company's updated Articles of Incorporation, corroborated with the applicable legal provisions, the Ordinary General Meeting is summoned at least once a year, within the term required mandatory by the law, and includes the following main tasks:

- a) to discuss, to approve or to modify the annual financial statements, based on the reports presented by the board of directors and by the financial auditor and to establish the dividend;
- b) to appoint and to revoke Company directors;
- c) to appoint and to establish the minimum duration for the financial audit contract, and also to revoke the financial auditor;
- d) to establish for each current financial year the remuneration owed to the directors;
- e) to pass opinion on the directors' manner of administration;
- f) to establish the income and expenses budget, and, if such is the case, the activity schedule, for the following financial year;
- g) to decide the pledge, the lease or the cancellation of one or more units of the Company;
- h) to approve the maximum limits of the remuneration of the people handling/having managing positions according to the legal provisions in force.
- i) to approve the Remuneration Policy for administrators and executive directors.

The Extraordinary General Meeting of the Shareholders ("EGMS")

The Extraordinary General Meeting has the following tasks:

- a) to change the Company's legal form;
- b) to move the headquarters of the company;
- c) to change the company's object of activity;
- d) to set up or to dissolve secondary offices: branch offices, agencies, representations or any other such units without legal personality;
- e) to extend the company duration;
- f) to increase the share capital;
- g) to reduce the share capital or to replenish it by the issue of new shares;
- h) merger with other companies or the division of the company;
- i) the company's anticipated dissolution;
- j) conversion of shares from one category to another;
- k) conversion of one category of bonds into another one or into shares;
- l) issue of bonds;
- m) any other change of the Articles of Incorporation or any other decision for which the extraordinary general meeting consent is required.

The Extraordinary General Meeting delegates the Board of Directors to exercise the tasks mentioned at letters b) and c) of the paragraph above from the revised Articles of Incorporation.

Moreover, the Extraordinary General Meeting may delegate to directors the increase of the share capital, according to the provisions of art. 86 of Law 24/2017 on the issuers of financial instruments and market operations.

Summoning, operation, voting process as well as other provisions regarding the GMS are detailed in the Articles of Incorporation of Rompetrol Rafinare S.A. as well as in the "Regulations on the conduct of the General Meeting and the observance of the rights of the shareholders of Rompetrol Rafinare S.A." published on the Company's website, in the section Investor Relations - Corporate Governance - Corporate Governance Documents.



SHARES AND THE SHAREHOLDERS RIGHTS

The rights of the shareholders of Rompetrol Rafinare are those conferred by Law no. 31/1990 on companies, Law no. 24/2017 on the issuers of financial instruments and market operations, F.S.A. Regulation no. 5/2018, other regulations and guidelines, issued by F.S.A., of the Stock Exchange Code and other legal regulations currently in force.

All holders of RRC shares are treated fairly. All issued shares confer equal rights to the holders.

Each share subscribed and paid-up by the shareholders, according to the law, gives them the right to vote within the general meeting of shareholders, the right to appoint and to be appointed by the management bodies, the right to participate in the distribution of profit, in compliance with the provisions of the Articles of Incorporation of the company and the legal dispositions respectively the rights stipulated in the Articles of Incorporation.

The acquisition by a person, directly or indirectly, as provided for by the law, of the ownership right on a share, has as an effect the acquisition of the status of shareholder of the company with all their rights and obligations derived therefrom, according to the law and to the Articles of Incorporation.

The shareholder who in certain operation has, either personally or as a representative of another person, an interest contrary to the interest of the Company, will have to refrain from any deliberations on that account.

The shares issued as dematerialized shares are traded on a regulated market in compliance with the legislation of the capital market. The rights and obligations related to the shares follow the shares in case there are transferred under the ownership of other persons. The shareholders have the right to be completely informed during the General Meeting of the Shareholders on the Company's situation. In case that new shares are issued, the shareholders existing have the pre-emption right for subscription, under the conditions of the law, in relation with the percent of shares held within the Company.

All holders of financial instruments issued by Rompetrol Rafinare of the same type and class of titles benefit of equal treatment, and the Company makes permanent efforts to ensure transparent communication for the exercise of rights in an equitable manner.

The company has created a special section called Investor Relation, on its own website, where relevant information on the procedures regarding the access and the participation at the General Meeting of Shareholders (GMS), GMS convocation, supplemented agenda of the GMS, the responses to shareholders' questions, Current Reports, Annual, semester and quarterly reports, financial statements, exercise of voting rights in GMS, GMS agenda materials, special mandate models, financial calendar, corporate governance etc. of the company is constantly updated and accessible, that contributing to transparency and equitable information for all persons interested.

The main shareholders' rights regarding GMS are:

- *The right to notice regarding a new GMS*

The Company's Shareholders are informed about an upcoming meeting of shareholders by convocation published in the Romanian Official Gazette and in a newspaper of national circulation at least 30 days before the meeting; also, the convocation is published on the website of the Company, in the Investor relation section and it is transmitted to the Financial Supervisory Authority and the Bucharest Stock Exchange.

- *The right of access to information*

Rompetrol Rafinare publishes the documents and informative materials on its website.

- *The right to supplement the agenda of the meeting*



One or several shareholders representing, severally or jointly, at least 5% of the share capital, has/have the right, under the legal conditions, to request to the company Board of Directors: a) to introduce new items in the agenda of the general meeting, provided that each item is accompanied by a justification or by a draft resolution proposed to be adopted by the general meeting and b) to submit the draft resolutions for the items included or proposed to be included in the agenda of the general meetings.

➤ *The right to participate at the GMS*

The shareholders registered in the list of shareholders on the reference date received from the Central Depository shall be entitled to attend in person or by representative the GMS.

➤ *Voting right*

Each share registered on the shareholder's name on the reference date confers a voting right in GMS.

The shareholders of Rompetrol Rafinare can exercise their vote right as follows:

1. Direct vote – in person, during the General Meeting of the Shareholders;
2. Vote by representative with a special or general proxy;
3. Vote by correspondence.

➤ *The right to ask questions*

Each shareholder, regardless of the participation to the share capital, has the right to ask questions referring to the agenda of the general meetings, and the Company may answer the questions asked by the shareholders by posting such answers on the Company website. Questions must be pertinent, be connected to the agenda and not harm the confidentiality and commercial interests of the Company and be in writing, either by mail or courier services, or by electronic means. Furthermore, the summons of the general meeting will comprise the deadline until which shareholders may exercise the above-mentioned rights.

Shareholders have the right to participate effectively and vote in the GMS and to be informed of the rules, including voting procedures that govern the GMS. Each share confers a voting right, a dividend. There are no preferential shares without the right to vote or shares that confer the right to more than one vote.

If the General Meeting of Shareholders approves the distribution of dividends from the net profit of the company, all shareholders registered in the Register of shareholders at the time of registration decided by the General Meeting which also approves the amount of dividends received and the time limit within which they shall be paid to the shareholders, shall be entitled to receive dividends.

INVESTOR RELATIONS CONTACT

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

Investor.Relations.RRC@rompetrol.com.



STRATEGY

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

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

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

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

2025 will mark the completion and launch of the large investment project of the Group, the cogeneration plant on the Petromidia platform. The plant will secure the stable supply of electricity and steam to Petromidia refinery, with possibility to inject the surplus electricity into the national grid. The new plant will comply with the highest technological standards of energy efficiency. It is being built and will be operated by Rompetrol Energy, majority owned by the Kazakh-Romanian Energy Investment Fund, 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.

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

CORPORATE SOCIAL RESPONSIBILITY

The KMG International Group considers social responsibility and sustainability to be fundamental principles in formulating its business strategy and conducting operations. The Group is dedicated to integrating environmental sustainability, economic development, and social equity into its global and local activities, with a steadfast commitment to advancing the United Nations Sustainable Development Goals outlined in the 2030 Agenda.



SUSTAINABILITY SECTION

The 2024 Consolidated Sustainability Report (Annex 3 to this document) provides an overview of Rompetrol Rafinare and its affiliated entities, detailing their environmental, social, and governance (ESG) performance. The report aligns with international reporting frameworks and regulatory requirements, including the European Sustainability Reporting Standards (ESRS), the EU Taxonomy, and IPIECA guidelines for the oil and gas industry.

Key topics covered in the report include greenhouse gas emissions, occupational health and safety, environmental and socioeconomic compliance, fair labor practices, and customer relations. These remain central to Rompetrol Rafinare's sustainability approach, reflecting its commitment to responsible business practices and industry best standards.

The report highlights Rompetrol Rafinare's position in relation to climate change mitigation through energy efficiency initiatives, decarbonization projects. The company monitors and reports its Scope 1, 2, and 3 GHG emissions, aligning with industry best practices. Additionally, efforts in circular economy initiatives, waste management, and resource optimization demonstrate a commitment to minimizing environmental impact. Water conservation and pollution control measures further reinforce the company's dedication to sustainable operations.

Employee well-being is a cornerstone of Rompetrol Rafinare's sustainability strategy, with health and safety programs, diversity initiatives, and fair working conditions ensuring a supportive workplace culture. Beyond its workforce, the company actively invests in community development projects, focusing on education, healthcare, and environmental sustainability. These initiatives reflect the company's broader social responsibility and its role in fostering positive change in the regions where it operates.

Rompetrol Rafinare aligns its financial reporting with the EU Taxonomy, detailing its eligible and aligned activities within the framework and reporting on its aligned OPEX, CAPEX and Turnover. The company evaluates financial risks and opportunities related to climate transition, ensuring compliance with sustainability regulations.

The comprehensive list of reports of the sustainability performance is available for stakeholders on the corporate website - <https://www.rompetrol.com/ro/rapoarte-de-grup>, as well as the dedicated Rompetrol Rafinare website - <https://rompetrol-rafinare.kmginternational.com/>.

The consolidated sustainability report as of 31.12.2024 was the subject of a limited assurance engagement in accordance with ISAE 3000 (Revised), carried out by Ernst&Young Assurance Services SRL.

Moreover, in 2024, KMG International continued to be a member of the United Nations Global Compact, an initiative aimed at promoting the adoption and implementation of sustainability policies by businesses globally, enabling companies to adopt an established and globally recognized policy framework for development.

As a company committed to stakeholder engagement and continuous dialogue, Rompetrol Rafinare encourages open communication on ESG-related matters. For any feedback or inquiries regarding sustainability topics, stakeholders are invited to reach out via email at csr@rompetrol.com.



COMMUNITY AND CORPORATE PARTNERSHIPS

The KMG International Group is part of a large community and trusts the mission to provide support through financial investments and know-how so the stakeholders from the areas in which they operate can benefit from a continuous, long-term and sustainable development.

The KMG International Group works in close partnership with NGOs, local authorities and other actors to identify the needs that can be covered by KMG International, focusing on four key areas:

- Health - the health and safety of the members of the community is equally important as the health and safety of the Group's employees. The Group extended the care towards stakeholders and invests in hospitals, support for medical personnel and NGOs providing specialized assistance to patients (both medical and palliative care at home or at the hospitals). The Group provides equipment, medical devices, uniforms, fuel, protective garments - all that is necessary to support the medical act.
- Environment – The Group monitors the impact of the operations and invests in modern and environmental-friendly technologies. Our planet is our legacy for the future generations and The Group supports forestation and other environmental projects in communities in which operates.
- Education - the partnerships with universities in Constanta and Prahova provide future generations of highly performing employees, and the Group constantly invests in internship programs; also a partnerships was developed with organizations such as "Teach for Romania", "Concordia Humanitarian Organization" which aim at the professional development of professors and youth coming from the foster care system. Moreover, the Group has been supporting for 4 years the national program Chess in Schools, advocating for chess to be taught in all schools across the country; so far, 60.000 children have been trained, 30.000 participants took part in chess competitions, over 3.000 teachers involved, 60.000 textbooks printed and distributed for free, in rural and urban areas.
- Culture – The Group is supporting the landmark George Enescu International Festival and Contest for 15 years as well as the George Enescu Philharmonic.

In 2024 the KMG International Group implemented more than **50** community initiatives, most of them in Prahova and Constanța counties and some at national level.

The commitment of the KMG International Group shall continue in 2025 and years to come, providing support to the community at local and national level, through partnerships with NGOs and authorities.

OUTLOOK FOR 2025

Group operations: The Rompetrol Rafinare Group will continue to further improve its operational performance and carry on the operational initiatives which were identified and put in motion since several years ago, such as: Refining planning and production optimization, energy efficiency and organizational effectiveness, Retail gas stations network development, increase of non-fuel profitability, as follows:

- ✓ Petromidia 2025 Feedstock Target performance set at 5.305 million tons, corresponding to ~15 ktons/day of operation, with +0.69 million tons above achieved level of 4.62 million tons (general turnaround activities in 2024);
- ✓ White products 2025 yield target of 86%.
- ✓ Downstream Romania sales target set at 1.84 million tons.
- ✓ Downstream Romania Non-Fuel Margin performance 2025 targeted at USD 56.8 million, +9% versus 2024.



Based on the Rompetrol Rafinare Group's budget for 2025, it's Medium-Term Development Strategy and other matters mentioned above, Group Management considers that the preparation of the financial statements on a going concern basis is appropriate.

FINANCIAL HIGHLIGHTS – CONSOLIDATED

	2024	2023	%	2024	2023	%
Financial	USD	USD		RON	RON	
Gross Revenues	4,926,968,471	5,330,226,989	-8%	23,535,142,992	25,461,428,281	-8%
Net Revenues	3,724,825,212	4,210,768,482	-12%	17,792,745,072	20,113,998,886	-12%
EBITDA	173,999,770	201,188,019	-14%	831,162,101	961,034,929	-14%
EBITDA margin	4.7%	4.8%		4.7%	4.8%	
EBIT	20,145,723	(153,900,483)	N/A	96,232,090	(735,151,827)	N/A
Net profit / (loss)	(68,749,689)	(240,513,120)	-71%	(328,403,514)	(1,148,883,071)	-71%
Net profit / (loss) margin	-1.8%	-5.7%		-1.8%	-5.7%	

Rompetrol Rafinare S.A. consolidated gross revenues reached over USD 4.9 billion in 2024, lower by 8% as against 2023, having as background the planned general turnaround in place since 8th of March 2024, for a period of approximately 2 months.

**ECONOMIC ENVIRONMENT***

		2024	2023	%
Brent Dated	USD/bbl	80.8	82.6	-2%
CPC Blend CIF	USD/bbl	77.8	79.7	-2%
Brent-CPC Differential	USD/bbl	2.9	2.9	0%
Premium Unleaded 10 ppm FOB Med	USD/ton	790	843	-6%
Diesel ULSD 10 ppm FOB Med	USD/ton	744	815	-9%
RON/USD Average exchange rate		4.60	4.58	0%
RON/USD Closing exchange rate		4.78	4.50	6%
RON/EURO Average exchange rate		4.97	4.95	1%
RON/EURO Closing exchange rate		4.97	4.97	0%
USD/EURO Closing rate		1.04	1.11	-6%
Inflation in Romania**		5.14%	6.61%	-22%

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

Over the full year 2024, the average price of **Dated Brent** settled at 80.8\$/bbl making a decrease of 1.9\$/bbl. (-2%) compared to 2023.

For the entire year, the **CPC** average price was 77.8\$/bbl. down by 1.9\$/bbl. (-2%) compared to full year 2023.

In January, geopolitical tensions intensified, with increased attacks on shipping routes in the Red Sea causing disruptions in oil shipments. OPEC's decision to cut oil production, including significant reductions from key producers like Iraq and Kuwait, further tightened supply. Additionally, refinery operations in certain conflict regions were severely impacted by drone strikes, leading to a decline in processing rates.

February saw another attack on shipping routes in the Red Sea, raising concerns over crude production and trade in the region. Meanwhile, strong consumer spending during the Lunar New Year in China signaled a rebound in demand, boosting market optimism.

In March, OPEC+ extended existing production cuts through the end of June, while an additional unexpected production reduction was announced, surprising markets with proactive measures. However, tensions escalated further as an attack on a vessel in the Red Sea raised security concerns in the region. Meanwhile, drone attacks on refineries in conflict areas continued, impacting crude-refining capabilities.

Following these events, the Dated Brent price experienced a downward trend, decreasing by 18.6%, from 93.3\$/bbl. at the beginning of April to 75.9\$/bbl. at the beginning of June, the lowest level since December 2023 driven by increased oil inventories and a slowdown in demand. Subsequently, the price increased by +14.4% to 86.8\$/bbl. at the end of June driven by renewed conflicts in the Red Sea region.

During Q3 2024, Dated Brent prices saw a significant drop of -17%, from 88\$/bbl. at the beginning of July to 72.9\$/bbl. at the end of September. The decline was primarily driven by weakening global demand and economic concerns, particularly in China.



In July, China's post-pandemic rebound slowed down, with shrinking factory activity and a marginal contraction in oil demand, which raised worries about global consumption. The International Energy Agency reported the weakest demand growth in over a year, adding to bearish market sentiment.

By August, oil prices continued falling as US manufacturing contracted and European diesel prices hit a 14-month low, reflecting extensive economic weakness. Meanwhile, OPEC+ confirmed plans to restore 2.2 million barrels per day of crude output in Q4, raising concerns about oversupply. Russian exports also fell, but the impact was limited by the overall weak demand.

The downward trend accelerated in September with prices reaching 70.56\$/bbl., the lowest level since December 2021. Despite supply disruptions from Libya and hurricanes in the US Gulf, the market was more focused on oversupply and weak demand. Even escalating tensions in the Middle East failed to offset the bearish sentiment, with hedge funds turning net bearish on Brent for the first time.

Dated Brent prices faced a downward trend in Q4 2024, influenced by geopolitical tensions, concerns over weak demand, and supply-side adjustments.

In October, the Dated Brent prices declined from 81.2 to 71.4 \$/bbl., driven by the absence of new economic stimulus measures and heightened geopolitical risks in the Middle East. Additionally, the record-high U.S. crude production of 13.5 million barrels per day raised concerns about a potential market oversupply heading into 2025. Further uncertainty arose from escalating tensions between Israel and Iran raising fears of potential supply disruptions.

In November, the Dated Brent price increased to around 76\$/bbl., as Israel's calculated military actions avoided Iranian energy facilities, easing market concerns. OPEC+ also contributed to market stabilization by postponing its planned December production increase by one month. However, during December, the Dated Brent prices slipped again to around 72\$/bbl., driven by a weaker demand outlook in China, a stronger U.S. dollar and ongoing oversupply concerns. Meanwhile, geopolitical uncertainties persisted, with escalating conflicts in Ukraine, including Russian missile strikes on energy infrastructure.

For 2025, Goldman Sachs forecasts Brent crude prices to range between 70 and 85\$/bbl., with an average of approximately 76\$/bbl. Market dynamics will be shaped by production levels in non-OPEC countries, geopolitical factors, such as sanctions and tariffs.

Over the full year, 2024 **European refinery margins** dropped by -37\$/MT (-37%) compared to full year 2023 and settled to an average level of 63.1\$/MT reflecting weaker refinery economics throughout 2024.

Refinery margins showed an upward trend, at the beginning of the year, rising from approximately 80\$/MT to 140\$/MT by February 9th. This increase was primarily due to geopolitical tensions impacting diesel supply and maintenance shutdowns in key regions. However, after this peak, the European refinery margins constantly decreased to 57\$/MT at the end of June, as high natural gas prices raised operating costs for many refineries. During Q3 2024, the European refining margins decreased significantly (-75%) from 55.7\$/MT at the beginning of July to 13.8\$/MT at the end of August, reaching their lowest levels since February 2022, due to weak demand and high product inventories. However, by September, margins showed a modest recovery, increasing to 44.4\$/MT at the end of the quarter, as the autumn maintenance season intensified and refinery throughput decreased, providing some relief to the oversupplied market. European refining margins experienced a consistent increase from 35\$/MT at the beginning of October to 57.2\$/MT on 19th of November, supported by lower crude prices and seasonal refinery maintenance. However, as maintenance programs concluded and over 1 million barrels per day (Mbd) of refining capacity returning to operations, margins decreased to 28\$/MT by the beginning of December and following this drop, margins recovered, ending the year at 57.5\$/MT.

European gasoline cracks displayed significant fluctuations during 2024. Initially, in January and February, gasoline cracks were sustained by increased demand and reduced refinery output due to maintenance activities. The trend



continued into March as the market reacted to geopolitical tensions and logistical disruptions. However, by April and May, gasoline cracks faced downward pressure due to significant inventory builds and a slowdown in demand growth, particularly in the OECD countries. The easing of supply constraints and the stabilization of global gasoline production also contributed to a more balanced market. By June, cracks experienced a mild recovery as driving season in Europe and the US began boosting gasoline consumption. In July, cracks hit their lowest level of the year as Nigeria, a major export market, reduced gasoline imports due to financial problems and the removal of fuel subsidies. Exports to the US also slow down because of high stockpiles there. By September, gasoline cracks in Northwest Europe recovered slightly, rising by about 2\$/bbl., but the overall outlook stayed weak. Demand was slowing down with the end of summer, and supply was expected to increase as Nigeria's Dangote refinery boosted its production, limiting further improvement in gasoline cracks. Gasoline cracks were volatile throughout the quarter, initially strengthening in late October before declining as the period progressed. Amsterdam-Rotterdam-Antwerp gasoline stocks surpassed the 5-year average, indicating weaker inland demand and slow export activity. Additionally, the commencement of gasoline shipments from Nigeria's Dangote refinery, signaled a reduced market share for European exports in West Africa. Although gasoline cracks saw a brief rebound in November, they remained under pressure due to persisted oversupply and limited export opportunities.

Throughout 2024, **European diesel cracks** experienced significant volatility, primarily driven by geopolitical tensions and supply disruptions. In early 2024, diesel cracks surged due to concerns over Russian supply and increased demand during the winter months. The EU's sanctions on Russian oil products intensified supply constraints, leading to record-high diesel cracks in January and February. By the end of Q1, the cracks began to stabilize as alternative supply sources were secured, but they remained elevated compared to historical levels. However, refinery maintenance and operational issues, especially in France and Germany, kept the market tight and cracks high throughout the first half of the year. In July, cracks fell due to weak demand from the industrial and construction sectors and rising borrowing costs. By August, diesel cracks hit their lowest levels since April 2023, driven by robust imports from the US and the Middle East, which kept European stocks elevated. Despite some supply disruptions in September, such as flooding in Central Europe, the market remained oversupplied, limiting any potential recovery in diesel cracks. During Q4, diesel cracks fluctuated but showed overall resilience, supported by seasonal demand increases and lower imports. While early Q4 saw some weakness, cracks improved by mid-November due to tight supply conditions, extended outages at the Pernis refinery (Netherlands), and stronger Asian demand limiting arbitrage flows. Supply constraints, including potential reductions in Russian refinery output, further bolstered diesel cracks, particularly in the Mediterranean.

Jet fuel cracks in Europe experienced substantial volatility in 2024. Early in the year, jet cracks were high due to robust air travel demand and supply tightness caused by refinery maintenance and geopolitical tensions. This trend continued into the second quarter, although the rate of increase in cracks slowed as the market adapted to new supply chains and strategic reserves were utilized. In April and May, jet cracks were underpinned by seasonal travel demand and a slow recovery in international travel. However, the market remained sensitive to fluctuations in crude prices and refinery outputs. By June, despite some improvements in jet fuel availability, cracks remained elevated, reflecting ongoing demand recovery and limited supply flexibility. In July, cracks increased on the back of strong global demand for jet fuel as the summer travel season peaked. However, by August and September, jet cracks weakened as the demand tail-off became evident post-summer. The European market faced persistent weakness, with flight volumes still below pre-pandemic levels and overflowing supply from East of Suez regions, contributing to ongoing pressure on jet cracks. During Q4, jet fuel demand remained relatively strong for the season, supported by resilient European flight activity post-summer. In the UK, jet fuel consumption reached its highest level since 2016, with jet fuel stocks in the Amsterdam-Rotterdam-Antwerp region declined, aligning with similar trends in the U.S. Despite the seasonal decline in demand, jet cracks found some support as refineries allocated limited capacity to jet fuel production.

In 2025 refining margins are expected to remain volatile, influenced by several market dynamics: gasoline facing headwinds due to increasing electric vehicles adoption and trade disruptions, diesel cracks staying elevated due to seasonal demand and supply constraints, and jet markets struggling with weak demand and ample Asian supply.

In 2024, the **EU Allowances (CO2 certificates)** price averaged at 65.2 EUR/EUA, but had a very volatile evolution, with a lot of severe swings. The EUA prices in 2024 remained under pressure due to weak industrial activity, increased



renewable energy adoption, and speculative trading, with only temporary rebounds driven by compliance needs and policy expectations.

During Q1, the EUA prices dropped significantly, from 75 EUR/EUA in January to 50.5 EUR/EUA by the end of February (-33%). The decline was driven by weak industrial demand, an oversupplied market, and concerns over sluggish economic growth in Europe. Warmer-than-expected winter temperatures further reduce energy consumption, adding downward pressure.

After hitting a low of 50.5 EUR/EUA, the prices rebounded to 74.4 EUR/EUA at the end of May (+47%), supported by higher power sector demand, expectations of stricter EU climate policies, and a temporary reduction in auction supply. However, economic uncertainties and slow industrial recovery kept prices volatile.

EUA prices declined again, reaching 60 EUR/EUA by the beginning of October (-19%), as industrial production remained weak and renewable energy capacity increased, reducing emissions from fossil fuels. The market also faced pressure from speculative selling and concerns over future policy adjustments.

During Q4, the prices fluctuated between 60-71 EUR/EUA, with a slight year-end increase driven by cold weather boosting energy demand and compliance buying ahead of the annual deadline. However, ongoing economic challenges, high renewable energy output, and surplus allowances kept gains limited.

Analysts anticipate a significant rise in EU carbon permit prices by 2027 due to policy measures reducing supply. A Reuters survey issued in October 2024 indicates that EUAs are expected to average 76.88 EUR/EUA in 2025, 92.48 EUR/EUA in 2026, and 111.14 EUR/EUA in 2027. This projected increase is attributed to the European Commission's "Fit for 55" framework, aiming to cut net greenhouse gas emissions by 55% by 2030 compared to 1990 levels, and the Market Stability Reserve mechanism, which removes surplus permits from the market.

Forex & Interest Rates

US zone

In 2024, the Federal Reserve cut interest rates three times - by 50 basis points in September (to 4.75% - 5.00%), 25 basis points in November (to 4.50% - 4.75%), and another 25 basis points in December (to 4.25% - 4.50%) - to support economic growth as inflation eased and the labor market showed signs of cooling, while signaling a cautious approach for 2025.

In 2024, the U.S. Dollar appreciated by about 7%, driven by the Fed's rate cuts, strong U.S. economic performance, and global trade dynamics, gaining against major currencies like the Yen and Euro while weakening against some emerging market currencies.

Eurozone

The European Central Bank implemented a series of rate cuts in 2024, reducing the main refinancing rate to 3% by December, aiming to stimulate economic activity amid sluggish growth and persistent inflation concerns.

Despite these efforts, the euro depreciated by 5.7% against the U.S. Dollar over the year.

Romania

The National Bank of Romania adjusted its monetary policy in response to domestic economic developments. In July 2024, the National Bank of Romania reduced the policy rate from 7% to 6.75%, followed by another cut to 6.5% in August, as inflationary pressures eased.



The National Bank of Romania maintained this rate through the end of the year, balancing inflation control with economic growth support.

In the foreign exchange market, the Romanian Leu (RON) experienced fluctuations. The USD/RON exchange rate increased from an average of 4.58 in 2023 to 4.60 in 2024, indicating a depreciation of the RON against the U.S. Dollar. Also, the EUR/RON rate averaged at 4.97 in 2024, increasing from 4.95 average 2023 levels.

In December 2024, Romania's annual inflation rate remained at 5.14% despite political turmoil and increased state spending, with the highest price hikes seen in services (7.1%), food (5.09%), and non-food goods (4.38%), while the European Commission expects inflation to gradually decrease and reach the central bank's target of 2.5% by the end of 2026.

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



REFINING SEGMENT

		2024	2023	%	2024	2023	%
Financial		USD	USD		RON	RON	
Gross Revenues	USD/RON	4,193,572,877	4,526,000,989	-7%	20,031,858,919	21,619,801,524	-7%
Net Revenues	USD/RON	3,192,151,234	3,616,812,214	-12%	15,248,268,015	17,276,788,585	-12%
EBITDA	USD/RON	146,908,343	187,750,181	-22%	701,751,773	896,845,065	-22%
EBITDA margin	%	4.6%	5.2%		4.6%	5.2%	
EBIT	USD/RON	59,518,524	(91,131,319)	N/A	284,308,086	(435,316,083)	N/A
Net profit / (loss)	USD/RON	(22,328,086)	(171,293,802)	-87%	(106,656,801)	(818,236,233)	-87%
Net profit / (loss) margin	%	-0.7%	-4.7%		-0.7%	-4.7%	
Gross cash refinery margin/ton (Petromidia)	USD/(RON)/ton	81.0	86.3	-6%	386.9	412.1	-6%
Gross cash refinery margin/bbl (Petromidia)	USD/(RON)/bbl	11.2	11.9	-6%	53.3	56.7	-6%
Net cash refinery margin/ton (Petromidia)	USD/(RON)/ton	34.1	38.4	-11%	163.0	183.4	-11%
Net cash refinery margin/bbl (Petromidia)	USD/(RON)/bbl	4.7	5.3	-11%	22.4	25.2	-11%
Operational							
Feedstock processed in Petromidia refinery	thousand tons	4,619	5,012	-8%			
Feedstock processed in Vega refinery	thousand tons	293	374	-22%			
Gasoline produced	thousand tons	1,265	1,378	-8%			
Diesel & jet fuel produced	thousand tons	2,435	2,443	0%			
Motor fuels sales - domestic	thousand tons	2,197	2,380	-8%			
Motor fuels sales - export	thousand tons	1,279	1,264	1%			
Export	%	37%	35%				
Domestic	%	63%	65%				

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

Petromidia refinery is one of the most modern in the Black Sea region and represents approximately 40% of the refining capacity in Romania. The unit located in Navodari city has a stable flow of raw materials, mainly thanks to deliveries of Kazakh crude oil made with the support of KazMunayGas, the national oil and gas company of Kazakhstan. In 2024,



in vast proportion, Petromidia processed Kazakh crude oil – KEBCO and CPC, completed with Es Sider and Azeri, and also a new type of crude was tested – for crude diversification purposes – Unity Gold.

Gross revenues of the refining segment reached approximately USD 4.2 billion in 2024, showing a 7% decrease, as against last year.

In 2024 the total throughput for Petromidia refinery was 4.62 million tons, lower by 8% as against 2023, when the total throughput was 5.01 million tons, decrease correlated with:

- planned shutdown for turnaround activity starting with 8th of March 2024 and finalized in May 2024;
- lower throughput of 10.67 kt/day considering operation of Petromidia refinery without Mild Hydrotreater (MHC unit) in Q1 2024.

In 2024 the refining capacity utilization in Petromidia refinery was 84%, correlated with events described above.

Petromidia refinery achieved in 2024 a good refining operational performance for the main operational parameters, such as:

- White finished products yield of 86.88%wt higher than previous year by 2.81%wt correlated with different structure of raw material (finished products components imports in order to assure internal market demand in planned shutdown period);
- Jet fuel yield reached an average record level for 2024 of 8.7%, significantly exceeding 2023 results of 6.12%, with a peak of 11.4% in August 2024 and with the highest 2024 winter Jet yield. Total Jet fuel production for the year reached 400,000 tons, nearing the record reached in 2019 despite lower total feedstock processed in 2024;
- Energy Intensity Index of 97.5% lower than previous year by 3.2 points considering good refining operation in second half of the year (EII achieved 92.4 - record value) and energy efficiency measures implemented during 2024.
- In December 2024, Petromidia refinery achieved a record winter daily crude unit runrate, averaging 15 ktons per day (crude oil only).

In respect of Vega refinery (the only domestic producer of bitumen and hexane), the total throughput was 292,789 tons in 2024, lower by 21.78% compared with 2023 when the total throughput was 374,327 tons.

In 2024 the refining capacity utilization for Vega refinery was lower by 24.71% compared with last year.

Vega refinery also managed to achieve in 2024 good refining performance results, of which the following are emphasized:

- Technological loss of 0.8%;
- Energy consumption of 2.69 GJ/t.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 1.53 billion in 2024 of which USD 30.3 million representing solidarity contribution for year 2023, paid in June 2024 and USD 11.3 million representing turnover tax for the first three quarters of 2024, paid in April, July and October 2024.



PETROCHEMICALS SEGMENT

		2024	2023	%	2024	2023	%
Financial		USD	USD		RON	RON	
Revenues	USD/RON	71,978,632	124,449,234	-42%	343,827,529	594,469,101	-42%
EBITDA	USD/RON	(43,483,435)	(76,451,505)	43%	(207,711,672)	(365,193,549)	-43%
EBIT	USD/RON	(59,275,335)	(113,257,631)	48%	(283,146,420)	(541,009,051)	48%
Net profit / (loss)	USD/RON	(58,065,888)	(103,819,053)	44%	(277,369,134)	(495,922,851)	44%
Operational							
Propylene processed	thousand tons	83	117	-30%			
Ethylene processed	thousand tons	-	18	-100%			
Total polymers production	thousand tons	60	105	-42%			
Sold from own production	thousand tons	62	117	-47%			
Sold from trading	thousand tons	0.0	0.0	N/A			
Total sold	thousand tons	62	117	-47%			
Export	%	46%	46%				
Domestic	%	54%	54%				

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

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

In 2024 the total production of polymers in petrochemical division was 60 thousand tons, lower compared to last year when it produced 105 thousand tons in 2023, a decrease mainly influenced by LDPE plant which remained shut down, due to unfavorable petrochemicals market conditions for these products and due to turnaround activities planned, starting with March 8th, 2024.

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



MARKETING SEGMENT

		2024	2023	%	2024	2023	%
		USD	USD		RON	RON	
Financial							
Gross Revenues	USD/RON	3,179,104,047	3,461,550,628	-8%	15,185,944,212	16,535,135,040	-8%
EBITDA	USD/RON	74,668,188	86,266,067	-13%	356,675,000	412,075,749	-13%
EBIT	USD/RON	27,099,449	49,859,273	-46%	129,448,648	238,167,776	-46%
Net profit / (loss)	USD/RON	18,876,383	33,975,687	-44%	90,168,706	162,295,063	-44%
Operational							
Fuels quantities sold in retail	thousand tons	1,215	1,141	6%			
Fuels quantities sold in wholesale	thousand tons	483	804	-40%			
LPG quantities sold	thousand tons	237	268	-12%			

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

In 2024 the marketing segment had a turnover of over USD 3.17 billion, lower by 8% as compared with full year 2023.

In 2024, the average Platts quotations (FOB Med Italy) in USD (reference currency) decreased by -9% for diesel also by -6% for gasoline compared with 2023. Due to the ~0.5% depreciation of the RON against the US dollar (2024 vs. 2023, on average) the international diesel quotation decreased in the national currency by -8%, at the same time the international gasoline quotation decreased in the national currency by -6% compared to 2023.

In terms of retails sales to Romanian market, they increased by 6% in 2024 as against last year.

Rompetrol Downstream non-fuel contribution registered a new record level of USD 52.1 million, with USD 8 million higher than 2023 (also a record year) because of both A1 highway stations and permanent portfolio enhancements, also corroborated with marketing summer and winter campaigns.

As of the end of 2024 Rompetrol Downstream operated a network of 1,342 stations for selling the fuel, which includes stations owned by Rompetrol, Partener Rompetrol, as well as mobile stations – Rompetrol Express and internal bases (9 and 20 cubic meter tanks located at the premises of companies from various fields of activity - transportation, construction, agriculture, etc.)

During 2024, Rompetrol Gas increased the retail sales volumes by +9% as against 2023 and further develop the retail network.



APPENDIX 1 – CONSOLIDATED INCOME STATEMENT FULL YEAR 2024

	2024	2023	%	2024	2023	%
	USD	USD		RON	RON	
Gross Revenues	4,926,968,471	5,330,226,989	-8%	23,535,142,992	25,461,428,281	-8%
Sales taxes and discounts	(1,202,143,259)	(1,119,458,507)	7%	(5,742,397,920)	(5,347,429,395)	7%
Net revenues	3,724,825,212	4,210,768,482	-12%	17,792,745,072	20,113,998,886	-12%
Cost of sales	(3,357,819,820)	(3,853,049,266)	-13%	(16,039,633,716)	(18,405,245,734)	-13%
Gross margin	367,005,392	357,719,216	3%	1,753,111,356	1,708,753,152	3%
Selling, general and administration	(315,970,523)	(289,711,524)	9%	(1,509,327,994)	(1,383,894,008)	9%
Other operating income	47,634,419	65,638,041	-27%	227,540,093	313,539,794	-27%
Other operating expenses	(78,523,565)	(287,546,216)	-73%	(375,091,365)	(1,373,550,765)	-73%
EBIT	20,145,723	(153,900,483)	N/A	96,232,090	(735,151,827)	N/A
Finance, net	(94,801,955)	(79,677,904)	19%	(452,849,978)	(380,605,412)	19%
Unrealized net foreign exchange (losses)/gains	17,804,238	(2,935,084)	N/A	85,047,284	(14,020,309)	N/A
Realized net foreign exchange (losses)/gains	(11,657,758)	(4,536,636)	157%	(55,686,779)	(21,670,603)	157%
EBT	(68,509,752)	(241,050,107)	-72%	(327,257,383)	(1,151,448,151)	-72%
Income tax	(239,937)	536,987	N/A	(1,146,131)	2,565,080	N/A
Net result	(68,749,689)	(240,513,120)	-71%	(328,403,514)	(1,148,883,071)	-71%
EBITDA	173,999,770	201,188,019	-14%	831,162,101	961,034,929	-14%



APPENDIX 2 – CONSOLIDATED BALANCE SHEET DECEMBER 31, 2024

	31 December 2024	31 December 2023	%	31 December 2024	31 December 2023	%
Assets						
Non-current assets						
Intangible assets	17,333,185	27,415,224	-37%	82,797,158	130,957,042	-37%
Goodwill	82,871,706	82,871,706	0%	395,861,565	395,861,565	0%
Property, plant and equipment	891,996,177	877,540,150	2%	4,260,887,338	4,191,833,789	2%
Right of use assets	276,551,758	259,327,666	7%	1,321,032,438	1,238,756,395	7%
Financial assets and other	7,838,702	12,448,780	-37%	37,443,912	59,465,332	-37%
Deferred tax asset	21,306,903	12,828,037	N/A	101,778,814	61,276,967	N/A
Total Non Current Assets	1,297,898,431	1,272,431,563	2%	6,199,801,225	6,078,151,090	2%
Current assets						
Inventories	428,898,189	416,671,058	3%	2,048,760,869	1,990,354,310	3%
Trade and other receivables	518,697,141	630,160,187	-18%	2,477,712,503	3,010,149,181	-18%
Cash and cash equivalents	94,030,970	155,955,200	-40%	449,167,137	744,966,799	-40%
Total current assets	1,041,626,300	1,202,786,445	-13%	4,975,640,509	5,745,470,290	-13%
Total assets	2,339,524,731	2,475,218,008	-5%	11,175,441,734	11,823,621,380	-5%
Equity and liabilities						
Total Equity	216,929,247	286,338,066	-24%	1,036,227,626	1,367,779,672	-24%
Non-current liabilities						
Long-term debt	275,900,000	265,900,000	N/A	1,317,919,120	1,270,151,120	N/A
Provisions	110,055,666	116,060,824	-5%	525,713,905	554,399,344	-5%
Obligations under lease agreements	268,112,687	262,011,550	2%	1,280,720,683	1,251,576,772	2%
Other	16,329,235	19,711,448	-17%	78,001,490	94,157,645	-17%
Total non-current liabilities	670,397,588	663,683,822	1%	3,202,355,198	3,170,284,881	1%
Current Liabilities						
Trade and other payables	1,326,932,258	1,361,853,389	-3%	6,338,490,011	6,505,301,269	-3%
Contract liabilities	62,467,369	76,372,127	-18%	298,394,128	364,814,376	-18%
Derivative financial instruments	4,519,724	251,864	1695%	21,589,818	1,203,104	1695%
Obligations under lease agreements	9,797,590	8,366,145	17%	46,801,128	39,963,402	17%
Short-term debt	45,838,959	42,856,586	7%	218,963,539	204,717,340	7%
Profit tax payable	2,641,996	35,496,009	-93%	12,620,286	169,557,336	-93%
Total current liabilities	1,452,197,896	1,525,196,120	-5%	6,936,858,910	7,285,556,827	-5%
Total equity and liabilities	2,339,524,731	2,475,218,008	-5%	11,175,441,734	11,823,621,380	-5%

**RISK MANAGEMENT**

The Group's activities expose it to a variety of risks including the effects of changes in the international quotations for crude oil and petroleum products, foreign currency exchange rates and interest rates. The Group's overall risk management main objective is to minimize the potential adverse effects on the financial performance of the Group companies and to develop a culture of risk awareness where all stakeholders proactively contribute to protect Group's financial results from market volatility, to minimize future losses and optimize returns to maximize shareholder value.

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

INTEREST RATE RISK

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

FOREIGN EXCHANGE RISK

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

LIQUIDITY AND CASH FLOW RISKS

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

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

Liquidity faced challenges in 2024, stemming from heightened fiscal pressures and shifts in fiscal regulations, but proper cash management measures were implemented both in operational and financial areas.

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

**CREDIT RISK**

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

- *Trade receivables*

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

- *Financial instruments and bank deposits*

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

COMMODITY PRICE RISK

The Group is affected by the volatility of crude oil, oil product and refinery margin prices. Its operating activities require ongoing purchase of crude oil to be used in its production as well as supplies to its clients. Due to significantly increased volatility of crude oil, the management developed a hedge policy which was presented to the Group's Board of Directors and was approved in most significant aspects in 2010 and with some further amendments in February 2011. Following this approval, the Group started on January 2011 to hedge commodities held by Rompetrol Rafinare and in 2014 it was implemented a hedging program in Rompetrol Downstream.

According to the hedge policy, on the raw materials and petroleum products side, the flat price risk for priced inventories above a certain threshold (called base operating stock in case of Rompetrol Refinery, benchmark stock for Rompetrol Downstream) is hedged using future contracts traded on ICE Exchange and some OTC instruments. The base operating stock is the equivalent of priced stocks that are held at any moment in time in the Group, hence price fluctuations will not affect the cash-flow.

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

The hedge program for 2024 includes: Rompetrol Rafinare Inventory and Cracks hedge, Rompetrol Downstream Inventory, Auction and Forex for excise hedge.

At Rompetrol Rafinare SA and Rompetrol Downstream SRL level, total 2024-year hedging (paper) result has been of USD +37.55 million, out of which USD +41.55 million Realized Result and USD -4 million Unrealized Result. Meanwhile, the Physical result was USD -9.34 million.

The net impact of the commodity hedges was positive (Hedge Result + Physical Result), USD +28.2 million in 2024, mainly driven by the Cracks hedge (+34.84 mil USD). Rompetrol Rafinare SA managed to hedge (sell paper) 1.213 KT (diesel, gasoline, jet, naphtha cracks) for May-December 2024 and 861 KT for January - December 2025 at a strike/hedge price of 151.6\$/MT, with +17.4\$/MT better than the Budget of 134.2\$/MT. At the end of December 2024, the Market price (actual + forward) for May 2024 - December 2025 was 136.4\$/MT. The Market price decreased vs Hedge level because of middle distillates (diesel & jet) fall due to low demand and high imports to Europe from India, the Persian Gulf and US. Considering all of this, the Refinery has at the end of December 2024 the following results for Cracks hedging program:



- Physical= USD +4.57 million, because the Market price (136.4\$/MT) was higher than the Budget (134.2\$/MT) and resulted in a gain of +2.2\$/MT x 2.074KT.
- Paper= USD +30.26 million, because the Market price (136.4\$/MT) was lower than the Hedge level (151.6\$/MT) and considering the protection against market decrease, the effect resulted in a gain of +15.2\$/MT x 2.074KT.
- Net result = Physical + Paper = USD +34.84 million (saving vs Budget).

Out of this, the Realized hedge impact booked in Profit & Loss for Cracks hedge as of YTD December 2024 is USD +32.59 million. The difference of USD -2.32 million is Unrealized (Mark-To-Market) for January 2025 – December 2025 period.

Overall, the total Realized hedge impact booked in Profit & Loss at the Group level in 2024 is USD +41.76 million, including inventory (USD +8.14 million), forex (USD +0.83 million) and interest rate (USD +0.21 million).

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

OPERATIONAL RISK

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

The management system establishes clear rules and principles which govern key risk management activities such as inspections, maintenance, testing and trainings, business continuity and crisis response planning. Security risks affecting our people and operations are kept as well under close monitoring by specialized departments. The company took significant measures to strengthen existing security and safety controls on all layers.

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

In 2024, no major incidents were reported in these areas. However, given the inherently high-risk nature of the Group's operations, management of these risks remains a top priority.

RISK MANAGEMENT AND INTERNAL CONTROL

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

The Group is committed to conducting its business fairly, honorably, with integrity and honesty and in compliance with all applicable laws. The Group adopts an approach of zero-tolerance to bribery and corruption in all its business



dealings and relationships, wherever it operates. The Group has internal standards and guidelines on due diligence with third parties, conflicts of interest, gifts and hospitality, which focus on mitigating potential corruption risks.

Rompetrol's Code of Ethics and Conduct applies to all directors, executives and employees, whatever the nature of their contractual relationship with the Group. The Code creates a frame of reference for understanding and putting into practice the Group's expectations as to each person's behavior, in light of the Group's principles of action. Rompetrol's employees undergo regular professional trainings, trainings on ethical standards and anti-corruption conduct.

Whistleblowing incidents are taken very seriously by the Group and its directors. Any complaints or allegations received are investigated properly by the assigned departments. The Group has established and maintained an open channel to handle and discuss internal reports concerning finance, internal control, and fraud to ensure that all reports will receive enough attention. In line with Irregularity Reporting Policy, the internal investigations conducted during 2024 and up to the approval date of the financial statements did not reveal any cases of ethical misconduct and non-compliance with applicable laws and regulations. The results of all internal investigations were discussed with the Company's statutory bodies, which concluded that the warnings were not confirmed.

WAR AND CONFLICT RISK

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

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

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

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

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

CYBER RISK

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

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



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

Consequently, efforts to strengthen the Group's cybersecurity capabilities continued throughout 2024. This involved the implementation of appropriate systems, an increase in the allocation of human resources dedicated to monitoring cybersecurity threats, enhancements to procedural frameworks and controls, and additional training and communication for employees. Our cybersecurity initiatives are closely supervised to ensure the confidentiality, integrity, and availability of data. Moreover, the Group remains committed to continuously educating employees and partners about cybersecurity risks and providing support to promote responsible cyber behavior.

SUPPLY CHAIN AND LOGISTICS RELATED RISKS

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

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

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

STRATEGIC RISK

➤ Macroeconomic and Geopolitical Risks

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

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

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

To manage these risks, the Group regularly assesses country-specific risks when considering receivables management, or partnerships with key stakeholders. Given the company's reliance on various service providers, strict oversight is maintained over strategic collaborations. Diversification strategies are actively explored to reduce exposure



to single markets or suppliers. Additionally, business forecasts and cash flow projections are frequently updated, allowing for flexible adjustments to investment priorities in response to economic and geopolitical developments.

➤ **Climate change and decarbonization risks**

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

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

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

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

SUBSEQUENT EVENTS

In February 2025, Rompetrol Rafinare SA entered into a repurchase agreement (repo) with KazMunayGas Trading AG involving the sale of 730,000 CO2 certificates. Under the terms of the agreement, the Company is obligated to repurchase the certificates in September 2025. The transaction was undertaken to optimize cash flow management and does not represent a permanent disposal of the CO2 certificates.



rompetrol

KazMunayGas
International
Group Member

APPENDIX 3 - CONSOLIDATED SUSTAINABILITY REPORT



Rompetrol Rafinare and affiliated entities

Consolidated Sustainability Report 2024



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GENERAL INFORMATION

1 GENERAL INFORMATION PRESENTATIONS

1.1 Basis for Preparation

1.1.1 General basis for preparation of the sustainability report

BP-1

This sustainability report for the **fiscal year 2024** has been prepared on a consolidated basis, based on the requirements of the new ESRS standards. This report presents the activity data of the **Rompetrol Rafinare SA and its affiliates (hereinafter “Rompetrol”)** for the period 01.01.2024 – 31.12.2024.



Reporting is not limited to companies' own operations, as information from the upstream and downstream value chain is also included.

The double materiality assessment analysis includes the analysis of the impacts related to its own operations and the value chain of Rompetrol, including its products and services, as well as its business relationships. Within each chapter, the specific presentation requirements are addressed for each theme that resulted as material, respectively the relevant impact, risks and opportunities are identified. Once an impact, risk or opportunity has been identified as significant, the relevant information to be considered for reporting under the ESRS is identified. Information about the value chain (customers and suppliers of the company) is mentioned in the chapters dedicated to the thematic standards.

The scope of the report covers Rompetrol Rafinare SA and its subsidiaries aligned to the consolidated financial statements prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union. Our report is fully compliant with Romanian non-financial reporting legislation, including the Ministry of Public Finance Orders no. 1938/2016 and no. 2844/2016.

Subsidiaries covered in this report are the following: Rompetrol Downstream SRL, Rompetrol Quality Control SRL, Rompetrol Gas SRL, Rompetrol Logistics SRL, Rom Oil SA. These undertakings are exempted from individual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU. The report is aligned with these requirements, considering the provisions of chapter 7 of the Order of the Minister of Finance no. 85/2024, according to which the consolidated report includes information necessary to understand the impact of the Group on the sustainability aspects and the information necessary to understand how the sustainability aspects affect the development, performance and position of Rompetrol.

Rompetrol did not omit information corresponding to intellectual property, know-how or innovation results. During the preparation of this report, the option to omit any applicable specific piece of information corresponding to intellectual property, know-how or the results of innovation in accordance with ESRS 1 section 7.7 has not been used.

1.1.2 Disclosures in relation to specific circumstances

BP-2

1.1.2.1 Time horizons

We define our medium-term horizon as 2-5 years and our long-term horizon as over 5 years.

1.1.2.2 Sources of estimation and outcome uncertainty

Regarding the sources of each of the estimates used and outcome uncertainty, if applicable, we disclosed the sources contributing to such uncertainty for each quantitative metric and monetary amount. Furthermore, we defined the assumptions and judgments made in measuring the estimation sources and outcome uncertainty. We disclosed information about the sources of measurement uncertainty for each applicable quantitative metric and monetary amount. We also presented the assumptions and judgments in measuring each quantitative metric and monetary amount.

1.1.2.3 Disclosures stemming from other generally accepted sustainability reporting standards

We have occasionally included information from additional reporting standards within our sustainability report. Specifically, we have consulted the GRI 11: Oil and Gas Sector 2021 standard, as well as the 2020 IPIECA voluntary guidance for the oil and gas industry, as well as considered these standards for materiality assessment purposes.

1.2 Company, business model and stakeholder engagement

1.2.1 Information on the market position and strategy of the company

SBM-1

Rompetrol's consolidated reporting includes the following companies: Rompetrol Rafinare SA, Rompetrol Downstream SRL, Rompetrol Quality Control SRL, Rompetrol Gas SRL, Rompetrol Logistics SRL, Rom Oil SA.



Rompetrol Rafinare SA actively carries out refining, petrochemical production, trading, transport activities and all its production facilities are located in Romania, mainly through two refineries: Petromidia and Vega.

The Petromidia refinery, located on the Black Sea coast, processes imported crude oil and produces fuels that meet European Union standards, other petroleum products and some petrochemical products. The Vega refinery is located in Ploiesti and is one of the oldest refineries in Romania. The Vega Refinery is a niche refinery specialized in the production of solvents, hexane and bitumen.

Internationally, sales were distributed between the European Community (EC) and non-European Community areas, with intra-community deliveries comprising about 22% of the total finished products sold externally compared to 9% in 2023. The main international destinations for Rompetrol Rafinare's products included Gibraltar, Georgia, Moldova, Italy, Malta, Egypt, Morocco, Albania and Turkey for gasoline; Moldova, Bulgaria, Georgia, Greece and Turkey for diesel; Georgia, Moldova, Turkey, Bulgaria and Albania for jet fuel; Moldova for petcoke; Morocco, Egypt, Lebanon and Turkey for sulphur; and Hungary and Italy for carbon black feedstock. Key external markets for polymers included Romania (54%), Bulgaria (12%), Turkey (10%), Italy (5%), and the Republic of Serbia (4%).

Rompetrol Rafinare's Petrochemicals division exhibited a balanced distribution between domestic sales and exports, with 53% of its total sales catered to the domestic Romanian market and 47% directed towards international markets. A notable trend is reflected by the current needs of the medical sector that created the context for our specialists to innovate and produce a special type of polypropylene dedicated to protective medical masks.

Rompetrol entities are registered and operate on the territorial **geographical area of Romania**, and at the end of 2024 they had a total number of 1,877 employees. Regarding the distribution of employees on the territory of Romania, on 31.12.2024, the following aspects can be noted:

- 8% of employees are allocated to headquarters in Bucharest.
- 71 % are at the industrial platforms in Vega and Petromidia
- 14 % work at warehouses and fuel-stations across the country
- 7 % offer other services across the country.

In 2024 we did not experience changes with regards to new/removed markets and/or changes customer groups.

At the end of December 2024, the distribution segment of Rompetrol Downstream comprised 1,342 retail points, including the network of company-owned stations, partner stations, and mobile stations: Express, loading point at the client's premises. Regarding retail sales in the Romanian market, they increased by 3% in Q4 2024 and by 6% in the year 2024 compared to the same periods of the previous year. This growth is due to the company's strategy of prioritizing the needs of the Romanian market. In Q4 2024 and throughout 2024, wholesale sales declined compared to Q4 2023 and the year 2023. More specific information on the financials of Rompetrol Downstream are made available in the Rompetrol Rafinare financial consolidated report, available on the company's websites.

Strategy - Key elements of our general strategy that relate to or affect sustainability matters.

The European Commission presented on December 11, 2019 the "European Green Deal", the most ambitious package of measures containing actions aimed at encouraging the efficient use of resources by moving to a clean circular economy and managing climate change, to reverse the decline of biodiversity and reduce pollution. This Deal accelerates the achievement of the objectives established by the Paris Treaty on decarbonization.

As the oil and gas sector is highly scrutinized because of its climate impact, we adjusted our strategy in order to reflect an improved approach on this matter, ensuring therefore the company's long-term sustainability. As such, we evaluated our company's strategy in terms of future value creation and adopted several decarbonization measures to support a gradual replacement or enhancement of our product portfolio. Our actions with regards to the key elements of our strategy, and our set sustainability-related goals for decarbonization are presented in section E1 of this report.



Other strategic targets are an integral part of our ESG related policies as presented in material topics chapters in this report. Rompotrol Rafinare SA BOD members oversee the setting of targets related to material impacts, risks and opportunities and monitor the progress towards these targets for all Rompotrol entities. There are no established additional sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders.

1.2.2 Description of business model(s) and value chain

SBM 1

At Rompotrol, our business model and value chain entails subjecting 100% of targeted business partners and suppliers to rigorous scrutiny, reinforcing our dedication to responsible and ethical business practices. We engage with internal and external stakeholders, including experts, to gather a wide range of perspectives and insights relevant from a sustainability point of view to our business.

To gather, develop and secure the inputs for our business, we regularly engage with four broad stakeholder groups relevant to our activities: regulatory authorities, market actors, industry peers, and society. Our stakeholders include individuals or groups significantly impacted by our operations, those with a vested interest in our sustainability or environmental, social, and governance (ESG) performance, and public figures who influence our activities.

In the following table we provide the total Rompotrol consolidated revenue derived from our financial statements.

Significant ESRS Sector	Revenue per significant ESRS Sector	Corresponding information from segment reporting**
ESRS Sector*	The European Commission has not established the ESRS Sectors, and there are no standards issued for such sectors at the time of the preparation of this report. EFRAG was in the process of preparing them, however, a new EC legislative proposal the Omnibus package indicates that these will no longer be issued. ¹	
Total revenue (RON):	17,792,745,072	-

*The significant ESRS Sectors have not been established.

**If applicable, refers to IFRS 8 Operating Segments.

Also, Rompotrol generated no revenue that aligns with the Taxonomy requirements as set out in Article 8(7)(a) of Commission Delegated Regulation 2021/2178.

Description of business model(s) and value chain

According to ESRS Annex II (Table 2. Terms defined in the ESRS), the value chain includes all activities, resources, and relationships related to a company's business model and its

¹ Legislation - Standards issued, Sector agnostic only

https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

Omnibus proposal - https://finance.ec.europa.eu/publications/commission-simplifies-rules-sustainability-and-eu-investments-delivering-over-eu6-billion_en

EFRAG drafts - ESRS sectors - <https://www.efrag.org/en/sustainability-reporting/esrs-workstreams/sectorspecific-esrs>



external environment. This encompasses everything from the initial concept to delivery, consumption, and the end-of-life stage of products or services.

Romp petrol's business relies on several key activities within its value chain, including the extraction of raw materials (Romp petrol Rafinare's processed crude originates from Kazakhstan and in a limited proportion from the international markets), the processing of raw materials, as well as related activities and services such as transport. The upstream value chain involves supply of goods and services, including both national and international operators that provide essential products and equipment for our operations. The downstream value chain consists of transporters and business customers, respectively consumers and end users of our products. The table shows the schematic upstream/downstream value chain for Romp petrol.

Upstream				Own Operations		Downstream	
Raw Material Extraction	Processing of raw materials	Transport of goods and raw materials	Services contracted	Crude processing/ Refining activities	Transport	Transport and processing of products	End use of products

The main features in our upstream and downstream value chain and our position in the value chain are of strategic importance to Romp petrol. We are dependent on imported crude oil and all the extensive logistics alongside it, while also relying on a complex export system to send our products to customers (businesses or individual consumers). There are also several key entities in our value chain which contribute to our performance and position, and these are included in the below points.

As such, as part of our upstream value chain the following are included:

- The import of mainly Kazakh **crude oil**, from the Tengiz and Kashagan oilfields,
- The reliance on the **Midia Marine Terminal (MMT)**, part of KMG International, to safely unload the crude oil imports destined for the Petromidia Refinery; MMT has in its portfolio all the facilities related to the Petromidia platform logistics. Through a pipeline system of over 10,000 meters (8,600 meters underwater and 1,500 meters on land), the crude oil is transferred directly to the 390,000 m3 capacity tank farm, also operated by Midia Marine Terminal.

In the downstream side of the value chain, we rely on:

- **Romp petrol Downstream SRL** and **Romp petrol Gas SRL** in Romania for storage and distribution at fuel stations, a retail network of over 1000 fuelling points owned by the company
- **Romp petrol's partnerships** with independent filling stations all over Romania to develop the Romp petrol Partner Network that ensure the fuel distribution flow countrywide and
- KMG I entities: **Romp petrol Georgia**, **Romp petrol Moldova**, **Romp petrol Bulgaria** for storage and distribution at fuel stations outside Romania.

1.2.3 Interests and views of stakeholders

Our key stakeholders encompass employees, clients, public authorities, regulatory authorities, shareholders, business partners, media, suppliers, trade unions, local communities, NGOs and financial institutions. The purpose of engaging with our stakeholders is to understand the material effects of their interests and points of view (applicable to Romp petrol Rafinare and affiliated – Romp petrol Downstream and the other entities), so that they can be accurately reflected in our reporting, but also inform our business decisions. We engage with them for our materiality assessment during consultations as well as within our day-to-day business activities in various capacities including as follows:

Stakeholder group	Engagement channel
Employees	Regularly, virtually and physically through internal systems or on-site
Clients	In-person visits or via online channels



Public authorities	Whenever the occasion arises for permits or other issues, in-person visits or via online channels
Regulatory authorities	Whenever the occasion arises for permits or other issues, in-person visits or via online channels
Shareholders	Regularly, virtually and physically on-site
Business partners	Regularly, virtually or in-person visits
Media	Occasionally, virtually via online channels
Suppliers	Regularly, virtually and physically through internal systems or on-site
Trade unions	Occasionally, virtually via online channels or on-site
Local communities	Whenever the occasion arises for permits or other issues, in-person visits or via online channels
NGOs	Whenever the occasion arises, in-person visits or via online channels, common community development projects
Financial institutions	Whenever the occasion arises for loans, investments or other issues, in-person visits or via online channels

We factor in the outcomes of our stakeholder engagement by including the results of the double materiality analysis in the sustainability report. We understand the interests and perspectives of our key stakeholders concerning our strategy and business model as more impactful in certain areas than others (i.e. climate change), hence we make efforts to integrate all perspectives into our strategies.

Our administrative, management, and supervisory bodies are informed about the views and interests of affected stakeholders concerning our sustainability-related impacts through the double materiality workshop and by approving the results stemming from this as well, and regularly updates on this part.

1.3 Governance and business practices

1.3.1 The role of the administrative, management and supervisory bodies

GOV-1

Rompetrol Rafinare SA is administered in a unitary system by a Board of Directors and is constituted in accordance with the provisions of the Articles of Incorporation of the Company. Its composition, organization, attributions and responsibilities are established by the Company's Constitutive Act that could be consulted at the following link: <https://rompetrol-rafinare.kmginternational.com/>.

The Directors are elected by the Ordinary General Meeting of Shareholders, at the proposal of the Board of Directors or the shareholders, and currently two of them hold executive functions, with one being the representative of employees and other workers. The Board of Directors consists of 7 members who elect from among themselves the President of the Board. The President coordinates the work of the Board and report thereon to the General Meeting of Shareholders. The President supervises the good functioning of the Board, convene it, establish the agenda of the meetings, ensure that the members of the Board are properly informed of the items on the agenda and chair the meetings of the Board.

The members of the Board of Directors possess experience relevant to the sectors, products and geographic locations of the undertaking as follows:

Sergey Khegay - Chairman of the Board of Directors

Experience in Business Administration. In 2010 he joined KMG International (Rompetrol), where he held several positions in budget and tax management and planning, as well as Capital Investment Manager. He currently holds the position of Group Security & Forensics Director at KMG.



Adrian Tohănean – Member of the Board of Directors

Experience in Business Administration, Budget & Reporting, Planning & Performance Management, Financial Management.

Stănescu Nicolae Bogdan Codruț – Member of the Board of Directors

Experience in the oil & gas industry, in the energy sector, having graduated from the Oil and Gas University, Faculty of Petroleum and Petrochemical Processing. Currently is the representative of the Ministry of Energy in the Board of Directors of Rompetrol Rafinare SA.

Bogdan Cătălin Steriopol - Member of the Board of Directors

Experience in marketing, media, communication, and the energy sector. Currently is the representative of the Ministry of Energy in the Board of Directors of Rompetrol Rafinare SA.

Tamila Mikulich - Member of the Board of Directors

Experience in business productivity improvement, business analysis, human resource management and brand management in various companies including KazakhstanTemirZhol, Ernst & Young, KazMunayGas, Samruk Kazyna - National Fund of Kazakhstan. Holds a CIPD certificate (Chartered Institute of Personnel and Development) from the Bradfield Group, Dubai.

Constantin Saragea - Member of the Board of Directors

Experience in quality control, project management, public offices, digitalization. Currently, is Secretary General of Ministry of Energy.

Pavel Romanenko - Member of the Board of Directors

Experience in petroleum engineering, drilling, geomechanics, hydraulic fracturing, holding various certifications in the field and having a master's degree in petroleum engineering obtained at the Kazakh-British Technical University in Almaty.

Moreover, our boards comprise 14.28% female board members, 85.72% male board members. We have calculated an average ratio of 14.28% for gender diversity on our boards. Of all our board members, 28.57% are independent.

The oversight of sustainability related impacts, risks, and opportunities is the responsibility of all BOD members. Rompetrol Rafinare SA BOD members oversee the setting of targets related to material impacts, risks and opportunities and monitor the progress towards these targets for all Rompetrol entities.

The administrative, management and supervisory bodies and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, based on annual performance results as well as their knowledge of stakeholder views, foreseeable legislation, peers performance and industry trends. Progress towards such targets is monitored annually in the framework of the sustainability report and individual KPIs.

Sustainability reporting of RRC and affiliated entities, which includes stakeholder engagement, risk assessments, target setting, KPI progress, and compliance with regulatory frameworks (e.g., EU Taxonomy, CSRD), is reviewed and approved at the BOD level. Through this process, the Board ensures transparency, accountability, and alignment with corporate strategy. Additionally, based on performance evaluations and risk analyses, the BOD may provide strategic recommendations to enhance sustainability initiatives, mitigate emerging risks, and drive continuous improvement in ESG performance, reinforcing long-term resilience and value creation.

Affiliated entities of Rompetrol Rafinare SA -

Rom Oil SA is administered in a unitary system by a Board of Directors and is constituted in accordance with the provisions of the Articles of Incorporation of the Company. Its composition, organization, attributions and responsibilities are established by the Company's Constitutive Act.



The Directors are elected by the Ordinary General Meeting of Shareholders and currently one of them hold executive function. The Board of Directors consists of 3 members. The President coordinates the work of the Board and report thereon to the General Meeting of Shareholders. The President supervises the good functioning of the Board, convene it, establish the agenda of the meetings, ensure that the members of the Board are properly informed of the items on the agenda and chair the meetings of the Board.

The members of the Board of Directors possess experience relevant to the sectors, products and geographic locations of the undertaking as follows:

Baurzhan Nurgaliyev - Chairman of the Board of Directors

He joined Rompetrol Group in 2023 and has over 20 years of professional expertise in management, negotiation and jurisprudence. He held several top management positions in various multinational companies from Kazakhstan.

Ovidiu Cristian Ilie – Member of the Board of Directors

He joined the Rompetrol Group in 2012 and he had a high professional experience in managing and optimizing the supply and trading activity with petroleum products. He currently holds the position of Group Logistics Director at KMG I.

Lilian Alexandru – Member of the Board of Directors

He joined Rompetrol in 2008 and acting over 25 years in Trading and Management positions, out of which last 13 years in LPG business having a deep knowledge of LPG markets and business in Balkans and in the Black Sea and Mediterranean Sea basins. He currently holds the positions of Sole Director of Rompetrol gas

The oversight of sustainability related impacts, risks, and opportunities is the responsibility of all BoD members.

The administrative and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, based on annual performance results as well as their knowledge of stakeholder views, foreseeable legislation, peers performance and industry trends. Progress towards such targets is monitored annually in the framework of the sustainability report and individual KPIs.

Romp petrol Downstream SRL is administered by a Board of Directors and is constituted in accordance with the provisions of the Articles of Incorporation of the Company. Its composition, organization, attributions and responsibilities are established by the Company's Constitutive Act.

The Directors are elected by the Ordinary General Meeting of Shareholders and currently one of them hold executive function. The Board of Directors consists of 3 members. The President coordinates the work of the Board and report thereon to the General Meeting of Shareholders. The President supervises the good functioning of the Board, convene it, establish the agenda of the meetings, ensure that the members of the Board are properly informed of the items on the agenda and chair the meetings of the Board.

The members of the Board of Directors possess experience relevant to the sectors, products and geographic locations of the undertaking as follows:

Baurzhan Nurgaliyev - Chairman of the Board of Directors

He joined Rompetrol Group in 2023 and has over 20 years of professional expertise in management, negotiation and jurisprudence. He held several top management positions in various multinational companies from Kazakhstan.

Baurzhan Nugumanov – Member of the Board of Directors

Experience in oil and gas industry, he held management roles in multinational companies with expertise in oil and gas industry, leaders in the oil products market in Kazakhstan and Romania.

Adrian Tohanean – Member of the Board of Directors



He joined Rompetrol in 2007. Experience in Business Administration, Budget & Reporting, Planning & Performance Management, Financial Management.

The oversight of sustainability related impacts, risks, and opportunities is the responsibility of all BoD members.

The administrative and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, based on annual performance results as well as their knowledge of stakeholder views, foreseeable legislation, peers performance and industry trends. Progress towards such targets is monitored annually in the framework of the sustainability report and individual KPIs.

Rompetrol Logistics SRL is administered by a Sole Director in accordance with the provisions of the Articles of Incorporation of the Company. Its attributions and responsibilities are established by the Company's Constitutive Act.

The Director is elected by the Ordinary General Meeting of Shareholders.

The Sole Director possess experience relevant to the sectors, products and geographic locations of the undertaking as follows:

Ovidiu Cristian Ilie - Sole Director

He joined the Rompetrol Group in 2012 and he had a high professional experience in managing and optimizing the supply and trading activity with petroleum products. He currently holds the position of Group Logistics Director at KMG.

The oversight of sustainability related impacts, risks, and opportunities is the responsibility of the Sole Director.

The administrative and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, based on annual performance results as well as their knowledge of stakeholder views, foreseeable legislation, peers performance and industry trends. Progress towards such targets is monitored annually in the framework of the sustainability report and individual KPIs.

Rompetrol Quality Control SRL is administered by a Sole Director in accordance with the provisions of the Articles of Incorporation of the Company. Its attributions and responsibilities are established by the Company's Constitutive Act.

The Director is elected by the Ordinary General Meeting of Shareholders.

The Sole Director – Alexandru Stavarache - possesses experience relevant to the sectors, products and geographic locations.

Rompetrol Petrochemicals SRL is administered by a Sole Director in accordance with the provisions of the Articles of Incorporation of the Company. Its attributions and responsibilities are established by the Company's Constitutive Act.

The Director is elected by the Ordinary General Meeting of Shareholders.

The Sole Director possess experience relevant to the sectors, products and geographic locations of the undertaking as follows:

Alexandru Stavarache - Sole Director

He joined Rompetrol Group in 2007 and have a professional experience in various functions within KMG International Group, including: Budgeting and Reporting Analyst, Capital Investment Analyst, Senior Business Analyst, and Planning and Performance Management Director. He currently holds the position of CFO of Rompetrol Rafinare SA.

The oversight of sustainability related impacts, risks, and opportunities is the responsibility of the Sole Director.



The administrative and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, based on annual performance results as well as their knowledge of stakeholder views, foreseeable legislation, peers performance and industry trends. Progress towards such targets is monitored annually in the framework of the sustainability report and individual KPIs.

Rompetrol Gas SRL is administered by a Sole Director in accordance with the provisions of the Articles of Incorporation of the Company. Its attributions and responsibilities are established by the Company's Constitutive Act.

The Director is elected by the Ordinary General Meeting of Shareholders.

The Sole Director possess experience relevant to the sectors, products and geographic locations of the undertaking as follows:

Lilian Alexandru - Sole Director

He joined Rompetrol in 2008 and acting over 25 years in Trading and Management positions, out of which last 13 years in LPG business. Profound knowledge of LPG markets and business in Balkans and in the Black Sea and Mediterranean Sea basins.

The oversight of sustainability related impacts, risks, and opportunities is the responsibility of the Sole Director.

1.3.2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

GOV-2

Rompetrol Rafinare SA's management receive updates along the year (when needed, no predefined timeline) from The KMG International Sustainability Director, regarding material impacts, risks, opportunities, due diligence implementation, and the outcomes and effectiveness of policies, actions, metrics, and adopted targets. The KMG International Sustainability Director informs the administrative, management and supervisory bodies about material impacts, risks and opportunities, the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them. These bodies consider impacts, risks, and opportunities when overseeing the strategy, making decisions on major transactions, and managing risks. They also weigh the trade-offs associated with these factors. Throughout the reporting period, the Board of Directors have addressed material impacts, risks, and opportunities related to climate and environmental topics, by updating the risk register, including also mitigation measures proposed. Targets are established at the level of Rompetrol Rafinare SA, separately from the other subsidiaries.

The BOD performs oversight of sustainability aspects, including assessment and changes to our strategy and business model, identification and assessment process of material IROs, supervisory of policies, targets, action plans and resources, as well as sustainability reporting. A list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees during the reporting period is presented below in section **Material impacts, risks and opportunities and their interaction with strategy and business model**. The president of the BOD has the main responsibility to coordinate the activity of the Board and reports on it to the General Meeting of Shareholders. The president oversees the good functioning of the Board, convenes it, sets the agenda for the meetings, ensures that the members of the Board are adequately informed about the items on the agenda and presides over the Board's meetings.

In its activity, the BOD is supported by two advisory committees namely: Audit Committee and Strategy Committee. The two advisory committees are charged with carrying out analyses and developing recommendations for the Board of Directors, in the specific fields, having the obligation to periodically submit activity reports to the members of the Board of Directors.



The audit committee assists the Board of Directors in fulfilling its responsibilities regarding the integrity of the Company's financial statements, the financial reporting process, the internal control system and risk management, the internal and external audit process, the qualifications and independence of the internal and external auditor and the company's performance, as well as and the process of monitoring compliance with laws and regulations and any code applicable to the company.

Besides the two already mentioned committees, the Board of Directors could establish advisory committees that have a role in conducting investigations and developing recommendations for the Board of Directors, in its fields of activity.

1.3.3 Integration of sustainability-related performance in incentive schemes

GOV-3

The current Remuneration Policy does not take into account ESG factors nor any sustainability-related aspects. The performance criteria are based on financial performance, efficiency and stakeholder management. The performance evaluation includes no specific sustainability-linked targets nor impacts, and such metrics are not utilized as performance benchmarks, at the end of FY 2024.

We do not yet integrate climate-related considerations into our remuneration strategies for members of our administrative, management and supervisory bodies. Climate-related considerations are not yet included in their assessment on an ongoing basis to ensure alignment with the company's targets to reduce GHG emissions. Our aim is to do so in the near future.

1.4 Risk management and control systems

1.4.1 Description of the due diligence on sustainability matters

GOV-4

Our sustainability due diligence process guides our assessment of key identified risks and opportunities (IROs). This ongoing process, performed at Group level – KMG International (and implicitly Rompetrol Rafinare and affiliated entities) involves identifying, preventing, mitigating, and addressing actual and potential negative impacts on the environment and people linked to our business activities, where we have a series of internal policies, controls, and guidelines that support our formal system of governance and decisionmaking. We also integrate key elements of due diligence concerning people and the environment into our governance, strategy, and business model.

Our sustainability reports showcase essential components, including risk identification and assessment, implementation of mitigation strategies, and monitoring their effectiveness. Stakeholder engagement is also emphasized as a crucial part of the due diligence process, ensuring a comprehensive approach.

However, identifying and assessing negative impacts or monitoring the effectiveness of these efforts and communication are included within the companies' ISO systems that come with relevant action plans (ISO 9001, 14001 and 45001).

Our core elements of the due diligence process includes:

1. Identifying and Assessing Risks & Impacts
 - Evaluating GHG emissions, climate risks, and environmental impacts (e.g., air and water pollution, biodiversity loss).
 - Monitoring health and safety risks for workers, contractors, and communities near operations.
 - Assessing social and governance factors, such as human rights, fair labor practices, and anti-corruption efforts.



2. Integrating and Acting on Findings
 - Implementing measures to reduce environmental impact, such as low-carbon fuel production, energy efficiency improvements, and spill prevention protocols.
 - Strengthening supply chain oversight through ESG screening processes.
 - Enhancing community engagement to address concerns related to emissions, and local economic impact.
3. Monitoring and Reporting
 - Conducting environmental impact assessments and sustainability audits to track compliance with national and EU regulations.
 - Aligning sustainability disclosures with ESG frameworks
 - Implementing grievance mechanisms and stakeholder feedback loops to address concerns in real time.
4. Remediating and Communicating
 - Establishing clear corrective actions for sustainability violations or incidents (e.g., oil spills, emissions breaches).
 - Publicly disclosing sustainability performance and progress on decarbonization efforts.
 - Engaging with regulators, investors, and communities to ensure transparency and continuous improvement.

1.4.2 Risk management and internal controls over sustainability reporting

GOV-5

Risk management and internal controls related to sustainability reporting are implemented at the Group level – KMG International, ensuring a macro-level perspective that enhances oversight and consistency across Rompetrol Rafinare S.A. and its affiliated entities. This centralized approach enables better management, streamlined governance, and strengthened data integrity, aligning with the Group's sustainability commitments and regulatory requirements.

To ensure a holistic ESG reporting approach, our internal sustainability reporting team includes key functions across the group: Operational, Accounting & Finance, Legal, Procurement, QHSE, Human Resources, Compliance, etc.

The outcome of our sustainability due diligence process contributes to the assessment of significant impacts, risks and opportunities. The due diligence process is aimed at identifying, preventing, mitigating and explaining the approach to negative environmental impacts and people associated with the business of the company. This process is in line with international instruments, such as the UN Business and Human Rights Guidelines and the OECD guidelines for multinational undertakings. The stages of the due diligence process include identification and evaluation of negative impacts from the operations and value chain of the company/ Group KMG International, prioritization of actions according to severity and probability, and support the identification of significant sustainability risks and opportunities.

Romp petrol has a structured sustainability due diligence process approach that integrates stakeholder engagement, value chain oversight, and impact assessment. The company actively engages with key stakeholders—including employees, suppliers, communities, regulators, and investors—through consultations, supplier sustainability assessments. To assess sustainability-related impacts, risks, and opportunities (IROs), the company conducts climate risk assessments, safety performance monitoring, and environmental impact studies, ensuring responsible operations. Mitigation measures, such as GHG emissions reduction strategies, workplace safety improvements, and anti-corruption policies, are embedded into corporate governance. Additionally, Rompetrol provides grievance mechanisms, including whistle-blower programs and stakeholder feedback channels, to address human rights concerns, environmental risks, and ethical violations. The company continuously monitors sustainability



performance through KPIs, regulatory compliance tracking, and ESG reporting, aligning disclosures with CSRD to ensure transparency and accountability.

The mitigation strategies incorporate a range of internal controls to effectively manage environmental, social, and governance (ESG) risks. Governance and compliance controls include internal policies and a Code of Ethics, prohibiting unethical practices such as corruption and environmental violations. Environmental risk controls focus on ISO 14001-certified Environmental Management Systems (EMS), monitoring GHG emissions etc. Social risk controls involve human rights due diligence for suppliers, whistleblower mechanisms, and adherence to ISO 45001 health and safety standards to ensure workplace well-being. Financial and anti-corruption controls include strict fraud prevention aligned with the OECD Anti-Bribery Convention, transaction monitoring, and investment screening to meet “Do No Significant Harm” (DNSH) criteria under the EU Taxonomy. Together, these controls ensure transparency, accountability, and the effective mitigation of ESG risks, as detailed below and across this current report.

To respond to increased unpredictability it has faced in recent years, Rompotrol Rafinare SA and KMG International as a Group of companies owning the majority of shares in Rompotrol Rafinare SA, implemented the Corporate Risk Management System (CRMS), incorporating structured and standardized practices, principles and tools to manage risks across the entire organisation.

The Risk Management Department coordinates the development and implementation of the abovementioned framework and performs periodic reassessment of risks and mitigation measures at the level of each entity. ERM framework and methodologies is exhaustive, targeting all types of risks, including market, financial risks, safety and operational risks or strategic risks.

For a more comprehensive approach, **ESG Risk Management Policy** has been developed to manage risks related to Environmental, Social and Governance across KMG International, due to intrinsic particularities of these topics.

The **scope** of the **ESG Risk Management Process** is to define and standardize the goals, objectives, terminology, and core principles for managing Environmental, Social, and Governance (ESG) risks within KMG Group.

The Policy details the methodologies, workflows, tools and responsibilities for identifying, assessing, mitigating, monitoring, and reporting ESG risks, including climate related risks.

The objective of the Policy is to integrate ESG risks into the current risk management framework, Group strategy and operations, ensuring compliance with regulatory requirements and meeting stakeholder expectations.

The ESG risk management process follows similar methodologies as the established Corporate Risk Management System steps, including risk identification, risk assessment, risk mitigation, risk monitoring, and risk reporting to various stakeholders.

In order to identify and assess ESG risks across Rompotrol Rafinare SA and its affiliates companies. We have defined first the entities in scope and analysis parameters, starting with the material topics determined through DMA process.

ESG risk assessment process aims to evaluate the likelihood and severity of identified ESG risks through both quantitative and qualitative analysis. This involves using a structured approach that integrates risk scoring, scenario analysis, and prioritization methodologies to identify, assess, and mitigate ESG risks effectively while aligning with ESRS and CSRD standards.

In the sustainability reporting process, Rompotrol proactively manages risks by conducting internal verifications, pre-calculations, and data validations before disclosure and the audit process. Where information is unavailable, this is transparently stated in the report. In case of any identified errors, corrections are published in the subsequent reporting cycle, ensuring accuracy, accountability, and continuous improvement in sustainability disclosures.



Each identified ESG risk is assessed based on its likelihood, potential impact, and relevance to stakeholders. Following this process a score is assigned that helps the prioritization of risks, focusing on those with higher impacts and likelihoods.

A variety of tools, including risk registers, risk matrixes, and Key Risk Indicators (KRIs), are employed to create a more standardized and systematic method for assessing and centralizing risk assessment results. This approach encompasses all business processes, areas, and activities, addressing all types of emerging risks, from environmental, safety, and operational risks to financial, legal, and compliance risks.

The results of the risk assessment process are submitted to the Business and Risk Owners and the relevant level of authority, for review and mitigation. Given the specifics of the refining business, Rompetrol Rafinare SA in particular is exposed to a wide variety of risks, and operates in a highly volatile, complex and dynamic industry, widely influenced by the macroeconomic and geopolitical contexts. The objectives of the ESG risk management activities are to enhance decision-making, to protect the assets and financial performance of our company and subsidiaries and to ensure their stability. To mitigate these risks, corresponding mitigation actions are proposed.

Main risks identified for 2024 are related to Climate Transition, Energy and Air pollution topics. These are related to regulatory requirements, specific emissions regulated by local legislation and global changes to renewable energy. As mitigation strategies the company developed the decarbonization strategy linked to several projects that are in different stages of development.

The risk management and audit (assurance) activities are centralised as follows:

- The Board of Directors is ultimately responsible for governing and monitoring the ESG risk management system, overseeing the key risks to which Rompetrol Rafinare SA is exposed, and reviewing the effectiveness of mitigation measures and reviewing and approving risk reports.
- The Audit committee oversees the risk management process assessment results of the company's activities and business processes, and informs the Board of Directors of such exposure. The Audit Committee shall periodically report its findings to the Board and shall periodically call meetings with the Board, the Company's internal auditors and the Company's external auditors.

With regards to risk management and compliance activities, the Audit Committee shall:

- periodically discuss with the Board of Directors at its request, the Company's policy on business control and the Company's major areas of risk and methods of risk assessment and management with the Board,
- monitor the main risks' categories and verify that the main risks are properly mitigated,
- monitor the implementation of the internal auditing standards or other legal standards or legal provisions applicable to the risk management system and to ensure compliance,
- analyse the implementation of the Conflict of Interests Policy (or similar stipulations),
- assess the conflicts of interest regarding the company transactions, and of its branches with the related entities.



The ESG risks identified and assessed are included in the ESG risk register, which is the primary tool to record results of the risk management process. The risk register is to be updated with ESRS risks identified in the double materiality assessment conducted in accordance with ESRS. These main material risks and the mitigation strategies are presented below in the thematic chapters in this reports, and a summary is provided in the subsection - **1.5.4 Material impacts, risks and opportunities and their interaction with strategy and business model**.

1.5 Materiality analysis and results according to the concept of double materiality

1.5.1 Description of the processes to identify and assess material impacts, risks and opportunities

IRO-1

The double materiality assessment is conducted through our comprehensive process that aims to identify, assess, prioritize and monitor both potential and actual impacts on people and the environment, as well as risks and opportunities that may in turn have a financial effect on the company. Our assessment follows a systematic approach. To meet the requirements of the ESRS standards for 2024, KMG International/ Rompetrol followed the below steps in order to identify the level of materiality:

A Workshop was held to identify stakeholders and material topics. The workshop is organized by the person responsible for sustainability and corporate social responsibility, attended by representatives of several departments of KMG International and affiliated companies, as experts in their respective fields and the team that is responsible for the preparation of the Rompetrol Sustainability Report. The workshop included an assessment of the impact of material topics² through internal consultation, which include topics, sub-topics and sub-sub-sub-topics, as well as their relevance. For the subjects identified as relevant, the workshop included a session to establish financial materiality.

For each topic, sub-topic and sub-sub-topic identified, an external consultation was carried out in the form of questionnaires. When identifying material topics along the Rompetrol value chain, different types of relevant internal and external stakeholders are consulted to gather a more diverse perspective on the most significant material topics to include in the report. In the consultation process, if and/or when personal data is collected, the contact list comply with all GDPR requirements.

Determining the final list of material topics is based on an assessment of the materiality of impacts, risks and opportunities. Every year the materiality will be complemented by a legal requirements analysis, materiality analysis of other industry operators (*peer analysis*), top-management interviews, strategic documents prepared by the company, expert opinions, and benchmarking on global trends in the literature, as well as data collected on the history of Rompetrol entities or other relevant sources. The materiality analysis for 2024 was completed at the data point level, in relations with the above-mentioned consultations and studies.

For the financial materiality assessment, KMG International conducted a workshop with representatives from financial and risks departments and a series of interviews for senior management to identify the risks and opportunities of Rompetrol's activities and determine the likelihood of occurrence and the potential magnitude of financial effect the sustainability topics may have on the company. For identification and assessment of impacts, risks and opportunities, we used internal and external assessments, while ensuring coverage of all relevant operations, including value chain aspects according to ESRS guidance.

We established a process to identify and assess climate-related impacts, risks, and opportunities, particularly in relation to our GHG emissions (See further details in dedicated chapter - E1). Rompetrol is actively engaging in initiatives that not only address short-term risks but also unlock long-term value

² We considered ESRS 2, Disclosure Requirement IRO-1, paragraph 53(b)(iv) mandating that undertakings provide a detailed description of how their processes prioritize negative impacts based on their relative severity and likelihood, and positive impacts based on their relative scale and likelihood.



through the development of new products and services. Our complex metric system for managing environmental aspects, encompassing water and energy consumption, emissions, and waste management, reflects our dedication to environmental stewardship and climate change mitigation. Environmental issues, including the process of obtaining permits, certifications, and post-audit follow-up measures, are communicated through various channels such as weekly management meetings, monthly Group Management reports, quarterly Risk Register updates, and yearly Integrated Management System Analyses. This multi-faceted reporting structure ensures that environmental considerations remain at the forefront of our management's decision-making processes.

The following table presents the topics resulting from the double materiality assessment for which material IROs were identified.

ESRS Topics	Sustainability topics covered by the ESRS		
	Topic	Sub-topic	Sub-sub-topic
ESRS E1	Climate change	— Climate change adaptation	
		— Climate change mitigation	
		— Energy	
ESRS E2	Pollution	— Pollution of air	
		— Pollution of water	
		— Pollution of soil	
		— Substances of concern	
ESRS E3	Water and marine resources	— Water	— Water consumption
			— Water withdrawals
			— Water discharges
		— Marine resources	— Extraction and use of marine resources
ESRS E5	Resource use and circular economy	— Waste	
ESRS S1	Own workforce	— Working conditions	— Secure employment
			— Working time
			— Adequate wages
			— Social dialogue
			— Freedom of association, the existence of works councils and the information, consultation and participation rights of workers
			— Collective bargaining, including rate of workers covered by collective agreements
			— Work-life balance
			— Health and safety
		— Equal treatment and opportunities for all	— Gender equality and equal pay for work of equal value
			— Training and skills development
			— Employment and inclusion of persons with disabilities
			— Measures against violence and harassment in the workplace
		— Other work-related rights	— Diversity
			— Privacy
ESRS S4	Consumers and end-users	— Information-related impacts for consumers and/or end-users	— Freedom of expression
			— Access to (quality) information
			— Privacy
		— Personal safety of consumers and/or end-users	— Health and safety
			— Health and safety
			— Security of a person
			— Security of a person
		— Corporate culture	



ESRS G1	Business conduct	— Protection of whistle-blowers	
		— Management of relationships with suppliers including payment practices	
		— Corruption and bribery	— Prevention and detection including training
			— Incidents
	Additional sub-topic	- Paid taxes	-

In the table below we present the topics, sub-topics and sub-sub-topics that will not be addressed in the 2024 Sustainability Report, as well as a brief justification as to why they are being omitted.

ESRS Topics			Sustainability aspects <u>that are NOT covered by the 2024 Sustainability Report</u>		
	Topic	sub-topic	Sub-subtopics	DR	Explanations
ESRS E2	Pollution	— Pollution of living organisms and food resources	—	There are not specific DRs related only to this topic	Not applicable – the activity does not affect crops or other food sources
		— Substances of very high concern	—	ESRS E2_23 (d)3 ESRS E2_35	Not applicable – only RQC uses 5 substances from the list: phenolphthalein, potassium dichromate, potassium chromate, boric acid, lead II acetate trihydrate. Special permits of use are not required; lab limited usage, low quantities.
		— Microplastics	—	There are not specific DRs related only to this topic	Not applicable – the activity does involve the addition of micro plastics into products
ESRS E4	Biodiversity and ecosystems	— Direct impact drivers of biodiversity loss	— Climate Change — Land-use change, fresh water-use change and sea-use change — Invasive alien species	ESRS E4_35 ESRS E4_36 ESRS E4_38 (a) ESRS E4_38 (b) ESRS E4_38 (c) ESRS E4_38 (d) ESRS E4_38 (e) ESRS E4_39	Not applicable – Rompetrol does not carry out activities that have a direct impact on biodiversity or ecosystems. Furthermore, the wood used in production has FSC certifications. Also, the subsidiaries have environmental permits for operation.
		— Impacts on the state of species	— Species population size — Species global extinction risk	ESRS E4_40 (a) ESRS E4_40 (b) ESRS E4_40 (c) ESRS E4_40 (d)i.	Not applicable – no such risks were identified in the authorization studies
		— Impacts on the extent	— Desertification	ESRS E4_40 (d)ii. ESRS E4_41 (a)	Not applicable – there is no direct activity on areas at risk of desertification

³ This DR refers to both substances of concern and substances of very high concern



		and condition of ecosystems	— Soil sealing	ESRS E4_41 (b)i. ESRS E4_41 (b)ii. ESRS E4_41 (b)iii.	Not applicable – the activity is not associated with the footprint in protected areas
		— Impacts and dependencies on ecosystem services	—		This topic was not identified as relevant in the authorization studies.
ESRS E5	Resource use and circular economy	— Resources inflows, including resource use	-	ESRS E5 28; 29; 30; 31 (a); 31 (b); 31 (c); 32	Not material – the activity is not associated with significant input of resources other than petroleum.
		— Resource outflows related to products and services	-	ESRS E5 33; 34 (a); 34 (b); 35; 36 (a); 36 (b); 36 (c); 37 (a); 37 (b) i; 37 (b) ii; 37 (b) iii; 37 (c) i; 37 (c) ii; 37(c) iii; 37 (d); 38 (a); 38 (b); 39; 40	Not material – the activity is not associated with significant outflow of resources other than petroleum.
ESRS S1	Own workforce	— Other rights related to work	— Child labour — Forced labour — Adequate housing	ESRS S1_14 (f) i. ESRS S1_14 (f) ii. ESRS S1_14 (g) i. ESRS S1_14 (g) ii. ESRS S1_22 ESRS S1_104 (a) ESRS S1_104 (b)	This is not applicable in Romania where the companies carry out manufacturing activities.
ESRS S2	Workers in the value chain	— Working conditions	— Secure employment — Working time — Adequate wages — Social dialogue — Freedom of association, including the existence of work councils — Collective bargaining — Work-life balance — Health and safety	ESRS S2 9 10(a) i.; 10 (a) ii.; 10 (b); 11 (a) i.; 11 (a) ii.; 11 (a) iii.; 11 (a) iv.; 11(a) v.; 11 (b); 11 (c); 11 (d); 11 (e); 12; 13 14; 15; 16;	There are no significant IROs above materiality thresholds, as there is no knowledge of incidents at suppliers.
		- Equal treatment and opportunities for all	— Gender equality and equal pay for work of equal value — Training and skills development — The employment and inclusion of persons with disabilities — Measures against violence and harassment in the workplace — Diversity	17 (a); 17(b); 17(c); 18; 19; 20; 21; 22 (a); 22 (b); 22 (c); 22 (d); 22 (e); 23; 24; 25; 26; 27 (a); 27 (b); 27 (c); 27 (d); 28; 29;30; 31 (a); 31 (b); 32 (a);	There are no significant IROs above materiality thresholds, as there is no knowledge of incidents at suppliers.



		— Other rights related to work	— Child labour — Forced labour — Adequate housing — Water and sanitation — Privacy	32 (b); 32 (c); 32 (d); 33 (a); 33 (b); 33 (c); 34 (a); 34 (b); 35; 36; 37; 38; 39 (a); 39 (b); 39 (c); 40; 41; 42 (a); 42 (b); 42 (c)	There are no significant IROs above materiality thresholds, as there is no knowledge of incidents at suppliers.
ESRS S3	Affected communities	— Communities' economic, social and cultural rights	— Adequate housing — Adequate food — Water and sewer	There are not specific DRs related only to this topic	Not applicable – not a relevant aspect subject of the Rompotrol activity. All such potential aspects screened and managed in the EIA permitting process.
		— Rights of indigenous populations	— Free, prior and informed consent — Self-determination — Cultural rights	ESRS S3_9 (a) iv. ESRS S3_15 ESRS S3_16 (a) ESRS S3_17 ESRS S3_23	Not applicable – not material to the activity. There are no indigenous populations in Romania where the companies carry out activities
ESRS S4	Consumers and end-users	- Social inclusion of consumers and/or end-users	— Non-discrimination — Access to products and services — Responsible marketing practices	There are not specific DRs related only to this topic	Not applicable – not material to Rompotrol activities in Romania. Marketing aspects are related to information.
ESRS G1	Business conduct	— Animal welfare	—	ESRS G1_10 (f)	Not applicable as Rompotrol does not conduct animal experiments or does not raise animals to be used in the production activities
		— Political engagement and lobbying activities	—	ESRS G1_29 (a) ESRS G1_29 (b) i. ESRS G1_29 (b) ii. ESRS G1_29 (c) ESRS G1_29 (d)	Not applicable as Rompotrol has no political interests or affiliations

*It is the first DMA the company conducts, as per ESRS; prior to this process we conducted materiality assessments as per GRI. We will conduct DMAs every 3 years, or more often if significant changes occur.

1.5.2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

IRO-2

In our sustainability statement, we have adhered to the Disclosure Requirements stipulated by ESRS as displayed in the table below. There, we also included a list of all datapoints that derive from other EU legislation as listed in Appendix B of ESRS 2.

Table ESRS 2_IRO-2_56

	Reference to respective legislation



Disclosure Requirement and related datapoint	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Commission Delegated Regulation (EU) 2020/1816(5), Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14		Regulation (EU) 2021/1119, Article 2(1) Directive (EU) 2024/1760, Article 1 (1c)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	
ESRS E1-4 GHG emission reduction targets paragraph 34	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits paragraph 56		Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Delegated Regulation (EU) 2020/1818, Annex II	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Delegated Regulation (EU) 2020/1816, Annex II	



ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	Delegated Regulation (EU) 2020/1816, Annex II)	

1.5.3 Overview of all reported disclosure requirements identified as material

IRO-2

Based on our materiality assessment we have concluded that certain topics are not material (not applicable either to our company or in Romania), and accordingly, we have not included DR from the corresponding Topical Standards.

To align with ESRS requirements, the list of Disclosure Requirements adhered to during the preparation of the sustainability statement is disclosed in our sustainability statement. The following content index illustrates the locations where the lists of Disclosure Requirements can be found.

Standard	Cross-cutting / Topic	Nr.	Reporting Area	Designation of the DRs	DR number	Page
ESRS 2	General disclosures	BP-1	General	General basis for preparation of the sustainability statement	5 (a) 5 (b) i. 5 (c) 5 (d)	P 6



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ESRS 2	General disclosures	GOV-1	General	Governance	21 (a) 21 (b) 21 (c) 21 (d) 21 (e) 22 (a) 22 (b) 22 (c) i. 22 (c) ii. 22 (c) iii. 22 (d) 23 (a) 23 (b)	P 11-14 P 148
ESRS 2	General disclosures	GOV-2	General	Governance	26 (a) 26 (b) 26 (c)	P 15
ESRS 2	General disclosures	GOV-3	General	Governance	29 (a) 29 (b) 29 (c) 29 (d) 29 (e)	P15
ESRS 2	General disclosures	GOV-4	General	Governance	32	P 16
ESRS 2	General disclosures	GOV-5	General	Governance	36 (a) 36 (b) 36 (c) 36 (d) 36 (e)	P 17
ESRS 2	General disclosures	SBM-1	General	Strategy	40 (a) i. 40 (a) ii. 40 (a) iii. 40 (a) iv. 40 (e) 40 (f) 40 (g) 41 42 (a) 42 (b) 42 (c)	P 7
ESRS 2	General disclosures	SBM-2	General	Strategy	45 (a) i. 45 (a) ii. 45 (a) iii. 45 (a) iv. 45 (a) v. 45 (b) 45 (c) i. 45 (c) ii. 45 (c) iii. 45 (d)	P 10



ESRS 2	General disclosures	SBM-3	General	Strategy	48 (a) 48 (b) 48 (c) i. 48 (c) ii. 48 (c) iii. 48 (c) iv. 48 (d) 48 (f) 48 (g) 48 (h)	P 36
ESRS 2	General disclosures	IRO-1	General	Impact, risk and opportunity management	53 (a) 53 (b) i. 53 (b) ii. 53 (b) iii. 53 (b) iv. 53 (c) i. 53 (c) ii. 53 (c) iii. 53 (d) 53 (e) 53 (f) 53 (g) 53 (h)	P 19
ESRS 2	General disclosures	IRO-2	General	Impact, risk and opportunity management	56 57 59	P 24
ESRS 2	General disclosures		General		62	P 46
ESRS 2	General disclosures	MDR-P	General	Minimum disclosure requirement on policies and actions	65 (a) 65 (b) 65 (c) 65 (d) 65 (e) 65 (f)	P 46
ESRS 2	General disclosures	MDR-A	General	Minimum disclosure requirement on policies and actions	68 (a) 68 (b) 68 (c) 68 (d) 68 (e) 69 (a) 69 (b) 69 (c)	P 46
ESRS 2	General disclosures		General	Minimum disclosure requirement on policies and actions	72	P 46
ESRS 2	General disclosures	MDR-M	General	Metrics and targets	75 76 77 (a) 77 (b) 77 (c)	P 46
ESRS 2	General disclosures	MDR-T	General	Metrics and targets	80 (a) 80 (b) 80 (c) 80 (d) 80 (e) 80 (f) 80 (g) 80 (h) 80 (i) 80 (j) 81 (b) i. 81 (b) ii.	P 47



Standard	Cross-cutting / Topic	Nr.	Reporting Area	Designation of the DRs	DR number	Page
ESRS E1	Climate change	GOV-3	Environment	Governance	13	P 15
ESRS E1		E1-1		Strategy	16 (a) 16 (b) 16 (c) 16 (d) 16 (e) 16 (f) 16 (g) 16 (h) 16 (i) 16 (j) 17 AR 4 AR 5	P 47
ESRS E1	Climate change	SBM-3		Strategy	19 (a) 19 (b) 19 (c) AR 6 AR 7 (a) AR 7 (b) AR 7 (c) AR 8 (a) AR 8 (b)	P 47
ESRS E1	Climate change	IRO-1		Impact, risk and opportunity management	20 (a) 20 (b) i. 20 (b) ii. 20 (c) i. 20 (c) ii. 21 AR 9 (a) AR 9 (b) AR 11 (a) AR 11 (b) AR 11 (c) AR 11 (d) AR 12 (a) AR 12 (b) AR 12 (c) AR 12 (d) AR 13 (a) AR 13 (b) AR 13 (c) AR 13 (d) AR 15	P 47
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ESRS E1	Climate change	E1-3		Impact, risk and opportunity management	29 (a) 29 (b) 29 (c) i. 29 (c) ii. 29 (c) iii. AR 21 AR 22	P 53
ESRS E1	Climate change	E1-4		Metrics and targets	32 33 34 (b) 34 (c) 34 (d) 34 (e) 34 (f) AR 24	P 56



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ESRS E1	Climate change	E1-5		Metrics and targets	37 (a) 37 (b) 37 (c) i. 37 (c) ii. 37 (c) iii. 38 (a) 38 (b) 38 (c) 38 (d) 38 (e) 39 40 42 43 AR 32 (h) AR 32 (i) AR 33	P 62
ESRS E1	Climate change	E1-6		Metrics and targets	46 47 48 (a) 48 (b) 49 (a) 49 (b) 50 (a) 50 (b) 51 53 54 55 AR 39 (b) AR 39 (c) AR 41 AR 43 (c) AR 44 (b) AR 45 (b) AR 45 (d) AR 45 (e) AR 46 (d) AR 46 (f) AR 46 (g) AR 46 (h) i. AR 46 (h) ii. AR 46 (h) iii. AR 46 (i) AR 46 (j) AR 47 (b) AR 48 AR 51 AR 53 (c)	P 66
ESRS E1	Climate change	E1-7		Metrics and targets	58 (a) 58 (b) 59 (a) 59 (b) 60 61 (a) 61 (b) 61 (c) AR 56 AR 57 (a) AR 57 (b) AR 57 (c) AR 57 (d)	P 74



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ESRS E1	Climate change	E1-8		Metrics and targets	63 (a) 63 (b) 63 (c) 63 (d)	P 74
ESRS E2	Pollution	IRO-1		Impact, risk and opportunity management	11 (a) 11 (b)	P 75
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ESRS E2	Pollution	E2-4		Metrics and targets	28 (a) 28 (b) 29 30 (a) 30 (b) 30 (c) 31 AR 20	P 89
ESRS E2	Pollution	E2-5		Metrics and targets	34 35	P 93
ESRS E3	Water and Marine Resources	IRO-1		Impact, risk and opportunity management	8 (a) 8 (b)	P 96
ESRS E3	Water and Marine Resources	E3-1		Impact, risk and opportunity management	11 12 (a) i. 12 (a) ii. 12 (a) iii. 12 (b) 12 (c) 13 14	P 98
ESRS E3	Water and Marine Resources	E3-2		Impact, risk and opportunity management	19	P 100



ESRS E3	Water and Marine Resources	E3-3		Metrics and targets	22 23 (a) 23 (b) 23 (c) 25	P 100
ESRS E3	Water and Marine Resources	E3-4		Metrics and targets	28 (a) 28 (b) 28 (c) 28 (d) 28 (e) 29 AR 28 AR 29	P 102
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ESRS S1	Own Workforce	SBM-2	Social	Strategy	12	P 115
ESRS S1	Own Workforce	SBM-3		Strategy	13 (a) 13 (b) 14 (a) 14 (b) 14 (c) 14 (d) 14 (e) 14 (f) i. 14 (f) ii. 14 (g) i. 14 (g) ii. 15 16	P 115
ESRS S1	Own Workforce	S1-1		Impact, risk and opportunity management	19 20 (a) 20 (b) 20 (c) 21	P 115



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ESRS S1	Own Workforce	S1-2		Impact, risk and opportunity management	27 (a) 27 (b) 27 (c) 27 (d) 27 (e) 28 29	P 115
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ESRS S1	Own Workforce	S1-6		Metrics and targets	50 (a) 50 (b) i. 50 (b) ii. 50 (b) iii. 50 (c) 50 (d) i. 50 (d) ii. 50 (e) 50 (f) AR 55	P 126
ESRS S1	Own Workforce	S1-7		Metrics and targets	55 (a) 55 (b) i. 55 (b) ii. 55 (c) 57	P 129
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ESRS S1	Own Workforce	S1-12		Metrics and targets	79 AR 76	P 138
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ESRS S4	Consumers and end-users	SBM-2		Strategy	8	P 134
ESRS S4	Consumers and end-users	SBM-3		Strategy	9 (a) 9 (b) 10 (a) i. 10 (a) ii. 10 (a) iii. 10 (a) iv. 10 (b) 10 (c) 10 (d) 11 12	P 134
ESRS S4	Consumers and end-users	S4-1		Impact, risk and opportunity management	15 16 (a) 16 (b) 16 (c) 17 AR 9 AR 10	P 141
ESRS S4	Consumers and end-users	S4-2		Impact, risk and opportunity management	20 (a) 20 (b) 20 (c) 20 (d) 21 22	P 141
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ESRS G1	Business Conduct	G1-4		Metrics and targets	24 (a) 24 (b)	P 152
ESRS G1	Business Conduct	G1-5		Metrics and targets	29 (a) 29 (b) i. 29 (b) ii. 29 (c) 29 (d) 30	P 152
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Additional sub-topic	Taxes	IRO-1		Impact, risk and opportunity management	11 (a) 11 (b)	P 154



1.5.4 Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3

We conducted a double materiality assessment in order to identify our material impacts, risks, and opportunities. Their interaction with strategy and business model is further detailed in our thematic chapters for each material topic. The following table shows the summarized results



IMPACTS

Climate change		Value chain	Actual / Potential	Time horizon	Strategic approach
Climate change mitigation	Negative impact - Despite efforts to reduce emissions, oil and gas refining and marketing operations still generate significant direct greenhouse gas emissions, contributing to climate change concerns. Process emissions, fugitive emissions from leaks, venting and flaring, and emissions from non-routine events like equipment maintenance continue to pose environmental risks and contribute to the overall carbon footprint of the industry. The implementation of product specifications and renewable fuel blends by some regulatory jurisdictions in response to climate change presents significant compliance and operational risks for R&M companies, potentially affecting Rompetrol's operations and market competitiveness. Emissions specifically the GHG emissions contribute to climate change on a global scale which has in turn serious consequences such as extreme weather events, floods, as well as health effects and other indirect impacts on people and biodiversity.	Upstream, own operations, downstream	Actual	Short, medium, long	Decarbonization Strategy in place
Climate change adaptation	Negative impact - The potential negative impact at a small scale (local impact) if Rompetrol facilities are depleting water resources needed in case of extreme climate events – such as drought or wildfires, which can have a serious local impact on environment and people.	Upstream, own operations, downstream	Potential	Medium, Long	Climate risk assessments according to DNSH



Energy	Positive impact - Rompetrol is a large supplier of energy in the region, contributing to energy security of the area, and KMGI's energy production leverages innovative sustainable technologies, such as cogeneration and hydrogen production, to enhance energy efficiency and diversity, contributing to a cleaner energy supply.	Upstream, own operations, downstream	Actual	Short, medium, long	ISO 50000 system
Pollution		Value chain	Actual / Potential	Time horizon	Strategic approach
Pollution of air	Negative impact - The potential for negative impact from air pollution is substantial. KMGI employs Best Available Techniques (BAT) and adheres to European pollution standards, successfully avoiding any exceedances. The emissions comprise pollutants that could significantly affect local human health and the environment. Air emissions from oil and gas operations, include hazardous air pollutants, criteria air pollutants, and volatile organic compounds (VOCs), which have significant, localized impacts on human health and the environment. Sulfur dioxide, nitrogen dioxide, and VOC emissions are of particular concern due to their potential health and environmental effects. Non-greenhouse gas air emissions from oil and gas midstream and downstream operations, including criteria air pollutants, VOCs, and hazardous air pollutants, can also have significant, localized impacts on human health and the environment.	Upstream, own operations, downstream	Actual	Short, medium, long	Alignment with legislation and permits. ISO 140001
Pollution of water	Negative impact - The operations of Refining & Marketing companies entail numerous hazards, including the handling of flammable and volatile substances, the utilization of highly reactive chemicals, and the processing of fluids under high temperature and pressure conditions. Potential releases of hydrocarbons or other hazardous substances resulting from accidents can lead to significant consequences for the company's workforce, as well as external social and environmental impacts.	Upstream, own operations	Actual	Short, medium, long	Alignment with legislation and permits. ISO 140001
Pollution of soil	Negative impact - Oil and gas production activities often result in habitat destruction, fragmentation, and loss, leading to declines in biodiversity and ecosystem services. The storage and transportation of crude oil, natural gas, and related products pose risks of spills and leaks, which can contaminate soil, water bodies, and surrounding ecosystems, harming wildlife and ecosystems. The operation of refineries, oil and gas infrastructure, such as pipelines and refineries, can disrupt natural habitats, fragment ecosystems, and contribute to air and water pollution, negatively impacting biodiversity and ecosystem health.	Upstream, own operations	Actual	Short, medium, long	Alignment with legislation and permits. ISO 140001



Substances of concern	Negative impact - Production upstream and refining at Rompetrol result in the generation of various forms of waste derived from the processing and storage of petroleum products. Non-greenhouse gas (GHG) air emissions from these operations include criteria air pollutants, Volatile Organic Compounds (VOCs), and hazardous air pollutants. These substances can have significant, localized impacts on human health and the environment. Specifically, they can contribute to air pollution, leading to respiratory issues and other health problems for nearby communities. Additionally, they can contaminate soil and water bodies, posing risks to ecosystems and wildlife. Efforts to mitigate these impacts are essential to ensure the health and safety of both human populations and the environment.	Upstream, own operations	Potential	Medium, Long	Alignment with legislation and permits. ISO 140001
Water and Marine Resources		Value chain	Actual / Potential	Time horizon	Strategic approach
Water (as a resource)	Negative impact - Production of oil upstream and refineries can use relatively large quantities of water depending on their size and the complexity of the refining process. The amount of water withdrawn and consumed by an O&G company and the quality of its discharges can have impacts on ecosystems and people. Specifically there is the potential of depleting water resources posing risk to ecosystems and wild life.	Upstream, own operations	Actual	Short, medium, long	Alignment with legislation and permits. ISO 140001
Resource use and circular economy		Value chain	Actual / Potential	Time horizon	Strategic approach
Waste	Negative impact - In operations of Rompetrol facilities, companies generate various forms of waste derived in particular from the processing and storage of petroleum products. These wastes need to be further processed, because they pose a threat to human health and the environment during storage, transport, processing or disposal.	Upstream, own operations	Actual	Short, medium, long	Alignment with legislation and permits. ISO 140001



Own workforce					Strategic approach
Working conditions	Positive impact - KMGI offers good working conditions under the worker union engagement, positively impacting KMGI's employee wellbeing, thereby fostering a positive societal development. Effective communication and negotiation between employees and management has a positive impact on employees' wellbeing, H&S, trainings, work-life balance aspects and adequate wages, and job security. KMGI supports the use of open communication channels, enabling employees to voice concerns and allegations, t strengthening transparency and trust among employees, reinforcing its dedication to fair compensation.	Own operations	Actual	Short, medium, long	Maintain good working conditions under the worker union engagement
Equal treatment and opportunities of all employees.	Positive impact - KMGI offers good working conditions under the worker union engagement, positively impacting KMGI's employee wellbeing, thereby fostering a positive societal development. Effective communication and negotiation between employees and management has a positive impact on employees' wellbeing, H&S, trainings, work-life balance aspects and adequate wages, and job security. KMGI supports the use of open communication channels, enabling employees to voice concerns and allegations, t strengthening transparency and trust among employees, reinforcing its dedication to fair compensation.	Own operations	Actual	Short, medium, long	Maintain equal treatment and opportunities of all employees
Other work-related rights	Positive impact - KMGI supports the use of open communication channels, enabling employees to voice concerns and allegations for work-related rights, specifically to ensure the welfare of our workers and the protection of their human rights.	Own operations	Potential	Short, medium, long	Maintain open communication channels to ensure the protection of human rights.
Consumers and end-users					Strategic approach
Information-related impacts	Positive impact - KMGI applies strict own rules on labelling, marketing information, aligned with local legislation and communication is not restricted to anyone to ensure social inclusion.	Downstream	Actual	Short, medium, long	Policies in place for information, labelling, marketing
Personal safety	Negative impact - Human health risks and broad environmental risks, such as those associated with climate change, have raised concerns about the end use of products such as gasoline from the Oil & Gas Downstream. A primary objective of KMGI is our safety culture to reduce the probability of accidents and other health and safety incidents, including for our customers. The sale operation at fuel stations may pose hazards to customers if instructions on the use of products are not followed.	Downstream	Actual	Short, medium, long	Maintain quality personal safety information for products and services and safety measures in place



Business Conduct					Strategic approach
Corporate culture	Positive impact - KMG I has a Code of Ethics in place that applies to all KMG International activities and business relationships equally. This Code reflects core values and behavioural rules, aligning with the Universal Declaration of Human Rights and ensuring the highest integrity standards, to safeguard their own health, safety, and well-being and prevent accidents	Own operations	Actual	Short, medium, long	Policies and Procedures in place, ISO 9001, ISO 45000
Protection of whistle-blowers	Positive impact - KMG I offers a very high level of protection to whistle-blowers, all employees and stakeholders are protected from repercussions, all complaints/concerns are processed. Concerns can relate to transactions or events suspected of breaching laws, internal regulations, or integrity and ethics standards. Our policies in place protects the wellbeing of any potential claimant.	Upstream, own operations	Actual	Short, medium, long	Policies in place
Management of relationships with suppliers	Negative impact - There is a potential impact on suppliers if they do not receive timely payments for their goods and services, as well as no the security of supply for KMG I. The suppliers may suffer from financial instability which in turn can affect the wellbeing of their employees, while KMG I and its employees may suffer from consequences related to losing critical suppliers.	Upstream, own operations	Potential	Medium, Long	Procurement policies
Avoiding corruption and bribery	Negative impact - Incidents of corruption are harmful to society, therefore all companies face pressure to address corruption and prevent involvement in illegal or unethical payments or gifts to government officials or private individuals.	Own operations	Potential	Medium, Long	Policies in place
Additional topic – Taxes					Strategic approach
Paid taxes	Positive impact - Paid taxes contribute to funding public services such as healthcare, education, infrastructure, and social welfare programs, thereby fostering societal development and well-being	Own operations	Actual	Short, medium, long	Financial planning covers a volatile fiscal environment



Climate change		Source	Time horizon
Climate change mitigation	Risk - Climate change mitigation in the oil and gas sector poses a high risk of significant greenhouse gas emissions from operations, leading to potential regulatory penalties. Despite EU-ETS compliance and KMGI's ongoing efforts to reduce emissions, stringent environmental regulations and global climate policies imply high operational and reputational risk. The company acknowledges that the impact is not severe enough to cause widespread destruction, however the significance of this issue remains unchanged. Regulatory jurisdictions may introduce product specifications and renewable fuel blends in response to climate change, presenting significant compliance and operational risks for refining and marketing (R&M) companies like KMGI. Opportunity - Opportunities are in the area of investment in low carbon technologies, carbon storage, and hydrogen.	Risk sourced from both impact and dependencies Opportunity sourced from actions to address impact	Short, medium, long
Climate change adaptation	Risk - Inability to adapt to hazards from climate change may pose physical risks, such as potential disruptions to safety of production processes within KMGI, potentially resulting in a breach of legal requirements for risk prevention with negative financial consequences.	Risk sourced from impact	Medium, Long



Energy	Opportunity - As an energy producer and distributor, KMGI recognizes a significant opportunity in the market dynamics, marked by the rising demand for electricity and the potential for investments in innovative technologies for low CO2 emission energy production.	Opportunity sourced from impact	Short, medium, long
Pollution		Source	Time horizon
Pollution of air	Potentially significant risk - Although KMGI adopts the best available techniques (BAT) and complies with the EU Standards on pollution without having recorded exceedances of air pollutant limits, the risks of exceeding these thresholds are taken into account, which can have significant financial consequences by suspending the activity by the authorities.	Risk sourced from impact	Short, medium, long
Pollution of water	Risk - There is a moderate risk associated with the potential for authorities to suspend activities, while fines for violations are not considered significant.	Risk sourced from impact	Short, medium, long
Pollution of soil	Risk - There is a moderate risk associated with Rompetrol's operations that may impact soil quality. All operations that could affect soil are regularly monitored and reported. The risk specifically pertains to the 14 tanks at the Vega Refinery, covering an area of approximately 82,450 m2. These tanks are waterproofed with layers of compacted soil and bentonite. Currently, the refinery is undergoing a remediation project for the tanks, where existing waste is treated and deposited in waterproof cells according to Government Ordinance 757/2004.	Risk sourced from impact	Short, medium, long
Substances of concern	Risk - Risks are associated with substances from accidental releases: Releases of hazardous substances can severely impact workforce health and the environment.	Risk sourced from impact	Medium, Long
Water and Marine Resources		Source	Time horizon



Water (as a resource)	Risk - Companies in the oil and gas industry may face the risk of reduced water availability depending on their location, leading to related costs. Extracting water from water-stressed regions or potential water contamination can also create tensions with local communities. For KMG I, there are no serious concerns regarding water resource availability (medium-low risk) to further significantly impact KMG I financially, however authorities restrictions may be a medium future risk.	Risk sourced from impact	Short, medium, long
Resource use and circular economy		Source	Time horizon
Waste	Risk - There is a significant risk associated with Rompetrol's operations that may impact soil quality. All operations that could affect soil are regularly monitored and reported. The risk specifically pertains to the 14 lagoons at the Vega Refinery, covering an area of approximately 82,450 m2. These lagoons are waterproofed with layers of compacted soil and bentonite. Currently, the refinery is undergoing a remediation	Risk sourced from impact	Short, medium, long



Own workforce		Source	Time horizon
Working conditions	Opportunity - By prioritizing worker safety and cultivating a safety culture, KMGI minimizes financial risks from litigations, reduces costs from employee turnover, decreases downtime, and enhances productivity.	Opportunity sourced from dependencies	Short, medium, long
Equal treatment and opportunities of all employees.	Opportunity - Reduced turnover costs and positive brand reputation contribute to KMGI financial stability, given that KMGI has policies against forced labour, negotiation through the union, implemented occupational health and safety measures, and other policies and measures in place.	Opportunity sourced from dependencies	Short, medium, long
Other work-related rights	Opportunity - Reduced turnover costs and positive brand reputation contribute to KMGI financial stability, given that KMGI has policies in place that ensure no forced labor, negotiation through the union, implemented occupational health and safety measures, flexible working arrangements, and aims to simplify employees' lives. Additionally, these policies ensure confidentiality of its employees and their union participation. Policies are regularly revised and enhanced.	Opportunity sourced from dependencies	Short, medium, long
Consumers and end-users		Source	Time horizon
Information-related impacts	Opportunity - There is a medium-level opportunity associated with information-related impacts, including labeling and marketing communications. Communication is unrestricted, fostering social inclusion, with potential financial impacts on brand awareness, loyalty, and sales. Additionally, maintaining market integrity and transparency in product pricing can mitigate regulatory risks and liabilities for Oil & Gas - Midstream & Downstream undertakings, while also safeguarding consumers from unfair pricing practices.	Opportunity sourced from impacts	Short, medium, long
Personal safety	Risk - The low-level risk associated with personal safety is particularly important in petrol stations where safety is critical. Due to the safety measures put in place by KMGI there have been no reported fire incidents. Local regulatory measures pose additional compliance and legal risks with financial consequences.	Risk sourced from impacts	Short, medium, long



Business Conduct		Source	Time horizon
Corporate culture	Opportunity - A culture that engages and empowers employees and contractors to work with management to safeguard their own health, safety, and well-being and prevent accidents is likely to help maintain financial stability.	Opportunity sourced from impact	Short, medium, long
Protection of whistle-blowers	Opportunity - KMGI's Protection of Whistle-blowers policy empowers employees, suppliers, clients, and collaborators to raise concerns or complaints in good faith. This policy ensures confidentiality and protects individuals from retaliation is likely to help maintain financial stability.	Opportunity sourced from impact	Short, medium, long
Management of relationships with suppliers	Risk - There is a low-level risk associated with the management of relationships with suppliers, as KMGI aims to maintain positive relations and avoid supplier loss. Undertakings must effectively balance these priorities to sustain favorable relationships with customers, regulators, and shareholders while ensuring operational efficiency and profitability. In the case where relations are interrupted with a supplier, there are contractual clauses in place to mitigate significant financial impacts.	Risk sourced from dependencies	Medium, Long
Avoiding corruption and bribery	Risk - The risk associated with bribery and corruption at KMGI is not significant, however there is a potential risk if someone on the board accepts bribery. Furthermore, the potential reputational risks can lead to the loss of relationships with suppliers. It affects the reputation of KMGI and breaches legal requirements.	Risk sourced from impact	Medium, Long
Additional topic – Taxes		Source	Time horizon
Paid taxes	Risk arises from a volatile fiscal environment, but there's an opportunity linked to societal investment through tax payments.	Risk sourced from impact Opportunity sourced from impact	Short, medium, long



1.5.5 Policies MDR-P – Policies adopted to manage material sustainability matters.

Romp petrol manages material topics through a series of internally approved policies and processes either within each subsidiary or at the Group level, based on the specific subject. These policies and processes might differ based on each company's readiness in terms of sustainability. However, the goal is to implement a structured approach across the entire Group and to develop specific policies and procedures tailored to each material topic.

Some relevant policies are included in the companies ISO management systems and ensure compliance with legal requirements and alignment with international best practices. The policies and necessary actions for each material topic are presented in the sections of the ESRS report.

If there are no adopted policies or actions included in internal documents, the company has stated this and may provide a timeframe in which it intends to adopt them.

1.5.6 Actions MDR-A – Actions and resources in relation to material sustainability matters

The necessary actions for each material topic are presented in the sections of the ESRS report. If applicable, it specifies whether implementing an action plan requires significant operational expenditures (OPEX) and/or significant capital expenditures (CAPEX) under the report related to taxonomy, where the amount of current financial resources is provided, and it is explained how these relate to the most relevant values presented in the financial statements.

1.5.7 Metrics MDR-M – Metrics in relation to material sustainability matters

The indicators and targets for significant sustainability aspects are detailed in the report sections, allocated for each material topic (relevant ESRS subject). If no indicators and targets have been adopted, Romp petrol provides reasons for this and may offer a timeline for their adoption.

1.5.8 Targets MDR-T – Tracking effectiveness of policies and actions through targets

Romp petrol tracks the effectiveness of its actions to address significant impacts, risks, and opportunities through annual performance monitoring and sustainability reporting, including performance on the indicators used for this purpose as presented in the report section - Information Disclosure Requirements from ESRS covered by the Group's sustainability report.

The performance, indicators, and targets for each material topic (relevant ESRS subject) of Romp petrol are detailed in the ESRS report sections. If there are no measurable, outcome-oriented, and time-bound targets adopted, the timeline for adoption is presented in the relevant report sections, including if such targets will not be set and the reasons why the company does not intend to establish them. It is indicated whether and how the effectiveness of policies and actions related to each material topic is monitored.



ENVIRONMENTAL INFORMATION

2 CLIMATE CHANGE

ESRS E1

2.1 Strategic orientation and concepts for climate protection

2.1.1 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM 3, IRO-1

Risks within Rompetrol operations

The **Rompetrol Rafinare SA and its subsidiaries (Rompetrol)** risks are included in the KMGI Group's Risk Profile, which meticulously maps out both production and non-production related risks, offering a detailed examination through a multi layered analytical lens. This approach emphasizes understanding the intrinsic and residual exposures to these risks, as well as their interconnected nature. Central to our strategic resilience is an Enterprise Risk Management (ERM) process designed to navigate uncertainties that might impede our strategic goals and financial objectives, thereby ensuring the Group's enduring sustainability.

Material impacts, risks and opportunities

For **Rompetrol Rafinare**, adapting to the heightened focus on climate change and energy transition is imperative. The dynamic and volatile risk environment, shaped by global, local, and business-level actions, underscores the need for proactive climate risk management frameworks. Initiatives to integrate sustainability considerations into existing risk management systems have started, alongside the development of policies and regulations to address climate-related risks.

Rompetrol Rafinare is included in KMGI's strategy, which is focused on decarbonisation measures and transition from being a traditional oil & gas downstream company into a diversified downstream player. This option has been chosen out of four strategic pillars after the assessment of several criteria such as strategic targets, decarbonization targets, capabilities, long-term business model of sustainability or the value creation potential.

Anticipated changes in consumer behaviour towards emission reduction may lead to decreased fossil fuel products demand, potentially impacting earnings and future investments. Consequently, the company is laying the groundwork for climate risk mitigation strategies.

An initial assessment performed on Rompetrol Rafinare and affiliate companies, identified impacts on operations, prompting a more comprehensive analysis to identify and address both physical and transition risks and opportunities. We focus on decarbonization to pursue economically viable emissions reduction solutions and in our commitment to navigating the complexities of the evolving energy landscape while embracing sustainability principles.

Climate related risks are identified based on workshop meetings with key operational stakeholders, where they are documented, ranked and discussed internally. All parties involved contributed to the development of a risk mitigation plan, which is approved by local and Group management and then shared with relevant departments and responsible roles.

The process of identifying and assessing climate-related impacts, risks and opportunities (IROs) in relation to ESRS E1 - Climate Change subtopics (climate change mitigation, climate change adaptation and energy) is also performed as part of the double materiality analysis.

The process for the identification of IROs according to the ESRS standards involved a series of meetings and workshops that contributed to the understanding of these standards within our organization.



Section 1.5.4 Material impacts, risks and opportunities and their interaction with strategy and business model presented above, summarizes the material climate change IROs from the double materiality analysis conducted.

Recognizing the climate change risks

A climate risk and vulnerability assessment study was developed at the **main production locations, namely the two refineries in Romania**. The purpose of the analysis was to understand the current and future situation of the risk factors that may affect **Rompotrol's** activity. This assessment was carried out using climate projections within a series of future scenarios, in accordance with an expected lifetime of the activity at these refineries of approximately 25 years.

Future scenarios included several Representative Concentration Pathways (RCPs) established by the Intergovernmental Panel on Climate Change (IPCC), namely **RCP2.6** (the lowest in terms of radiative forcing among the four representative concentration pathways), **RCP4.5** (Representative Concentration Pathway 4.5 is a scenario that stabilizes radiative forcing at 4.5 Watts per meter squared in the year 2100 without ever exceeding that value), **RCP6.0** (uses a high greenhouse gas emission rate and is a stabilisation scenario where total radiative forcing is stabilised after 2100 by employment of a range of technologies and strategies for reducing greenhouse gas emissions) and **RCP8.5** (refers to the concentration of carbon that delivers global warming at an average of 8.5 watts per square meter across the planet. The RCP 8.5 pathway delivers a temperature increase of about 4.3°C by 2100, relative to pre-industrial temperatures). These trajectories describe different future climate scenarios, all of which are considered possible based on the volume of greenhouse gases (GHG) in the coming years.

According to the TCFD Handbook, **there are two primary types of climate** risks: risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change. Transition risks – regulatory, market, technology, and reputational risks – related to the challenges of transitioning to a low-carbon (or zero-carbon) economy. Physical risks are related to the direct impact of climate change on activity and can be event driven (acute) or longer-term shifts (chronic) in climate patterns.

Physical risks and opportunities

Based on the physical risks (acute or chronic) defined by TCFD, those climate risks that can affect the performance of Rompotrol's economic activity over its anticipated lifespan were identified.

In the analysis, **climate risks and vulnerabilities were evaluated and structured according to the probability and intensity of the impact**. The vulnerability of a Group is a combination of two aspects:

- 1) Sensitivity - how sensitive are the components of Rompotrol's activity to climate hazards and
- 2) Exposure - the likelihood that these hazards will occur at the location now and in the future.

These two aspects can be evaluated, in detail, separately or together. Depending on the location of the entities, some of the specific climate hazards may be considered relevant or not in terms of sensitivity analysis. In general, **Romania is** vulnerable to several natural climatic and geological hazards: floods, landslides, droughts, extreme temperatures, as well as earthquakes. Given that climate change contributes to increased disaster risk, disaster risk management becomes a vital and urgent component.

The climate variables and hazards that were included in the climate vulnerability studies and risk assessments conducted are:

- Droughts & Heatwaves
- Systematic long-term changes in climate patterns
- Estimated sea levels rise
- Cold waves
- Extreme weather Wind
- Water stress
- Changes in precipitation, soil moisture and air humidity



- Forest and vegetation fires
- Landslides and earthquakes

Due to the geographical characteristics of the country analysed – Romania, as well as climate projections, these physical **climate hazards were assessed as medium risks**. While some countermeasures are already in place, there are multiple opportunities for development to combat the increasingly worrying forecasts of the future climate. Climatic vulnerability was assessed by considering both the exposure and sensitivity of KMGI Group's activities and locations to several climate risk factors. The most notable climate risk factors concluded through the study were landslides, earthquakes flooding and cloudbursts, droughts and heatwaves, and estimated sea level rise.

Vulnerability assessment summary

		Exposure (current + future climate)		
		High	Medium	Low
Sensitivity	High			Forest fires
	Medium		Landslides, Earthquakes	Estimated sea level rise Floods & Cloudbursts
	Low			Changes in average precipitation, soil moisture and air humidity Drought/Heat waves

low	Medium	High

Based on the sensitivity, exposure and vulnerability analyses, there are no significant potential hazards following the measures already implemented on individual sites.

A significant risk identified and assessed at the entity level in Rompetrol Rafinare pertains to landslides and earthquakes. This risk involves potential asset damage or destruction, production losses, employee health and safety concerns, and operational shutdowns

The risk is already mitigated in the earlier stages of construction of the buildings on the sites, as well as equipping the sites with fire-fighting equipment. The level of seismic risk is already considered in the design standards (regulatory standards) and implemented during the construction of the site buildings. Sufficient measures have already been implemented on the sites.

In **Romania**, the risk of forest fires is mitigated by the measures imposed by Law 48/2008 on the sustainable management of forests, which obliges to apply and respect specific fire protection norms, approved by order of the leader of the central public authority responsible for forestry. These measures (emergency procedures, firefighting system, ISU procedures and provisions) reduce the final risk (forest vulnerability to fires) to medium.

Identified physical risks are categorized in both acute and chronic, described and analysed in more detail each entity's ESG Risk Register. Mitigation measures are presented and prepared for each related risk.

Transition risks and opportunities and potential financial risks



An analysis geared towards evaluating our positioning in relation to transition risks and dissecting how various categories of these risks could potentially affect us was performed. Transition risks examined included regulatory changes, market shifts, technological advancements, supply chain disruptions, financial factors, operational challenges, reputational issues, legal ramifications, and implications for our employees and workforce. We identified carbon pricing, primary energy sources, and the volume of purchased allowances as critical indicators demanding particular attention for our company.

The estimated financial effects were assessed, resulting from the following scenario analysis performed for transition risks for the short, medium and long terms, for the period between 2023 to 2060:

- **NDC (Nationally Determined Contributions)** - This action plan aims to reduce emissions and adapt to climate impacts. NDC sets country-specific emissions reduction targets for adapting to climate impacts.
- **Below 2C** - This scenario assumes a gradual tightening of climate regulation. In this scenario, the likelihood of limiting global warming to 2°C is estimated at 67%.
- **Delayed transition** - This scenario assumes that annual emissions will not decrease until 2030, followed by a sharp tightening of carbon regulation.
- **Net zero** - This scenario aims to limit global warming to 1.5°C through stringent climate regulation and achieving net-zero CO2 emissions by approximately 2050.

ESG risk management process is a continuous process subject to ongoing review and improvement.

As per the risk assessment performed, a series of transition risks were identified in relation to our operations:

Type	Transition Risk	Description
Strategic risks	Slow response to emerging climate-related opportunities and threats	Risk of low pace shifting energy use toward lower emission sources, adopting energy-efficiency solutions, encouraging greater water efficiency measures, and promoting more sustainable land-use practices.
Regulatory risks	Risk of incompliance with the requirements of the applicable law	Numerous legislative requirements with a variety of subjects covering sustainability requirements and production of fossil fuels products limitations.
Reputational Risks	Activism and campaigns against fossil fuel use	Environmental groups and activists may target companies involved in fossil fuel extraction, production, or usage through protests, social media campaigns, and legal actions. These activities can lead to increased scrutiny, regulatory pressures, and potential loss of customers.
Market risks	Decrease in demand of petroleum products	Risk of replacing existing products and services with lower emission options (new fuels (H2, synthetic methane)).



Geopolitical Risks	Differing international environmental regulations	Variability and complexity of environmental regulations across different countries. Companies operating in multiple jurisdictions may face challenges in complying with diverse regulatory requirements, which can lead to increased compliance costs, operational delays, and potential legal penalties.
Employee and workforce risks	Difficulties in identifying suitable candidates for company's needs of new environmental and technological skills	Scarcity of professionals trained in emerging technologies such as renewable energy, carbon capture, and sustainable practices. The rapid pace of technological advancement and the evolving nature of environmental regulations exacerbate this issue, making it difficult for the company to keep its workforce's skills up to date.
Employee and workforce risks	Inadequate investment in developing employees' skills toward a sustainable development	Risk of delay in identifying the needed skills and invest in competency development actions for ensuring employees are evolving towards renewable energy.

Key climate-related risks and their potential impact on our medium and long-term financial performance are identified, analysed and described in the ESG Risk Register. The purpose of the results and data recorded in the register, regularly reviewed and updated, drives decisions on future capital expenditure and operational directions, ensuring our resilience against climate volatility.

This bottom-up and top-down approach ensures that risks, including political, legal, financial, technological, market and acute climate-related risks, are fully monitored and documented at all levels of our operations. The scope of the risk analyses and assessment is to define and establish specific mitigation and adaptation strategies. These strategies aim to improve operational resilience, protect assets against climate damage and ensure business continuity in the face of climate volatility.

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, market and reputational changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations.

In order to build awareness and increase recognition of potential ESG topics emerging risks in supply chain, Procurement department was trained on ESG risk management topics.

As per the assessed scenarios in the short term, we are able to recognize the opportunities offered by renewable energy programs and energy efficiency measures, actively engaging in initiatives that not only address short-term risks, but also produce long-term value through the development of new products and services. In the medium and long-term we will be able to improve our understanding and managing the risks associated with climate change in order to adapt our business strategy and practices to all possible scenarios that could negatively affect our activities.

Recognizing the opportunities presented by renewable energy programs and energy efficiency measures, Rompetrol is actively engaging in initiatives that not only address short term risks but also unlock long term value through the development of new products and services.

Type	Project
Hydrogen	Hydrogen production facility



EV charging infrastructure	EV chargers on CNAIR1 (reference period 15 years)
Biofuel	HVO/SAF production unit
Biofuel	Advanced Biodiesel co-processing at Petromidia Plant

2.1.2 Policies

ESRS E1-2

We have drafted a KMGI Group ESG Policy, which is designed to guide our actions in a way that aligns with best practices and industry standards, applicable to all Group companies including Rompotrol Rafinare and its subsidiaries (to be approved in 2025). This policy outlines our approach for incorporating ESG into our investment process and describes the ESG practices that we seek to implement.

We are committed to reducing our climate and environmental impact, promoting social responsibility, and ensuring good governance practices in all aspects of their operations.

Our ongoing efforts reflect our dedication to contributing positively to the planet while we prepared climate change policy and decarbonization strategy consisting of a package of decarbonization projects developed to support the transitions to renewable energy production and align with sustainability goals. The decarbonization projects address climate mitigation and renewable energy deployment areas.

Core principles guiding our approach include:

- **Compliance with regulations and standards** We strictly adhere to all relevant environmental regulations and industry standards, striving to surpass these benchmarks whenever feasible to ensure the highest level of environmental protection.
- **Risk management** By identifying, assessing, and managing environmental risks associated with our operations, we've established comprehensive processes to safeguard against potential negative impacts on the environment.
- **Continuous improvement** Our dedication to enhancing environmental performance is evident through regular monitoring, the adoption of new technologies, and the implementation of best practices aimed at reducing our ecological footprint.
- **Stakeholder engagement** We maintain open lines of communication with local communities, environmental groups, and regulators to address concerns, integrate feedback, and foster collaborative efforts towards sustainable environmental practices.
- **Transparency** Rompotrol is committed to clear communication regarding our environmental performance, regularly reporting on our progress towards sustainability goals and informing the public about potential risks and safety measures.

In 2024 there was no Group-wide formalized policy, but it will be developed to include all climate change material IROs; such a policy is scheduled to be prepared and implemented in 2025. At group level, as well as entity level, within each Rompotrol entity, the management established, implemented policies and rules in the fields of QHSE, security and energy, during the reporting year. The establishment of the policies took into account:

- the national and international situation
- suitability to the purpose and context of Rompotrol Rafinare S.A and subsidiaries
- compliance obligations and applicable legislation
- the requirements imposed by the interested parties
- the sustainability requirements for products



- the requirements for evaluating the fulfilment of compliance obligations and the correction of non-conformities
- the necessary resources
- the desired level of satisfaction of the client's requirements
- the nature and types of risks and opportunities identified, in order to ensure environmental protection and pollution prevention, protection, participation and consultation of workers and ensuring energy efficiency measures
- the opportunities and requirements for continuous improvement of the effectiveness of the implemented system.

In order to achieve the objectives established in the company's policies, all the activities that determine the quality of the products, the activities in the field of environmental management, health and safety at work and energy management are kept under control to prevent possible non-conformities.

Company policies are communicated to all employees and available to interested parties. Policies are reviewed periodically to ensure they remain relevant and appropriate.

There is a policy developed at each company level (QHSE Policy) which promotes the adoption of necessary practices for the identification, evaluation and management of processes and associated risks, as well as the periodic evaluation of environmental aspects, the constant concern regarding the minimization of their impact on the environment and promoting the adoption of sustainability principles in the activity carried out by minimizing their impact on the environment (preventing pollution, reducing emissions, efficient use of resources, efficient waste management, etc.)

In particular, Rompotrol Rafinare SA has also an Energy Policy, which promotes a responsible attitude towards the environment and supports the concept of sustainable development by improving processes in all fields of activity, including the field of energy management.

2.1.3 Actions

ESRS E1-3

The key actions applied in the reporting year and plan to tackle climate change are presented below. Thus, our transition plan is embedded in and aligned with our overall business strategy and financial planning. As we continue to align our economic activities with the provisions of Commission Delegated Regulation (EU) 2021/2139, we expect our transition to a sustainable economy to evolve over time by rising the amount of funds that are invested in sustainable activities. To support this transition, we are actively tracking our progress and how our activities develop.

A package of **decarbonization projects** was developed to support the transitions to renewable energy production and align with sustainability goals. This package includes the following projects:

- the co-processing of biodiesel;
- the co-processing of sustainable aviation fuel (SAF);
- the green hydrogen;
- the biodiesel and SAF production (standalone plant);
- synthetic SAF;
- carbon capture, use and storage.

In accordance with the MDR-A, the key actions undertaken during the reporting year, along with plans to address climate change, include the following:

- **Production of Renewable Energy and Biofuels (Biodiesel/Sustainable Aviation Fuel Co-Processing)**

Co-processing projects represent the initial phase of our decarbonization strategy. We are actively investigating advanced biodiesel and sustainable aviation fuel (SAF) co-processing solutions at the Petromidia Refinery. To support these efforts, we have contracted two technical solution studies—one focused on advanced biodiesel co-processing and the other on SAF co-processing. Additionally, biodiesel co-processing remains a priority, with an annual throughput of approximately 60,000 tons of feedstock. While we are also assessing the development



potential of a bioethanol production plant at the Petromidia Refinery, co-processing projects are currently the primary focus of our investments in renewable energy and biofuels. These initiatives align with our commitment to delivering value and advancing Romania's sustainability objectives.

- **CC(U)S – Carbon Capture, Use, and Storage**

The CCUS project is scheduled to be reassessed in 2025. We recognize the potential of CCUS technologies in reducing CO₂ emissions and view this initiative as a strategic element of our long-term commitment to addressing environmental challenges.

- **Production of Sustainable Aviation Fuel (SAF)**

We are actively evaluating the feasibility of producing sustainable aviation fuel (SAF) and hydrotreated vegetable oil (HVO). To this end, we have contracted a comprehensive feasibility study to explore the potential for SAF and HVO production at the Petromidia Refinery. These efforts underline our proactive approach to supporting sustainable fuel production and contributing to innovation within the industry.

These investments not only create value for the company, but also contribute to Romania's sustainability goals.

Significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned are presented in Annex 1 prepared in accordance with EU Taxonomy.

Refining operations - Climate change mitigation actions include:

- GHG emissions management: Implementation of technologies and practices to reduce greenhouse gas (GHG) emissions in own operations and in the value chain, including internal workshops to optimize the CO₂ calculation, documenting/reviewing procedures for the correct and complete reporting of emissions to the environmental authorities, and
- Emission reduction projects.
 - Energy efficiency improvement initiatives and Capex projects implemented during the general overhaul of the Refinery had an impact in reducing GHG emissions. The initiatives contributed to the reduction of Scope 1 CO₂ emissions by 3,900 tCO₂ and Scope 2 by 41000 tCO₂ at the annual level.
 - Energy efficiency improvement initiatives and Capex projects implemented during the general overhaul of the Refinery were:
 - optimization of steam consumption in the stripping and separation columns produced from Catalytic Cracking, Vacuum Distillate Hydrodesulfuration, Gas Fractionation and the propane-propylene separation column in Petrochemicals section;
 - Capex projects with an impact on reducing CO₂ emissions: the purchase and installation of new reactors in the vacuum distillate Hydrodesulfurization installation, the transformation of the CO Boiler from a natural circulation boiler to one with forced multiple circulation and the replacement of the drilling/cutting system in the installation of Delayed Coking.

Other general mitigation measures implemented in refining operations are:

- Energy efficiency, by implementing measures to reduce energy consumption, such as upgrading equipment and optimizing production processes.
- Use of energy from renewable sources, by increasing the use of energy from renewable sources, such as solar, wind or hydropower, in the company's operations.
- Other measures include education and awareness such as promoting education and awareness among employees and the community regarding the importance of environmental protection, as well as regular training of all employees with the energy objectives, energy aspects, performance achieved, set targets.

Refining operations - Climate change adaptation actions include:



• **Physical climate risk management:** Developing action plans to deal with the impacts of climate change on infrastructure and operations. In particular, risk assessment related to the location and mitigation actions taken in alignment with applicable legislation.

Rompetrol Downstream (DWS), affiliated company of Rompetrol Rafinare SA - Climate change mitigation actions include:

- GHG emissions management: Implementation of technologies and practices to reduce greenhouse gas (GHG) emissions in own operations and in the value chain, including internal workshops to optimize the CO₂ calculation, documenting/reviewing procedures for the correct and complete reporting of emissions to the environmental authorities, and
- Emission reduction projects (CAPEX) and projects for the purchase and installation of electric charging stations, as well as contracts with suppliers of green power.
- Energy efficiency:
 - Energy consumption monitoring, such as keeping records of electricity consumption and optimizing electricity consumption.
 - Installation of photovoltaic panels in 2 fuel distribution stations: Vistea and Mogosoaia and the installation of 44 electric charging stations in 31 stations and planned to install 11 electric stations during the year 2025.
- Use of energy from renewable sources, by increasing the use of energy from renewable sources, such as solar, wind or hydropower, in the company's operations. There are solar energy (photovoltaic panels) in 2 fuel distribution stations: Vistea and Mogosoaia.
- Other measures include education and awareness such as promoting education and awareness among employees and the community regarding the importance of environmental protection, as well as regular training of all employees with the energy objectives, energy aspects, performance achieved, set targets.
- There is an annual training program and monthly program for consumption efficiency.

DWS - Climate change adaptation actions include:

• **Physical climate risk management:** Developing action plans to deal with the impacts of climate change on infrastructure and operations. In particular, risk assessment related to the location and mitigation actions taken in alignment with applicable legislation

Rompetrol Gas - Climate change mitigation actions include:

- GHG emissions management: Implementation of technologies and practices to reduce greenhouse gas (GHG) emissions in own operations and in the value chain, including internal workshops to optimize the CO₂ calculation, documenting/reviewing procedures for the correct and complete reporting of emissions to the environmental authorities, and
- Emission reduction projects – capital investments (CAPEX), as well as contracts with suppliers of green power.
- Energy efficiency:
 - Energy consumption monitoring, such as keeping records of electricity consumption and optimizing electricity consumption
- Use of energy from renewable sources, by increasing the use of energy from renewable sources, such as solar, wind or hydropower, in the company's operations.
- Other measures include education and awareness such as promoting education and awareness among employees and the community regarding the importance of environmental protection,

Rompetrol Gas - Climate change adaptation actions include:

• **Physical climate risk management:** Developing action plans to deal with the impacts of climate change on infrastructure and operations. In particular, risk assessment related to the location and mitigation actions taken in alignment with applicable legislation.



2.1.4 Targets

ESRS E1-4

Our Environmental Performance Targets are rooted in a deep understanding of our operational impact and the broader environmental context in which we operate. These targets encompass a broad spectrum of focus areas, including greenhouse gas (GHG) emissions reduction, energy efficiency improvements, waste management optimization, water conservation, and the integration of renewable energy sources into our operations.

Starting from 2030, we will update the base year or the GHG emission reduction targets at five-year intervals.

Rompetrol Rafinare SA - Petromidia Refinery	2022*	2024	2025	2030	2040	2050
Scop1: CO ₂ e emissions (t), var. from base year	881,633	-26%	-12%	-25%	As per legislative requirements	1) 2)
Scop2: CO ₂ e emissions (t), var. from base year	0	157,975	TBD			
Energy Intensity Index	96.25	97.5	88.53	88.27	85.70	85.00
Reduction of energy consumption (GJ/t)	3.38	3.25	3.27	3.29	3.10	3.05 3)

*2022 is the base year for measurements

1) 2024 General turnaround

2) Target for 2030 was established considering implementation of the energy efficiency, co processing biofuels and Green H₂ projects

3) At BU level according to Budget forecast (GJ/tons of throughput processed)

These emission reduction targets are not science-based or compatible with limiting global warming to 1.5°C. They are not derived using a sectoral decarbonisation pathway, but with current legislation applicable to each one of our companies, the targets have not been externally assured.

Subsidiary entities (DWS, Rompetrol Gas) targets are aligned to full compliance with the GHG Protocol (and for Scope 1 where applicable the EU ETS 2 requirements), as well as in terms of monitoring. The targets are to be disclosed in the next reporting cycles.

For Rompetrol Gas: The company has drafted the monitoring plans for ETS₂, now their stage is to be completed according to the requirements of the National Agency for Environmental Protection. Also, procedures for ETS₂ and sampling plans are being developed.

For Rompetrol Downstream: The company has drafted the monitoring plans for ETS₂, now their stage is to be completed according to the requirements of the National Agency for Environmental Protection. Also, procedures for ETS₂.

Currently, no KMG International Group-wide numerical targets have been established (E1-6), the targets are yet to be established. However, we have set entity-by-entity targets considering the operational activity of each company and the ESG specificities. When setting critical assumptions for GHG emission reduction targets, we are considering future developments, such as changes in sales volumes, shifts in customer preferences and demand, regulatory factors, and new technologies available at the moment of targets setting.

According to current local (GEO 80/2018 and GEO 163/2022) and EU regulations (REDII 2001/2018 and revised RED III 2413/2023), fuel suppliers are obligated to ensure a supply of renewable energy in the market. This means that by 2030, fuel suppliers must guarantee a minimum share of 29% renewable energy or a reduction of at least 14.5% in greenhouse gas intensity in the transport sector.



Fuel suppliers shall ensure that the energy value derived from the quantity of renewable fuels of non-biological origin ("RFNBO" or green hydrogen) supplied to the market in Romania and used in the transport sector over the period of one year is at least 5% of the energy content of all fuels supplied for consumption or use on the market starting with 2030. Intermediate targets are set as follows: 0.5% in 2025, 1% in 2026, 2% in 2027, 3% in 2028, 4.5% in 2029, and 5% in 2030. For RRC, this requirement will result in the consumption or supply of around 5.4 kilo tonnes (KT) of green hydrogen in 2025, increasing to 52 KT by 2030.

Failure to meet these targets will result in fines of at least USD 6.8 per kilogram for each unrealized megajoule (MJ) of green hydrogen and the purchase of green hydrogen certificates.

The targets for the energy efficiency indicators that directly influence CO2 emissions, these were established for the next 5 years, taking into account the operation of the installations provided for in the 2025-2029 budget exercise as well as the commissioning of the Cogeneration installation in 2025 (to be operated by Rompetrol Energy – a KMGI company).

Energy efficiency indicators - Targets	UM	2025	2026	2027	2028	2029
BU Refining Energy Indicator	GJ/tons of throughput processed	3.27	3.28	3.27	3.29	3.29
Energy Intensity Index (EII) for PEM Refinery	% (Actual energy in GJ/ Standard energy in GJ)	88.53	88.37	88.04	90.20	88.27
Energy Consumptions in Petromidia Refinery	GJ/tons of throughput processed	2.87	2.92	2.91	2.93	2.92
Energy index for polymers (EIP)	GJ/tons of polymers production	18.5	21.2	20.9	21.7	20.5
Energy Consumptions in Vega Refinery	GJ/tons of throughput processed	2.40	2.27	2.22	2.17	2.24

*2028 General turnaround -55days of total shutdown

2.1.5 Transition Plan

ESRS E1-1

Rompetrol's transition plan, designed to mitigate climate change and support the Paris Agreement's climate neutrality goal, is currently in progress and set for completion by 2026. In the meantime, we have successfully initiated projects and activities under our Decarbonization Plan, as outlined below.

❖ The co-processing of biodiesel initiatives



This project aims to align with the requirements for renewable energy. Fuel suppliers, besides blending requirements of biofuels, must comply with advanced biofuel quotas, which state that the combined energy share of advanced biofuels and biogas produced from advanced renewable bio-feedstock should be at least 1%e by 2025 and 5.5%e by 2030, of which at least 1%e must be renewable fuels of non-biological origin from the overall energy content.

Name	Unit	2025	2026	2027	2028	2029	2030
Advanced biofuel mandate	%	1%e	1%e	1%e	1%e	1%e	5.5%e
of which RFNBO minimum							1%

The aim of the project is to upgrade the existing Diesel Hydrotreater Unit to co-process renewable feedstock within current operations. This modification will enable the production of 5-10% renewable diesel in the Diesel Hydrotreater Unit, thereby ensuring compliance with the renewable energy advanced biofuels mandate, transitioning to sustainable fuel production, and gaining profits from biodiesel production.

The co-processing of biodiesel project includes two phases of implementation.

▪ **Phase I: Solution Study.**

During the first phase the solution study will be performed, where an engineering evaluation will be conducted to investigate the feasibility of modifying the existing Diesel Hydrotreater Unit for the possibility to co-process renewable feedstock within the unit's current operations focusing on key process equipment reactors, heaters, compressors, reactor effluent air condenser, high-pressure heat exchangers, and columns. The suitability of piping and pumps in terms of material compatibility and hydraulics will also be assessed. Additionally, a metallurgical check on all equipment, encompassing columns, will be included.

This project aims to determine the feasibility of incorporating pretreated renewable feedstock into the existing unit with minimal or no modifications in order to have 5% renewable biocomponent in the final product.

The estimated duration to completion of Phase I is the second quarter of 2025.

▪ **Phase II: Implementation**

More detailed information regarding the unit modification will be provided after the solution study is completed.

The estimated duration of the Phase II completion is mid of 2026.

The benefits of co-processing of biodiesel will be additional savings from co-processing compared to acquiring 1st gen and 2nd gen biodiesel, avoiding potential penalties, complying with advanced biofuel mandates, contributing to biodiesel blending requirements, contributing to renewable energy share requirements, and transitioning to sustainable fuel production practices.

The impact on the reduction of carbon emission for scope 3 is estimated to be around 70 ktCO₂/year.

❖ **Co-processing Sustainable Aviation Fuel (SAF)**

As per the ReFuelEU Aviation regulations, the aviation fuel suppliers are required to ensure that all fuel made available to aircraft operators at EU airports contains a minimum share of Sustainable Aviation Fuel (SAF). This means that the aviation fuel suppliers must guarantee a minimum share of SAF at 2% starting from 2025 and progressively increase the minimum shares of SAF every 5-year period until 2050, reaching 70% of SAF shares. Additionally, starting in 2030, aviation fuel suppliers must ensure synthetic sustainable aviation fuel to aircraft operators.

Name	Unit	2025	2030	2035	2040	2045	2050
SAF mandates	%	2%	6%	20%	34%	42%	70%
of which synthetic SAF			2%	5%	10%	15%	35%



**synthetic SAF volume calculation may change upwards when the calculation algorithms for shares are clarified by the EU Commission*

The Co-processing of SAF project analyzes the possibility to produce 5% SAF in the Kerosene Hydrotreater Unit, support transitioning to sustainable fuel production, and gaining profits from SAF production.

Co-processing Sustainable Aviation Fuel project includes two phases of implementation.

▪ **Phase I: Solution Study**

During the first phase an engineering evaluation will be conducted to investigate the feasibility of modifying the existing Kerosene Hydrotreater Unit to co-process renewable feedstock within the unit's current operations, focusing on key process equipment reactors, heaters, compressors, reactor effluent air condenser, high-pressure heat exchangers, and columns. The suitability of piping and pumps regarding material compatibility and hydraulics will also be assessed. Additionally, a metallurgical check on all equipment, encompassing columns, will be included.

This project aims to determine the feasibility of incorporating pretreated renewable feedstock into the existing units with minimal or no modifications in order to have a 5% renewable biocomponent in the final product.

The estimated duration to completion of Phase I is **second quarter of 2025**.

▪ **Phase II: Implementation**

The more detailed information regarding the implementation of the unit modification will be provided after the solution study is completed.

Estimated duration to completion **Q2 2026**.

The benefits of co-processing SAF project will be additional savings from SAF production and distribution, avoiding potential penalties, complying with SAF mandates, contributing to biodiesel blending requirements, contributing to renewable energy share requirements, and transitioning to sustainable fuel production practices.

❖ **Green Hydrogen**

In July 2023, the Romanian parliament adopted the "Hydrogen Law" (237/2003), which mandates the integration of hydrogen from renewable and low-carbon sources in the industry and transport sectors. The law requires fuel suppliers to provide a minimum percentage of hydrogen from renewable sources in fuels used in Romania.

In November 2023, Romania developed a new Hydrogen Strategy that is currently undergoing the approval process. The Strategy aims for the refining industry to use green hydrogen equal to at least 1% of transport energy consumption by 2030. For RRC, this translates to approximately 11 KT of green hydrogen being used as an intermediate product in the production and supply of conventional fuels to the Romanian market.

Since the Strategy is not aligned with the Hydrogen Law and the Renewable Energy Directive (RED III), expectation is that the Hydrogen Law will be amended to adjust green hydrogen mandates in line with the RED III and delay the law's implementation until a later period.

Rompetrol is undergoing a green transition program and is considering a shift from traditional grey hydrogen to green hydrogen production. Green hydrogen is expected to be used as intermediary product in the production of conventional fuels.

Project is expected to be launched in collaboration with a developer, partner, or investor, who is interested to design, finance, build and operate an electrolyzer plant next/near to Petromidia Refinery to produce green hydrogen that will be delivered via pipeline to Petromidia Refinery. Power supply shall be secured by concluding a Power Purchase Agreement with the supplier of renewable energy (wind, solar, hydro). The refinery will supply water (treated & untreated), offer land, provide possible connections to utilities and grid, etc.

The project will be assessed in two phases:



- **Phase 1:** Production of 11 KT of green hydrogen.
- **Phase 2:** Expansion of the electrolyzer plant to produce an additional 9-11 KT of green hydrogen.

Phase 1 is expected to ensure compliance with the 1% RFNBO mandate required by the Hydrogen Law, while Phase 2 will address the 2% RFNBO requirement.

Phase 2 will depend on the successful implementation of Phase 1. This expansion will also be contingent upon regulatory changes and requirements in Romania and EU, as well as potential decline in the cost of green hydrogen production in the future.

The project is currently in the development stage, focusing on completing the necessary steps to advance to the Final Investment Decision (FID) phase. Project impact in reduction of CO₂ emission is estimated to be 80ktCO₂ considering Scope 1 and Scope 2 emission and assuring compliance with the 1% RFNBO mandate required by the Hydrogen Law.

Estimated duration to implement Green H₂ project is approximatively 36 months.

❖ **SAF Standalone production plant**

A feasibility study for the construction of sustainable aviation fuel (SAF) and hydro treated vegetable oil (HVO) production plant was launched at the end of 2024.

The aim of the study is to investigate the feasibility of investment in a biofuel plant to process renewable feedstock. The objective is to enable the production of sustainable aviation fuel and advanced biodiesel. The final report shall provide a class 5 cost estimate (-30%, +50%) for the financial indicators of the plant. The feasibility study will explore multiple technology pathways and evaluate three scenarios for plant capacity.

❖ **Alternative bio-feedstock for biofuels**

Rompotrol has made a significant commitment to developing networks and expanding the use of alternative feedstock with minimal environmental impact. The company is actively exploring the use of bio-feedstock that has a low indirect land use impact to produce advanced biofuels. Therefore, the value chains of cover crops and rotation crops within the local area are being explored with great interest. In addition, **Rompotrol** is proactively contacting local farmers and vegetable oil producers to explore collaboration opportunities that will result in the expansion of alternative feedstock supplies.

The use of energy crops that have low indirect land use impact has far-reaching benefits that extend beyond energy producers. In particular, it facilitates land soil regeneration and opens up new business opportunities for farmers and vegetable oil processors. The company recognizes that such sustainable practices are essential for the long-term success of the energy industry.

Synthetic SAF, CO₂ capture, and marine fuels (green ammonia and green methanol) are under assessment. Detailed analysis will be conducted for these projects to be applied after 2030.

❖ **Synthetic aviation fuels (SAF)**

Synthetic aviation fuels are defined as liquid drop-in fuels produced from renewable hydrogen and captured carbon. These fuels must comply with the sustainability criteria outlined in the Renewable Energy Directive (RED) and ReFuelEU Aviation Regulation.

SAF benefits are:

- Ensures compliance with all Renewable Energy Directive and ReFuelEU Aviation regulation mandates;
- Reduces greenhouse gas emissions compared to traditional jet fuel, contributing to a cleaner aviation industry;
- Demonstrates commitment to leading the shift toward renewable energy solutions in aviation;
- Capitalizes on growing demand, with strong potential for profitable returns as adoption scales;
- Supports global climate goals, aligning with international initiatives like net-zero by 2050.

❖ **CO₂ capturing**



The Renewable Energy Directive (RED) defines carbon capture and utilization (CCU) as the process of capturing carbon dioxide (CO₂) emissions from industrial or energy-related sources and repurposing them into valuable products, such as fuels, chemicals, or construction materials. This approach not only reduces greenhouse gas emissions but also contributes to the circular economy by transforming waste CO₂ into useful commodities.

CO₂ capturing and utilization benefits:

- CCU directly mitigates climate change by capturing and repurposing CO₂, turning a harmful pollutant into a valuable resource;
- Biogenic CO₂ is a must for e-SAF from 2042, and can be partially captured from the SAF/HVO stand-alone plant and contributes to carbon neutrality;
- helps industries meet stringent emissions regulations and achieve carbon neutrality targets;
- aligns with international climate initiatives, such as the Paris Agreement, fostering long-term environmental and economic resilience.

❖ **Maritime fuels**

The FuelEU Maritime Regulation defines maritime fuels as energy sources used by ships to ensure compliance with the regulation's greenhouse gas (GHG) intensity requirements. These fuels encompass a range of options, including:

- Renewable Fuels of Non-Biological Origin (RFNBOs): Fuels produced from renewable energy sources other than biomass, such as hydrogen or synthetic fuels derived from renewable electricity.
- Low-Carbon Fuels: Fuels that result in lower GHG emissions compared to traditional fossil fuels, including certain biofuels and advanced synthetic fuels.

We are currently investigating two options: Green ammonia and Green Methanol

Green ammonia and Green Methanol will be produced from renewable energy sources. This makes them a potential carbon-neutral fuel source and a promising alternative to traditional fuels in various sectors, including:

- Transportation: both can be used as a fuel for ships, trucks, and trains. They have a higher energy density than hydrogen, making it easier to store and transport;
 - Power generation: both can be used in power plants to generate electricity. It can also be stored and used during periods of peak demand;
- Industrial applications: both can be used as a feedstock for fertilizers, plastics, and other chemicals.

A series of investments in particular in refining are planned and include also multiple measures to reduce emissions through optimization, energy efficiency, new equipment and infrastructure.

Refining CAPEX Program - Mil USD-	2025	2026	2027	2028	2029	2025-2029
Catalyst program	1.23	4.96	1.23	16.93	0.03	24.38
Compliance program	0.35	0.84	0.80	1.02	1.53	4.54
Dynamic equipment	0.87	0.40	0.67	1.40	1.68	5.02
Emergency situation	2.49	0.50	1.00	1.00	1.00	5.99
Energy efficiency & Production	7.78	8.70	3.23	2.22	5.65	25.58
Equipment and Infrastructure	4.73	3.34	4.77	1.64	2.36	16.84



IT implementation	1.41	0.76	0.30	0.42	0.12	3.00
Logistic debottleneck & Tank	10.66	10.69	14.57	20.08	19.63	75.63
Power Rehabilitation Program	3.20	7.63	4.40	3.90	2.44	21.57
Production process	-	-	-	-	-	-
Optimization	3.26	6.59	4.84	5.73	10.12	30.54
Safety and security	12.46	8.88	6.09	6.79	7.72	42.15
Static equipment replacement	1.00	1.00	1.00	1.00	1.29	5.29
TA/SD program	7.65	18.98	5.18	35.55	5.28	72.62
Grand Total	61.25	86.10	52.04	117.85	63.03	380.27

EU Taxonomy Regulation

As set out in Annexes 1-5 to Commission Delegated Regulation (EU) 2020/852 the reporting undertaking (**Romp petrol**) should present a consolidated CAPEX plan that should include the list of taxonomy-eligible economic activities in 2024 and should provide information on the planned Capex for their financing with the aim of increasing sustainability over the next 5 years. The CAPEX plan for eligible activities should be based on the most recent business plan approved by management, while the time horizon reflects the five-year period for a Capex plan. Planned Capex may be subject to revisions and changes. The CAPEX plan has been prepared to align eligible activities identified. **See Annex 1 for full EU Taxonomy Reporting.**

2.2 Energy and emissions

2.2.1 Energy consumption & mix

ESRS E1-5

Energy consumption from conventional sources can have a notably adverse impact, with energy production being a major contributor to climate change. In the realm of crude oil refining, both the quantity and origin of consumed energy can significantly influence economic outcomes, as energy costs constitute a large portion of the operational expenses for refineries. Rising energy prices can elevate the higher production cost for petroleum products, potentially leading to higher prices for consumers. Moreover, energy consumption is subject to energy policies and regulations, which can further affect business costs.

Furthermore, the total energy consumption registered in 2024 was 3,920,718 MWh out of which 2,473,005 MWh of energy (IPCC conversion factor used) are generated internally from non-renewable resources. The table shows the total energy consumption in energy intensity of net revenue for activities in high climate impact sectors:



Energy intensity per net revenue	2020	2021	2022	2023	2024	% 2024/ 2023
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/RON)	0.00054	0.00033	0.00020	0.00026	0.00026	99%

The energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors in which we operate are presented below. Information on energy intensity is obtained only from total energy consumption and net revenue from activities in economic sectors with a high climate impact. Those are the sectors listed in sections A - H and section L of Annex I to Regulation (EC) no. 1893/2006 of the European Parliament and of the Council⁴, **sectors with high climate impact**⁵.

Rompotrol's activity in O&G and petrochemicals (refining and sale) are identified as ESRS sectors with significant climate impact, used to determine energy intensity. The table shows where the net revenue amount from activities in high climate impact sectors is included in the financial statements:

Net revenue from activities in high climate impact sectors used to calculate energy intensity	17,792,745,072 RON
Net revenue (other)	0
Total net revenue (Financial statements)	17,792,745,072 RON

Energy production from non-renewable sources and from renewable sources in MWh

Energy production from non-renewable sources (refinery fuel gas production, coke on catalyst, low calorific gases from pressure swing adsorption (MWh))	2,473,005
Energy production from renewable sources (MWh)	0

The table below shows total energy consumption in MWh and the breakdown by various categories in connection with **Rompotrol** operations.

Energy consumption mix	Unit	Rompotrol				
		2020	2021	2022	2023	2024
(1) Fuel consumption from coal and coal products (MWh)	MWh	0	0	0	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	MWh	2,757,401	2,327,172	3,070,883	2,933,519	2,473,005
(3) Fuel consumption from natural gas (MWh)	MWh	582,929	695,557	488,182	452,026	454,898

⁴ <https://eur-lex.europa.eu/legal-content/RO/TXT/?uri=CELEX%3A32022R1288>

⁵ https://ec.europa.eu/competition/mergers/cases/index/nace_all.html



Energy consumption mix	Unit	Romp petrol				
		2020	2021	2022	2023	2024
(4) Fuel consumption from other fossil sources (MWh)	MWh					
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	MWh ⁶	868,210	758,879	687,226	683,908	642,201
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	MWh	4,208,540	3,781,607	4,246,291	4,069,453	3,570,104
Share of fossil sources in total energy consumption (%)	%	94%	94%	90%	91%	91%
(7) Consumption from nuclear sources (MWh)	MWh	109,598	88,063	36,681	60,405	50,389
Share of consumption from nuclear sources in total energy consumption (%)	%	2%	2%	1%	1%	1%
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	MWh	0	0	0	0	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	MWh	144,402	158,324	415,291	359,905	300,225
(10) Energy consumption from renewable sources other than self-produced fuels (MWh)	MWh	0	0	0	0	0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	MWh	144,394	158,324	415,291	359,905	300,225
Share of renewable sources in total energy consumption (%)	%	3%	4%	9%	8%	8%
Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	MWh	4,462,535	4,027,995	4,698,263	4,489,763	3,920,718

Note:

(2) Fuel consumption from crude oil and petroleum products (MWh) - consist in refinery fuel gas, coke on catalyst, low calorific gases from pressure swing adsorption (PSA), quantities calculated on daily basis in metric tons in mass balance of Petromidia Refinery; transformed in MWh with following calorific value: a) refinery fuel gas - on line analysis, annual average value for 2024 being 41.35 GJ/ton * 0.277778 = MWh

b) coke on catalyst - 37.7 GJ/tons * 0.277778 = MWh

c) pressure swing adsorption (PSA) low calorific value gases- 26.37 GJ/tons * 0.277778 = MWh

(3) Fuel consumption from natural gas (MWh) - natural gas acquisition for energetic purpose (the invoices are in MWh) from OMV Petrom supplier

(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh) - consist in steam acquisition from Rompetrol energy supplier (in Gcal) + power acquisition in 2024 using the power label (fossil-nuclear) componence % from Hidroelectrica 2023

⁶ 1 Gcal = 1.163 MW h -- 1 MW h = 0.8598452 Gcal – information received in Gcal



(7) Consumption from nuclear sources (MWh) - power acquisition in 2024 using the label nuclear component % from Hidroelectrica 2023

(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh) - power acquisition in 2024 using the power label renewable component % from Hidroelectrica 2023

Refining operations - breakdown

In 2024, the total energy consumption recorded at the Refinery BU level (PEM, RPP, Vega) was 3.92 million MWh, 12.67% lower than the energy consumption recorded in 2023 (4.49 million MWh), being strongly influenced by operating days of the two refineries, the degree of loading of the installations as well as the operation of the installations in the Petrochemical area. We mention that in 2024, between March and May 2024, the installations on the platform were stopped for the planned general revision.

The distribution of energy consumption is as follows:

- Petromidia Refinery: 3.37million MWh ~ 86%
- Petrochemical area: 0.35 million MWh ~ 9%
- Vega Refinery: 0.20 million MWh ~ 5%

At the level of BU Refining there are more energy efficiency indicators, monitored on daily basis:

BU Refining Energy is a compressive indicator which shows the energy performance at the integrate level for PEM, Vega & RPP area. For 2024 it was achieved 3.25 GJ/t of total throughput.

BU Refining Energy indicator formula = (PEM Energy consumption + Vega Energy consumption+ RPP Energy Consumption)/ (PEM Total Throughput+ Vega Total Throughput + RPP Total Throughput)

Energy Intensity Index (EII) for PEM Refinery shows how efficiently the Refinery utilizes energy and is equal with Actual Energy Consumption in GJ/day divided by Standard Energy in GJ/day multiplied by 100. In 2024 the EII was 97.5, being negative influenced by refinery operation in first half from 2024. As positive highlight for second half of 2024, it was recorded an EII of 92.4 achieving our **lowest-ever EII of 89.5 in October 2024**, highlighting energy efficiency initiatives implemented mainly with impact in steam and fuel gas consumption decrease.

Actual energy (GJ/day)– Σ (Steam consumption, Steam production, Fuel gas consumption, Power consumption, Coke on catalyst & flue gases from FH2) for units and Off sites area.

Standard energy (GJ/day)– Σ Standard energy for all units (Unit Capacity x Utilization x EII factor*) + Off Sites & Utilities Energy, where*EII factor - may either be a constant factor or a result of several variables describing the unit' feedstock and operating conditions and Off sites & Utilities energy; is a linear function of daily net throughput and complexity.

Energy Consumptions in Petromidia Refinery, GJ/t of throughput –Ratio between Total Energy Consumption and Refinery Total throughput – in 2024 the Energy Consumption was 2.99 GJ/t of throughput.

Energy index for polymers (EIP) –EIP shows how efficiently the Petrochemicals area utilizes energy and is equal with Actual Energy Consumption in GJ/day divided by total yield (polymer and propylene polymer grade) – for 2024 the Energy Index was 26.25 GJ/t of polymers productions being influenced by units operation.

Energy Consumptions in Vega Refinery, GJ/t of throughput –Ratio between Total Energy Consumption and Refinery net Input – for 2024 the achieved value was 2.69GJ/t of throughput, being influenced by refinery operation.

Rompotrol Downstream operations

In 2024, the total energy consumption recorded at the level of Rompotrol Downstream SRL was 23,656.09 MWh, being strongly influenced by the opening of the 12 new fuel distribution stations located on the A1 Highway in Romania.



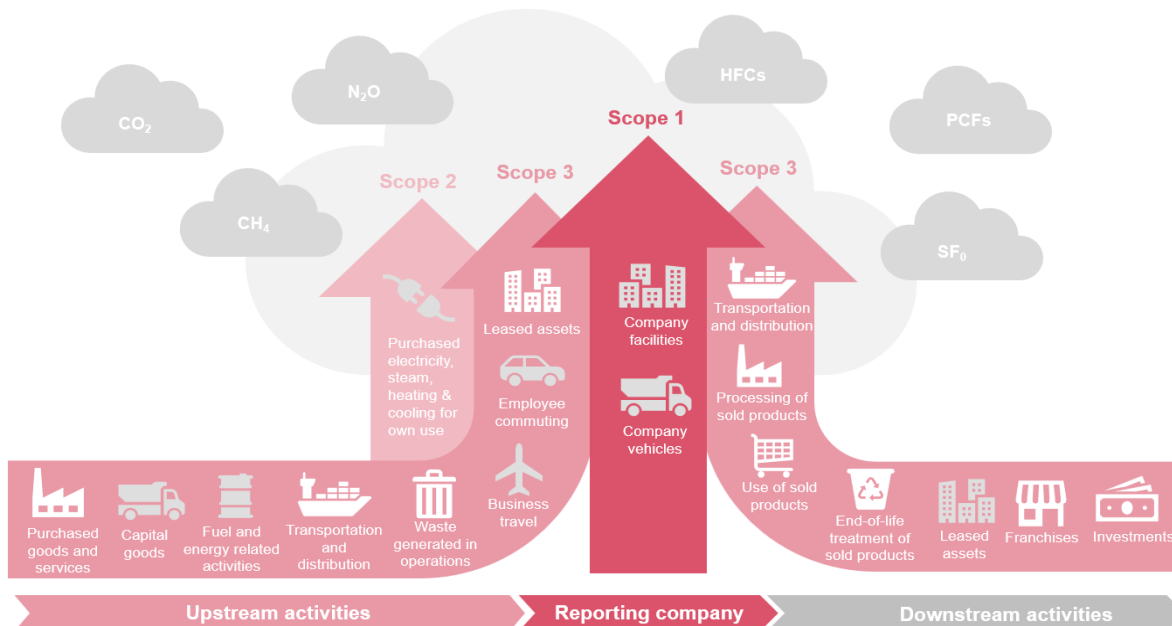
Romp petrol Gas operations

In 2024, the total energy consumption recorded at the level of Romp petrol Gas SRL was 705.77 MWh.

2.2.2 2.2.2 Gross Scopes 1, 2, 3 and Total GHG emissions GHG Intensity based on net revenue

ESRS E1-6

The carbon footprint presented in this report represents the total greenhouse gas (GHG) emissions caused by our Company during the financial year 2024, expressed as carbon dioxide equivalent. The Greenhouse Gas Protocol (GHG Protocol) defines three emission scopes:



- Scope 1 emissions are direct emissions from owned and controlled sources. In other words, emissions released into the atmosphere as a direct result of a set of activities.
- Scope 2 emissions are indirect emissions from the generation of purchased energy, such as purchased electricity.
- Scope 3 emissions are all indirect emissions – not included in scope 2 – that occur in the value chain of the reporting company, including both upstream and downstream emissions. In other words, emissions that are linked to our operations.

The carbon footprint embodies the total volume of greenhouse gas (GHG) emissions generated along the value chain. This quantification method primarily relies on calculation rather than direct measurement. GHG emissions are computed by multiplying activity data or spending with an emission factor. The GHG Protocol methodology was used to calculate Scope 1 (in addition to EU ETS), 2 and 3 generated emissions, for both market and location-based emissions.

The data for GHG emissions related to the ESRS report correspond to the date of the general-purpose financial statements, financial year 2024 is calendar year 2024. **Significant Scope 3 categories were included in the computation of Scope emissions.**

METHODOLOGY for CFP

Greenhouse gas emissions of KMGI include emissions that are directly caused by our own activity as well as the emissions generated along the value chain that are material and controlled by KMGI.



Emissions from ETS installations - Scope 1 statutory reporting and auditing requirement

The two KMGI refineries fall under the provisions of HG no. 780/2006 regarding the establishment of the commercialization scheme of GHG emissions certificates, with subsequent amendments and additions, must draw up, annually, a GHG emissions monitoring report. In accordance with the harmonized requirements provided for in Regulation (EU) no. 2066/2018 for the ETS Directive 2003/87/EC, which provides (among others):

- the obligation to verify and validate greenhouse gas emissions and to report the emissions to competent authority by March 31

The European Directive on Emission Trading Scheme (Directive 2003/87/EC) applies to energy activities (burning fuels for energy purposes, oil refining), production and transformation of ferrous and nonferrous metals, mineral products industry, paper industry, chemical industry, capture, transport and storage of GHG and air transport.

GHG Protocol

The GHG Protocol was employed for estimating other emissions along the value chain and provides the most widely used accounting (emissions calculation) standards for greenhouse gases in the world (<https://ghgprotocol.org/about-us>), including a number of calculation tools. Guidance documents include one or more approaches for determining CO₂ and other GHG emissions, e.g., direct measurement, mass balance, etc. The calculation tools are available on the GHG Protocol website and are meant to complement the Protocol and make calculations easier, but their use is not mandatory (<https://ghgprotocol.org/calculation-tools>).

The GHG Protocol did not set a “one size fits all” materiality threshold, material emissions (sources) are according to sector activities (see draft ESRS – sector guidance for example) or site specific knowledge. GHG Protocol has provided Excel based calculation tools on its website for any organization to download and use free of charge. These tools use widely accepted emission factors for both cross sector and sector specific emission sources in corporate GHG inventories. These are default factors, other (better) factors may be used based on site specific knowledge.

The inventory of GHG emissions includes all relevant companies and activities selected based on operational control criterion 100% operated by Rompetrol Rafinare SA and subsidiaries.

Rompetrol Refinery SA operates two refineries - Petromidia Refinery in Năvodari, Constanța, together with the only petrochemical division of the country, and Vega Refinery in Ploiești, Prahova, which keeps the local refining industry at high standards. The office building – where multiple Group subsidiaries are also located, is included in the reporting boundaries. Their emissions are not metered separately; therefore, their emissions were calculated together.

* Rompetrol Petrochemicals exists as a legal entity, but all its activities have been integrated into Rompetrol Rafinare.

Headquarters	Office activities
Rompetrol industrial entities	Manufacturing of products from crude oil
Petromidia Refinery	Refinery of petroleum products and petrochemicals
Vega Refinery	Refinery of petroleum products and petrochemicals
Rompetrol service entities	Various support services
<i>Rompetrol Quality Control SRL</i>	Laboratory Activities
<i>Rompetrol Logistics SRL</i>	Logistics for refinery products (no significant emission intensive activities)



Romp petrol Downstream	Warehouse and Fuel distribution stations
Romp petrol Gas SRL	Wholesale of LPG

The **Romp petrol boundaries** for calculating GHG emissions have been established on a materiality basis following internal consultation with representatives from potentially material entities and particularly for Scope 3, a **significance assessment to identify relevant categories was performed**. For scope 3 emissions, the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011) was used for establishing relevance.

The Scope 3 significance assessment resulted in the following categories being considered relevant for Romp petrol entities within the reporting boundaries:

Significant Scope 3 category	Reason for significance
1: Purchased goods and services	Large volumes of purchases
2: Capital goods	Large volumes of capital goods
3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	Large volumes of natural gas purchased
4: Upstream transportation and distribution	Large volumes
5: Waste generated in operations	Significant based on tonnage
6: Business travel	Relevant to the influence on potential emission reduction
7: Employee commuting	Relevant to the influence on potential emission reduction
9: Downstream transportation and distribution	Relevant for downstream activities
10: Processing of sold products	Large volumes of products sold to B2B clients for their processes
11: Use of sold products	Large volumes of sold products (Fuel products)
12: End of life treatment of sold products	Significant for Romp petrol Rafinare SA products

Scope 3 input data for calculations consisted mostly in volume based or spent based calculations from Romp petrol data and published emission factors. Regarding the emission factors, only for purchased bioethanol, biodiesel and MTBE products, we received information regarding the emission factor from the supplier. For the rest of the purchases and other categories, we used emission factors from available databases (IPCC, US EPA, DEFRA UK).

The Scope 3 significance assessment resulted in the following categories not being considered significant:

Scope 3 category	Reason for exclusion
8: Upstream leased assets	Not applicable, no upstream leased assets
13: Downstream leased assets	Not applicable, no downstream leased assets
14: Franchises	All franchise relevant (emission intensive) activities included in category 11 – use of sold product
15: Investments	Not relevant, no material JVs under operational control

Materiality for emissions: within the categories defined by the GHG Protocol, those with an estimated weight of less than 1% have been excluded, provided that the sum of all of them does not exceed 5%.

Double reporting was avoided by defining Romp petrol's Scope 1, 2, 3 emission boundaries - centralised approach.

Note - For Romp petrol Gas Scope 3

1. Purchased goods and services FE was taken from the US EPA database (see row 671
<https://catalog.data.gov/dataset/supply-chain-greenhouse-gas-emission-factors-v1-2-by-naics-6/resource/fbc78d3c-49bd-40c0-9dac-2ed16c07a305>

2. Capital goods FE was taken from US EPA database (see row 982)

<https://catalog.data.gov/dataset/supply-chain-greenhouse-gas-emission-factors-v1-2-by-naics-6/resource/fbc78d3c-49bd-40c0-9dac-2ed16c07a305>

5. Waste generated in operations FE was taken from DEFRA and FE for wastewater FE was calculated from the test reports - total CCOCr.

9. Downstream Transportation and distribution FE was taken from the supplier Petromidia Refinery



11. Use of sold products FE was taken from the Table 2.2 IPCC guide 2006 vol.2.

For DWS: For Scope 3:

1. Purchased goods and services FE was taken from the US EPA database (see row 671 <https://catalog.data.gov/dataset/supply-chain-greenhouse-gas-emission-factors-v1-2-by-naics-6/resource/fbc78d3c-49bd-40c0-9dac-2ed16c07a305>)
2. Capital goods - operational leasing - FE was taken from US EPA database (see row 433). <https://catalog.data.gov/dataset/supply-chain-greenhouse-gas-emission-factors-v1-2-by-naics-6/resource/fbc78d3c-49bd-40c0-9dac-2ed16c07a305> and for capital goods maintenance equipment FE was taken from the US EPA database (see row 982) <https://catalog.data.gov/dataset/supply-chain-greenhouse-gas-emission-factors-v1-2-by-naics-6/resource/fbc78d3c-49bd-40c0-9dac-2ed16c07a305>.
5. Waste generated in operations FE was taken from DEFRA and for wastewater FE was estimated according with specialized reading.
6. Business Travel - the data were provided by the supplier.
9. Downstream Transportation and distribution FE was taken from the supplier Petromidia Refinery
11. Use of sold products FE was taken from the supplier Petromidia Refinery.

Assumptions and notes on methodology

- In order to avoid double reporting, consolidated boundaries have been set at for Scope 1, 2, 3, in accordance with the GHG Protocol centralized approach.
- The inventory of GHG emissions includes all relevant companies and activities selected based on the criterion of 100% operational control. Entities with operational control according to the GHG Protocol were included.
- In Rompetrol's centralized reporting, emissions related to LPG quantities are reported by gas stations (Rompetrol Downstream Romania) and Rompetrol Gas for their own emissions from sold gas, thus avoiding double counting.
- The operational transport from the refineries to the other Rompetrol entities, including LPG, automotive and rail (electric) transport, as well as to its own storage facilities, is carried out by **third parties** contracted by Rompetrol Downstream or by Rompetrol Rafinare SA. Thus, the emissions associated with Scope 3 (since they are external carriers) are included in the calculation by Rompetrol Downstream (Romania) and Rompetrol Gas.
- The transportation of petroleum products from refineries to B2B customers (both by cars and by barges) is under the control of Rompetrol's customers, with the exception of deliveries to the Romanian Army (MApN), which are not significant in terms of the volume of emissions. For this reason, the shipments of petroleum products to the Romanian Army were not quantified for inclusion.
- Emissions associated with waste generated, based on quantity and type of waste generated, have been included in the calculation as significant/material at the industrial sites only, excluding fuel stations as non-significant for this category.
- Emissions associated with wastewater treatment plants were included in the calculation as material, at the industrial sites and HQ.
- To avoid double reporting, the quantities of Scope 1 fuel from Rompetrol's own fleet (entities in industry and services, as well as the Rompetrol Downstream fleet) were subtracted from the total quantities of Scope 3 fuel, as these vehicles are fuelled from Rompetrol filling stations.
- In the case of operational transport carried out by third parties, their fuel consumption was included in Scope 3 assuming they fuel exclusively from other suppliers, unless contractual conditions mandate purchasing fuel from Rompetrol. To avoid double reporting in the case of



external transporters, who supply from Rompetrol filling stations (they are contractual Rompetrol customers), emissions were calculated and included in Scope 3 only once.

- The fuel storage facilities are operated by Rompetrol Downstream, the associated emissions being reported by these entities (emissions of Romoil SA and Rompetrol Logistics SRL storage facilities are included in Rompetrol Downstream (the entity that operates the storage facilities).
- Emission factors for fossil fuels (gasoline and diesel) and biofuels (bioethanol and biodiesel) were calculated in accordance with RED II requirements. To calculate the emission factors of biofuels (biodiesel and bioethanol), the product characteristics according to the data provided by the manufacturer were used. All biofuels purchased by Rompetrol Refinery are certified according to RED II.
- The quantities of fuel sold by Rompetrol Downstream, are delivered by Rompetrol Refinery. The emission factors of fuels and biofuels sold in gas stations are calculated based on the data provided by Rompetrol Refinery (for fuel sold in Romania). It should be noted that less than 1% of Rompetrol Refinery's total fuel volume comes from purchases from the market, and this amount is included in the emissions calculation.
- For Romania, the last published country emission factor (2023) for electricity was used for calculation of location-based scope 2 emissions.
- EU ETS emissions calculations have been introduced where applicable (the two refineries Petromidia and Vega).

SCOPE 1

Because Scope 1 emissions refer to all direct greenhouse gas emissions from sources that are controlled by the organization itself, Scope 1 emissions were therefore calculated as follows.

Rompetrol industrial entities

Emissions from installations – **EU ETS – Rompetrol Refinery SA – Petromidia Refinery, Vega Refinery.** Direct emissions from installations include the following sources: combustion in furnaces, flares, processes. No fugitive or emergency gas emissions are accounted for, they are not considered relevant emissions on the enclosed industrial platform (for refinery processes).

There are continuous wastewater treatment plant (WWTP) related emissions. The methodology to calculate the CO₂e emission related to WWTP is:

- the volume of waste water was recorded on each stream entering WWTP
- COD concentration was recorded on each water flow
- the emission factor 0.25 kg CH₄/kg COD was used
- The resulting CH₄ was multiplied by the GWP factor (28)

GHG emissions (under EU-ETS) are calculated based on activity data (fuel consumption, production per plant etc.). The direct emissions of the installations are calculated according to the EU ETS regulations, validated by an accredited external verification body. The total flare gas (Nm³) is taken into account.

The monitoring of CO₂ emissions is carried out based on a monitoring plan approved by the competent authority. For each flow identified in the Plan, the consumption of combustible gases is recorded (through verified measuring equipment).

Also, each fuel gas used is analyzed daily (chromatographic composition) necessary for calculating the emission factor.

No assumptions are made. All input data is recorded/measured/analyzed.

Mobile emissions – include company vehicles (tons CO₂e) Emission factors: RED II

Rompetrol services entities (Rompetrol Quality Control SRL, other.)

Heating gases, vehicles, refrigerants have been included in Scope 1 if material and controlled by Rompetrol.



Rompetrol Downstream SRL – Warehouse and Fuel distribution stations

Truck transport (may be Scope 3 if carried out by a carrier – service provider – external), refrigerants (losses of cooling agents) from refrigeration units and air conditioning are included in Scope 1.

Rompetrol Gas SRL – LPG bottling stations in Arad and Bacău – material emissions are from thermal power plants for heating – (propane combustion). Emissions associated with fuel burning of own fleets (Scope 1 emissions) – were subtracted from the quantities of fuel sold by Rompetrol Downstream (Scope 3) in order to avoid double reporting of these emissions as they supply from Rompetrol filling stations.

SCOPE 2

Rompetrol Scope 2 emissions represent all indirect greenhouse gas emissions resulting from purchased electricity consumption. There are no steam purchases or other upstream generated energy.

Rompetrol industrial entities - Purchased electricity (MWh) from the supplier is used for market-based calculation, country factor is used for location-based calculation. For Rompetrol Rafinare – Petromidia Refinery, emissions resulted from the steam purchased are also included in scope 2.

Rompetrol service entities (Rompetrol Quality Control SRL, Headquarters activities, other.) - Purchased electricity (MWh) from the supplier is used for market-based calculation, country factor is used for location-based calculation.

Rompetrol Downstream SRL – Warehouse and Fuel distribution stations - Purchased electricity (MWh) from the supplier is used for market-based calculation, country factor is used for location-based calculation.

Rompetrol Gas SRL – LPG bottling stations in Arad and Bacău - Purchased electricity (MWh) from the supplier is used for market-based calculation, country factor is used for location-based calculation.

*PEM - the EF for electricity is expressed in kg CO₂ equivalent (includes CH₄, N₂O). And for the emissions related to the steam purchased is calculated only CO₂ (scope 1 Rompetrol Energy), under EU-ETS.

* RGS: The emission factor for electricity has been taken from the energy label of the provider.

SCOPE 3

Rompetrol Scope 3 significant emissions are all indirect greenhouse gas emissions resulting from the upstream and downstream activities of Rompetrol entities, given the established boundary, a significance assessment to identify relevant categories was performed. The emissions factors used are activity based or spend -based depending on availability of data and published emission factors (DEFRA), following GHG protocol guidelines for significance and estimation.

Note PEM:

Cat.1 - value (from invoices) multiplied with EF from US EPA

Cat.2 - value (from invoices) multiplied with EF from Defra

Cat.3 - consumption MWh multiplied with EF from Defra.

Cat.4&Cat.9 - volumes of product (purchased & sold) multiplied with the distance (km) multiplied with EF from GHG P.

Cat.5 - waste quantities multiplied with EF from Defra.

Cat.6 - CO₂ from airplane companies

Cat.7 - km travelled * average diesel consumption * RED II EF

Cat.10 - value (from invoices) multiplied with EF from US EPA

Cat.11 - quantities multiplied with EF from RED II

Cat.12 - quantities sold multiplied with EF from UK



The table below shows the GHG emissions, broken down into scope 1-3 emissions.

Scope & Category	2024 (N) RRC and affiliated	% N / N-1	2025	2030	2050	Annual % Target / Base Year
Gross GHG emissions - Scope 1 (tCO ₂ equivalent -Direct Emissions)	721,916 (RRC and affiliated)		-	-	-	-
Percentage of category 1 GHG emissions from systems of regulated trading of emission certificates (%)	95.41 %		-	-	-	-
Gross GHG emissions - Scope 2 according to location (tCO ₂ equivalent) –location based	66,964		-	-	-	-
Gross GHG emissions – Scope 2 by market (tCO ₂ equivalent)- Indirect Emissions (market - based)	116,974		-	-	-	-
Gross GHG emissions - Scope 3 (tCO ₂ equivalent)	14,370,676 (RRC and affiliated)		-	-	-	-
1 Purchased goods and services	3,532,160		-	-	-	-
2 Capital goods	4,057		-	-	-	-
3 Fuel and energy activities (not included in Category 1 or Category 2)	16,950		-	-	-	-
4 Upstream transport and distribution	27,389		-	-	-	-
5 Waste generated during operations	22,451		-	-	-	-
6 Business Travel	4		-	-	-	-
7 The employee's commute	140.26		-	-	-	-
8 Upstream leased assets	0		-	-	-	-
9 Downstream transport and Distribution	34,703		-	-	-	-
10 Processing of sold products	82,538		-	-	-	-
11 Use of the products sold	10,649,861		-	-	-	-
12 End-of-life treatment of sold products	422		-	-	-	-

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Scope & Category	2024 (N) RRC and affiliated	% N / N-1	2025	2030	2050	Annual % Target / Base Year
13 Downstream leased assets	-		-	-	-	-
14 Franchises	-		-	-	-	-
15 Investments	-		-	-	-	-
Total GHG emissions (location-based) * (tCO ₂ equivalent)	15,159,556		-	-	-	-
Total GHG emissions (market-based) ** (tCO ₂ equivalent)	15,209,566		-	-	-	-

The table below shows the emissions intensity (kgCO₂e/RON).

GHG

	Comparative	2024 (N)	% N / N-1
GHG intensity per net revenue (location based)		1.173698	
GHG intensity per net revenue (market based)		1.169839	

The table below shows the reconciliation of the net revenue used to calculate GHG intensity to the relevant line item or notes in the financial statements.

	Rompetrol (RON)	USD
Net revenue used to calculate GHG intensity	17,792,745,072	3,724,825,212
Net revenue (other)	0	0
Total net revenue (Financial statements)	17,792,745,072	3,724,825,212



2.2.3 GHG removals and GHG mitigation projects financed through carbon credits

ESRS E1-7

During the reporting period, Rompetrol did not perform nor partake into GHG removal or GHG storage activities.

2.2.4 Internal carbon pricing

ESRS E1-8

Rompetrol does not currently employ an internal carbon pricing scheme.

2.2.5 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

ESRS E1-9

Rompetrol is still in the process of identification and quantification of anticipated financial effects of significant physical and transition risks and the potential to benefit from significant climate-related opportunities.



3 ENVIRONMENTAL POLLUTION AND PROTECTION

ESRS E2

3.1 Concepts and measures relating to pollution

3.1.1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

ESRS 2 IRO-1

At Rompetrol, the potential pollution-related impacts, risks, and opportunities for the refinery, gas stations and depots, are analyzed within the evaluation of environmental aspects. This evaluation is carried out based on a documented procedure. When identifying specific environmental aspects, the following are taken into account: the direct environmental aspects of the activities, services, products of the organization and the indirect ones (which the company can influence), including:

- air emissions from stationary sources and in receiving neighborhoods (emissions);
- odours;
- spills in water;
- waste management;
- management of dangerous substances;
- soil pollution;
- noise;
- the use of raw materials and natural resources;
- the impact on communities.

In order to identify the impact/risk/opportunity of the business activities, we assess each unit/plant/activity of the refinery, gas stations and depots. The calculation of the environmental impact is calculated according to severity, frequency, affected neighborhoods, regulation. Quarterly communication is performed on the company website of environmental issues in order to engage and inform the public.

Rompetrol Rafinare SA and its subsidiaries (**Rompetrol**) are included in the KMGI Group Risk Profile. In the risk management stage, the "Pollution" aspect is analyzed in depth, taking into account both the financial and non-financial risks associated. In order to minimize the negative consequences, the organization develops customized control measures, adapted to the specificity of each identified risk. Internal measures include the establishment and implementation of strict standards and procedures for the management of environmental pollution risks, as well as the promotion of sustainable practices in all **Rompetrol** activities. In order to improve the efficiency and effectiveness of the pollution risk management process, specific actions aimed at reducing negative impact.

Rompetrol Rafinare SA identifies the relevant risks and opportunities arising from the analysis of the context in which it operates, compliance obligations, and the needs and expectations of relevant interested parties.

Additionally, risks may also be associated with emergency situations that could have harmful impacts on the environment, health and safety at work, or other effects on the company. In identifying potential emergency situations, the nature of the hazard, the type and extent of the most probable emergency situations, and potential emergency situations in neighboring areas (Domino effect) are considered.

Relevant risks for the intended outcomes of the integrated management system, as well as those associated with permanent or temporary changes within the organization, are identified and evaluated by process owners/department managers, who establish and plan appropriate actions to address them. In the case of planned changes, the evaluation is carried out before the modification is implemented.



Opportunities for improving the performance of the management system are also identified, and those that prove feasible after evaluation are included in the organization's plans/programs.

Identified risks and opportunities that can generate other risks and opportunities for the organization are also taken into account and evaluated.

The implementation status of actions is periodically reported to the management, providing input for the management's analysis.

In this way, **Rompetrol Rafinare SA** ensures that:

- The management system can achieve the intended results (compliance with legal and regulatory requirements regarding environmental protection, operational security, and improving environmental/health performance);
- It develops the desired effects (protecting the environment);
- It prevents or reduces undesirable effects (non-compliance with legal and regulatory requirements, negative impact on the organization's reputation, the environment, or employees' health).

Within the management system, **Rompetrol Rafinare SA** identifies environmental aspects and impacts associated with activities, its products from a "life cycle" perspective, and aspects generated by the external environment, considering the stages that the company can control or influence, compliance obligations, and the context in which it operates, as well as abnormal conditions and reasonably foreseeable emergency situations.

Both environmental aspects associated with planned/new activities and products that the organization can control, as well as those that the organization can influence, related to services provided by contractors or other organizations, including those associated with outsourced processes, are prioritized to determine the significant environmental aspects – those associated with activities that can have a significant (or significant) impact(s) on the environment.

Significant environmental aspects can also result from risks and opportunities associated with either harmful environmental impacts (threats) or beneficial environmental impacts (opportunities).

Hazards regarding health and safety at work that the organization can control are identified, and the risks associated with both planned/new activities and products, as well as those related to services provided by contractors or other organizations, including outsourced processes, are evaluated.

For both significant environmental aspects and risks regarding health and safety at work, appropriate actions for addressing them are established through programs and plans.

Rompetrol Downstream SRL (DWS) and **Rompetrol Gas SRL** have implemented a QHSE system, which, among other things, contributes to minimizing environmental risks.

Rompetrol Quality Control (RQC) carries out laboratory activities, which involve both risks and opportunities related to pollution, management of natural resources, and environmental protection. The activities of our laboratories are monitored to identify potential pollution sources and risks of soil, water, and air contamination.

The identification process includes the use of environmental monitoring tools through laboratory analyses. In this process, both the direct impacts of the organization's activities and services (identified hazards) and the indirect effects that RQC can influence are analyzed.

As part of our double materiality assessment, we analyze our site locations and business activities. We implemented a thorough screening process to identify the actual and potential pollution-related impacts, risks, and opportunities within our own operations and value chain. Furthermore, we conducted consultations with our stakeholders as part of the materiality assessment.

Section 1.5.4 Material impacts, risks and opportunities and their interaction with strategy and business model presented above, summarizes the pollution IROs from the double materiality analysis conducted.



3.1.2 Policies

ESRS E2-1

We recognize the interdependency between impacts on people and the environment, as well as the risks and opportunities they present.

We adopted policies to manage our material impacts, risks, and opportunities related to pollution, which are in accordance with the minimum reporting requirements laid out in the Minimum Disclosure Requirements with respect to policies (MDR-P) as defined in ESRS 2. Mapping of key policies to the areas mitigating negative impacts related to pollution of air, water and soil including prevention and control, of substances of concern. Moreover, we disclose with regard to our own operations and our upstream and downstream value chain, our policies that address the specified areas.

The top management at **Rompetrol** has established, implemented, and maintains policies and rules in the areas of QHSE that are appropriate for the organization's purpose and context. All policies refer to working points. Contractors and sub-contractors are subject to our policies by binding documents such as the contract and the additional Health Safety Security and -Environmental Protection agreement.

The adoption of practices necessary for identifying, assessing, and managing processes and associated risks is promoted, as well as the periodic evaluation of environmental aspects, with a constant focus on minimizing their impact on the surrounding environment through pollution prevention and emission reduction.

The company's policies are communicated to all employees and are available to interested parties. The policies are periodically reviewed to ensure they remain relevant and appropriate.

Rompetrol has drafted the KMG I Group **ESG Policy** (also applicable for Rompetrol Rafinare and affiliated, to be approved during 2025), which is designed to guide our actions in a manner that aligns with industry best practices and standards. This policy outlines our approach to incorporating ESG into our investment process and describes the practices ESG that we strive to implement.

The policy specifies that EIAs are carried out for each new development in accordance with the EU EIA Directive. The EIA Directive procedure includes social impact assessment, public comment periods, public debates before development consent.

Our operations in Petromidia and Vega refineries are also strictly regulated through **Integrated Environmental Permits** by the relevant environmental authorities, in accordance with applicable legislation. This regulatory framework underlines our commitment to environmental protection and operational safety, ensuring that our refineries operate at the highest standards.

Rompetrol is committed to operating in compliance with environmental laws and regulations, guided by an **Integrated Management System** that emphasizes environmental protection. This commitment includes, among other things, **reducing pollution**.

In 2024, **Rompetrol Rafinare SA** maintained its certifications that attest to our commitment to quality and environmental protection, ISO 9001:2015 and **ISO 14001:2015** respectively.

Maintaining ISO 1400:2015 certification for environmental management systems, which focuses on environmental aspects including pollution prevention, risk reduction and improving an organization's environmental performance, demonstrates a commitment to continuous improvement of environmental performance.

Environmental risk management is carried out with rigorous attention to detail, reflecting our ongoing commitment to environmental conservation. We are fully committed to adhering to all applicable environmental regulations, a commitment that places substantial demands on our risk management framework. No formalized policies aimed at substituting and minimizing the use of substances of concern are in place, in addition to the regulatory requirements.

Both the **Petromidia Refinery** (also called the **Petromidia Platform**), the **Vega Refinery** (also called the and the **Vega Platform**) as well as **Rompetrol Downstream SRL** and **Rompetrol Gas SRL** operate under rigorous regulatory standards as a 'upper-tier' **SEVESO** establishment, complying with Law 59/2016 which transposed the SEVESO Directive for the management of major-accident hazards involving dangerous chemicals.



Thus, a **Hazardous Substances Policy** is in place.

In accordance with **company policies** (current legislation; QHSE policy; SEVESO policy; associated procedures; operating regulations of technological installations; and action plans specific to each emergency situation (the "Emergency Preparedness and Response Capacity" procedure, accidental pollution management, and related internal regulations)), **Rompetrol SA, Rompetrol Downstream SRL, and Rompetrol Gas SRL** undertake the following actions **to prevent and limit the impact/consequences of potential emergency situations on the environment and other stakeholders**:

- Identify potential emergency situations, assess the size and severity of their consequences at each site;
- Develop specific documentation for sites where there is a major accident risk due to hazardous chemicals;
- Establish the preparation and response procedures for such situations;
- Take measures to prevent/reduce the consequences of an emergency situation, in accordance with the magnitude of the emergency and its potential impact on the environment and people;
- Communicate relevant information to staff and stakeholders regarding such situations;
- Train staff, plan, and periodically test intervention plans;
- Periodically review and improve emergency response plans and capacity, especially after an emergency situation arises or following tests, if applicable;

The individuals within **Rompetrol** at the highest level, responsible for implementing the pollution-related policy, are:

- Petromidia and Vega Refineries – General Director;
- Rompetrol Downstream – General Director;
- Rompetrol Gas SRL – Sole Administrator;
- Rompetrol Quality Control SRL – General Manager.

3.1.3 Actions

ESRS E2-2

In accordance with the Minimum Disclosure Requirements for Actions (MDR-A), our key actions taken in the reporting year and planned for the future either to avoid or reduce pollution and restore, regenerate and transform ecosystems where pollution has occurred, are described in this section.

There are documented analysis regarding the comparison of the operating methods of the installations belonging to Rompetrol Rafinare SA – both sites, with the conclusions of BAT/BREF as required by the transposed EU Industrial Emissions Directive, with all applicable measures already implemented, no phasing put of harmful substances is applicable.

Applicable legislation includes:

- Decision 2014/738/EU for for the refining of mineral oil and gas
- Decision 2021/2326/CE for large combustion plants (applicable only for Vega refinery).

Thus, each applicable requirement was evaluated in relation to its stage of implementation. Following the comparative analysis (also submitted to the regulatory authority), it is concluded that **Rompetrol Rafinare SA** complies with all applicable requirements.

The applicable BAT requirements address the following pollution-related aspects:

- Environmental management systems;
- Air emission monitoring and key parameters;
- Monitoring of VOC emissions, Prevention or reduction of diffuse VOC emissions;
- Water emission control Emission levels.

The BAT (Best Available Techniques) Decisions for refineries were issued in 2014 and became applicable in 2018. All relevant measures have been fully implemented, including online flue gas



analyzers, enhanced monitoring frequency, and other compliance actions. Currently, there is no ongoing review of BAT Decisions.

The updated Directive 2010/75/EU on industrial emissions aligns with the objectives of the European Green Deal, aiming for a climate-neutral, clean, and circular economy by 2050, with optimized resource management and minimal pollution. The directive must be transposed into national legislation by July 1, 2026. Following this, integrated environmental authorizations and any new regulatory requirements will be reassessed.

The company remains in full compliance with all requirements of the Environmental Integrated Permit.

Related to ecosystem restauration, in March 2019, 500 meters from Vadu town and 2.5 km from the Black Sea shore, on the land belonging to Rompetrol Rafinare SA, was discovered an area of contaminated sand/soil with petroleum products, land that is part of Danube Delta Biosphere (protected habitat area)

Historical contamination, probably resulting from 1991, from the activities of unclogging Pond 1, which were carried out as a mandatory condition within the treatment plant project.

Procedures initiated as per regulations, in accordance with Law 74/2019 for contaminated sites were as follows:

- Preliminary Assessment Report submitted to the Environment Protection Agency
- Detailed investigation has been submitted to the authorities.
- Feasibility Study submitted to the Environment Protection Agency
- Remediation project

In 2024 we submitted to competent authority the necessary documentation in order to obtain the Environmental Permit, needed for work execution.

Following the annual management analysis, it is concluded that **Rompetrol Downstream SRL** and **Rompetrol GAS SRL** comply with all applicable requirements of the management programs, which address the following pollution-related aspects:

- Environmental management systems
- Air emission monitoring
- Monitoring of VOC emissions, Prevention or reduction of VOC emissions (applicable only for Rompetrol Downstream)
- Water emission control
- Emission levels

During the reporting period, we focused on maintaining the validity of regulatory acts, ensuring compliance with legal requirements to mitigate environmental incidents and maintain certifications according to ISO 14001:2015, as part of our Integrated Management System.

ISO 14001 places a strong emphasis on pollution prevention. Organizations implementing this system are encouraged to identify sources of pollution and take measures to prevent emissions, water and soil pollution.

In addition, environmental compliance activities include reports and audits aimed at meeting deadlines imposed by both internal and legal requirements, together with the timely transmission (immediately after entry into force) of any new legal requirements relating to applicable European regulations (Directives, Decisions, Regulations).

We remain committed to protecting and conserving the environment, ensuring that our operations not only comply with current regulations, but also make a positive contribution.

3.1.3.1 *Actions taken by **Rompetrol** that extend to upstream commitments in the value chain*

The product/service supplied by the suppliers must comply with the contractual requirements and the criteria imposed by **Rompetrol**. The type and extent of control applied to the suppliers and the supplied product/service depend on the effect of the supplied product/service on the final product, its impact on the environment, health and safety at work.



Through the contractual specifications/provisions, suppliers communicate methods for inspecting and testing the supplied product.

The evaluation/re-evaluation and selection of suppliers, as well as contracting, are carried out at the KMG I Group level, with the involvement of **Rompetrol** staff from the relevant departments, in accordance with the contracting strategy based on health, safety, and environmental protection requirements, as well as other documented requirements in the Group's "Procurement" procedure, and associated internal regulations. The execution of contracts is carried out by **Rompetrol** staff.

The selection of a supplier is based on several types of evaluations of their competences with established criteria (price, technical conditions, quality, transaction-related risks, history and quality of collaboration with the supplier, company policy, ISO certifications, QHSE certifications/sustainability criteria for purchased biofuels, authorizations, legal and regulatory requirements, documentation, etc.).

Rompetrol purchases/uses only sustainable biofuels, certified according to a sustainability system recognized by the European Commission.

Rompetrol considers product quality requirements, including sustainability requirements, environmental requirements for each stage of the product lifecycle.

For fuels and other products in the portfolio, **Rompetrol** complies with the requirements of national product standards imposed by regulatory authorities, as well as those specified in the organization's Standard Specifications.

For products in the polymer range, **Rompetrol Rafinare SA** applies requirements related to product development.

Design services related to new or modified technological installations and equipment (infrastructure) are procured from external suppliers, as they are not part of the regular activities carried out by the organization.

3.1.3.2 Action plans to achieve pollution objectives and targets

The management at the highest level plans the actions to be undertaken within the management system to address significant environmental aspects, compliance requirements, and the sustainability of identified risks and opportunities.

In the planning of actions, consideration is given to the best available practices and techniques, technological and financial options, as well as operational requirements and activity execution needs.

The planning is implemented through: QHSE management plans, prevention and protection plans, emergency response plans, programs for verifying emergency response capabilities, training plans, investment plans/programs, assessments performed by procurement, production programs, utility plans, maintenance plans, audit programs, inspection and/or verification programs, testing programs, etc.

The QHSE objectives set at all relevant levels of the company are measurable and in line with the policies declared by the highest level of management, including commitments to pollution prevention and the promotion of sustainability criteria.

In establishing the objectives, the current and future strategies of **Rompetrol** and the markets it serves, the results of the management analysis, the outcomes of the processes carried out by the organization, compliance obligations, significant environmental aspects, sustainability criteria for biofuels, BAT/BREF technological options, financial, operational considerations, consultation with and viewpoints of relevant stakeholders, and identified risks and opportunities for improvement are taken into account.

To achieve the objectives, programs are established, implemented, and maintained that include:

- Necessary actions/stages;
- Required resources;
- Designation of responsibilities and assigned functions for achieving the objectives;
- Deadlines by which the objectives must be achieved;
- How and when evaluations will be made, including indicators for measuring and monitoring progress.



Responsibilities for achieving the objectives are communicated to all involved functions. Within **Rompetrol**, plans/programs for QHSE activities are developed, which are periodically analyzed and revised whenever necessary to ensure compliance with requirements.

3.1.3.3 Actions regarding pollution

Measurement and monitoring associated with environmental factors is carried out by accredited laboratories, based on service contracts.

Monitoring the quality of environmental factors on sites (Petromidia Refinery, Vega Refinery, **Rompetrol** Downstream, **Rompetrol** GAS) is carried out according to the requirements of the Integrated Environmental Permits / Environmental Permits.

All tests are based on an Inspection and Testing Program that is carried out with the accredited laboratory, **Rompetrol Quality Control SRL**.

The test results are centralized and analyzed, transposed into reports and, where appropriate, actions are initiated to keep the activity under control and maintain and improve environmental performance at the refinery level.

Actions regarding air pollution.

In order to align with European air quality standards and comply with **BAT/BREF regulations**, in the 2024 financial year, **Rompetrol refineries** focused on a series of actions aimed at reducing environmental impact, depending on the location and type of activity carried out. During the reporting year, **Rompetrol refineries** performed rigorous monitoring and management of air emissions at its two refineries, with strict compliance with environmental regulations, including the 2014/738/EU Decision, 2021/2326/CE Decision which approve BAT (Best Available Techniques). Our approach involves the use of state-of-the-art metrologically verified equipment operated by qualified personnel.

The pollutants for which there are regulations regarding emission limit values are sulfur dioxide (SO₂), nitrogen oxides (NO_x) and dust from blast furnace gases emitted by combustion plants. In order to ensure accurate and constant monitoring, emissions are continuously monitored in real time at critical units, in accordance with the standards of the best available techniques (BAT). In parallel, all technological installations involving combustion processes are subject to rigorous emission control by an accredited laboratory, thus guaranteeing high-precision monitoring. For emissions from the FCC the new hydrogen plant and the SRU (Sulphur Recovery Unit), monitoring is carried out continuously with on-line analyzers, according to the BAT Conclusions Decision 2014/738/EU in case of Petromidia Refinery.

The inspection and testing program presents the analysis method, sampling points and sampling conditions, conditions that are recorded in the test reports. The monitoring of combustion emissions from fixed sources is carried out for all technological installations where there are combustion processes, and in case of accidental or scheduled shutdowns / restarts, air quality monitoring is also carried out at agreed points in the proximity of the communities located in the vicinity of the site.

The monitoring of VOC emissions is carried out in accordance with Law 264/2017, for Rompetrol Rafinare S.A. refineries the total emissions of volatile organic compounds into the atmosphere were evaluated, according to the methodologies recommended by the European Commission and the European Environment Agency.

For gasoline loading/unloading facilities and tanks, verification is done on time and VOC Inspection Certificates are issued by accredited companies.

Rompetrol Rafinare SA implements LDAR (Leak Detection and Repair) technology to identify and remedy uncontrolled volatile organic compounds (VOC) leaks that may occur in sensitive equipment, such as valves, pumps, flanges and connectors. Through constant monitoring and prompt interventions, our goal is to significantly reduce accidental VOC emissions and minimize their impact above the environment.

Our commitment to environmental protection is reflected in regular monthly and annual reports submitted to environmental authorities, confirming compliance with legal norms and the integrated



environmental authorization. By using these advanced technological strategies and solutions, **Rompetrol Rafinare SA** continues to optimize its environmental performance, thus contributing to cleaner air and protecting environmental health, without compromising operational excellence.

For advanced monitoring and forecasting of pollutant dispersion in the area, the **Petromidia Platform** uses the ARIA application, developed by Aria Technologies. This is a real-time dispersion modeling tool for relevant pollutants, which integrates local meteorological data to provide accurate and efficient estimates of their behavior in the atmosphere.

The Petrochemical Plant uses state-of-the-art technologies to reduce emissions and improve operational safety, including:

- Safety valves for pressure equipment, which allow collection in a closed system;
- Explosive gas analyzers and tall chimneys to ensure effective dispersion;
- Nitrogen drying systems and filters in HDPE and PP plants, for capturing polymer powder;
- Dust extraction hoods in HDPE and PP plants, to prevent stabilizer dust emissions.

The monitoring of air emissions is carried out in accordance with the Environmental Permits, using calibrated and metrologically verified equipment, and by qualified personnel.

Air quality monitoring, within the Vega refinery, is also carried out through two fixed stations located outside the site. The data are monitored and reported daily to the competent authorities. During 2024, there were recorded exceedances of the H₂S indicator, averaged every half hour, compared to the permitted limit value.

For **Rompetrol Downstream**, the monitoring of VOC emissions is also conducted in compliance with Law 264/2017.

In the case of **Rompetrol Downstream SRL**, the Vapor Recovery Unit (VRU) System at the depots exemplifies efforts to reduce volatile organic compound (VOC) emissions by recapturing vapors during fuel loading processes. Similarly, gas stations are equipped with vapor recovery systems for tank unloading and fuel dispensing, illustrating our commitment to reducing VOC emissions overall.

For Rompetrol Gas SRL, air emission monitoring is carried out in accordance with the Environmental Permits, using calibrated and metrologically verified equipment, and by qualified personnel.

The inspection and testing program outlines the analysis method, sampling points, and sampling conditions, which are documented in the test reports.

Rompetrol Gas SRL's direct air emissions are measured and reported regularly to the competent authorities. The gases emitted by the thermal power plants at the LPG bottling stations in Arad and Bacău are measured annually, respectively every 2 years, when the technical inspection is carried out

Strategic projects at Rompetrol level aimed at reducing air pollution:

Action implemented in 2024

In the 2024 financial year, **Rompetrol's** significant actions, aimed at reducing atmospheric emissions are aligned with permits in place, consisting in BAT implementation and monitoring at the refineries.

Planned actions also consist of a proactive and systematic approach compliance.

*Actions regarding **water pollution**.*

The key actions within **Rompetrol** undertaken to comply with the conditions imposed by legislation and the regulations issued by the competent authorities regarding water pollution are specific depending on the type of activity carried out.

Regarding the **water management strategy** of **Rompetrol Rafinare SA**, it is based on rigorous monitoring and verification processes. We ensure that all specific pollutants, as mentioned in our permits, are carefully monitored at varying frequencies, including daily, weekly, monthly, and quarterly assessments. In addition, the inspection and maintenance of wastewater transport facilities are prioritized, along with sealing and isolating structures/basins to prevent potential leaks or contamination. This heightened attention to infrastructure integrity is essential to minimizing the impact of our operations on the environment.



Prevention and Control of Accidental Pollution

An essential element of our water management system is the **Accidental Pollution Prevention and Control Plan**. This plan outlines specific rules and procedures for managing potential incidents, establishing immediate intervention and control measures aimed at limiting the environmental impact and ensuring the safety of technological facilities. Through proactive planning and preparation, we aim to prevent or quickly address any accidental discharges, thus maintaining the integrity of local water bodies.

We regularly report water emissions, using specific objectives to monitor and demonstrate progress in our water management practices. Communities and authorities are consistently informed about any activities that could impact the pollutant load in the discharged water, ensuring a transparent and collaborative approach to water resource management.

Our principles for managing the discharge of treated water are designed to ensure the highest environmental protection standards:

- **Compliance with emission limits:** We strive to keep emissions to water below the limits specified in our Water Management Permit, ensuring the maintenance of water quality.
- **Operational efficiency of treatment facilities:** All facilities for the use, treatment, and discharge of wastewater are operated to ensure maximum efficiency, complying with strict operating regulations.
- **Pollution prevention:** Measures are in place to prevent or minimize the emission of pollutants into water. Unauthorized and accidental discharges are strictly prohibited, emphasizing our zero-tolerance policy towards water pollution.
- **Facility maintenance and leak prevention:** Routine maintenance is performed on all facilities that handle substances impacting water resources, including the implementation of leak detection devices where necessary.
- **Documentation and maintenance:** A comprehensive site plan details all underground constructions and pipelines, and wastewater discharge facilities are regularly checked and maintained.
- **Emergency preparedness:** Sufficient neutralizing/treatment substances are available and stored near facilities handling substances with water risk, ensuring readiness for any incidents.

An essential aspect of **water pollution prevention** is the **collection, treatment, and discharge of industrial wastewater**.

Petromidia

Petromidia Refinery - Water Pollution Monitoring and Prevention

The concentrations of pollutants in the discharged wastewater are subject to detailed and systematic monitoring, in accordance with the regulations specified in the **Water Management Permit**, issued by the National Administration "Apele Romane", valid for three years), as well as the provisions of the **Integrated Environmental Permit** issued by the Constanța Environmental Protection Agency), thus ensuring compliance with environmental protection standards and applicable legal regulations. Water quality analyses are conducted by an **ISO 17025 accredited laboratory**.

Petromidia Refinery- Wastewater Treatment and Discharge

Recognizing the importance of the Black Sea as a natural receptor, our practices and procedures are carefully designed to ensure that the treated wastewater from the Final Wastewater Treatment Plant (WWTP) meets the highest standards before being discharged. Wastewater is directed to the Final Wastewater Treatment Plant (WWTP), which belongs to **Rompetrol Rafinare** and has three treatment stages: mechanical-chemical, secondary biological, and tertiary biological. Chemically contaminated water resulting from technological processes on-site is collected in the chemical wastewater sewer system. All wastewater (chemical, meteorological, and domestic) from the site is directed to the Final Wastewater Treatment Plant. The treated water is discharged from the treatment plant into two ponds (Pond I for settling and Pond II with macrophytes), where the biological treatment process (tertiary treatment) is completed (naturally), and then it flows through Buhaz Creek into the Black Sea. The two self-purification ponds cover an area of 50 hectares and are located in the Vadu area, approximately



15 km north of the refinery. According to the Water Management Approval, the categories of wastewater that reach the Final Wastewater Treatment Plant include:

- Domestic wastewater;
- Rainwater;
- Water contaminated with salts (from the cooling water system);
- Chemically contaminated water.

Monitoring of Treated Water Quality

The quality of treated water is monitored at the discharge point from Pond II into Buhaz Creek (and then discharged into the Black Sea). To ensure comprehensive wastewater quality management, **Rompetrol Rafinare** monitors a wide range of indicators at varying frequencies - from daily to semi-annually.

Hydrocarbon Discharges and Environmental Protection Efforts - Petromidia Refinery

Our detailed monitoring and treatment processes have kept **hydrocarbon discharges at levels below the detection limit**, demonstrating effective management of potential pollutants. Our commitment to environmental responsibility is highlighted by the average annual concentration of hydrocarbons in the discharged water, with a total quantity of hydrocarbons discharged of 2.156 tons. Trends in hydrocarbon discharges into water have been closely monitored:

Vega

Vega Refinery - Water Pollution Monitoring and Prevention

Pollutant levels in discharged water are strictly monitored in accordance with the provisions of both the **Water Management Authorization** and the **Integrated Environmental Permit**, with monitoring frequencies ranging from daily to semi-annual.

The refinery's operations result in technological and stormwater wastewater, which are locally pretreated through existing systems in the installations, before being sent to the final separator for petroleum products and then to the Corlătești wastewater treatment plant. Vega Refinery has a contract with a third party entity for the wastewater treatment at the Corlătești plant.

Starting with June 2024, wastewater was no longer discharged to the Corlatesti treatment plant due to disagreements regarding the discharge price.

Subsequently, a service contract for the discharge of wastewater was concluded with the station belonging to Petrotel Lukoil, its transport being carried out by tankers.

Domestic wastewater is treated in a settler and then directed to the main separator.

Regarding fresh groundwater extracted for remediation or to control the migration of contaminated groundwater, there are 20 observation and monitoring boreholes (7 within the refinery and 13 built for the Vega lagoon decontamination project). Water from these boreholes is not used in production but only for monitoring the evolution of the underground aquifer. Water quality indicators are monitored every six months.

Rompetrol Downstream SRL (DWS)

Technological wastewater is collected through gutter systems, processed by hydrocarbon separators, and subsequently released into sewer systems, drainage tanks, or natural discharges.

Specifically, wastewater from three of the storage sites is treated at the ORM cleaning stations before being discharged. Compliance with wastewater treatment is ensured for certain work points in accordance with NTPA 001 / NTPA 002, while others require monitoring of specific indicators such as pH, total suspended solids, and chemical oxygen demand, among others. For domestic wastewater, NTPA 002 regulations apply at 170 fuel distribution stations, while NTPA 001 and NTPA 002 standards regulate stormwater discharge at various stations.

Pollutant levels in discharged water are closely monitored in accordance with the regulations outlined in both the Water Management Permits and the Integrated Environmental Permits.



▪ **Arad Depot**

Domestic wastewater from toilets is directed to a mechanical-biological treatment station, with effluent treatment including a petroleum product separator. Technological wastewater from the washing of CF ramps and tank maintenance is pretreated before being discharged into the stormwater system, in accordance with NTPA 001 standards.

Rainwater is divided into two categories. First, rainwater that may be contaminated with petroleum products, which comes from the CF unloading ramp and the vehicle fuel loading ramp area. After leaving the separator, the water is discharged into the stormwater drainage channel of the platform. Second, "clean" rainwater, which falls on most of the station's surface, including the pavilion, road, and concrete platforms, is collected in separate channels through PVC pipes. It is discharged into the stormwater drainage system after being preliminarily processed through the petroleum product separator. Discharge provisions according to NTPA 001 apply to this category of water.

▪ **Craiova Depot**

The complex water management system includes a reinforced concrete collection basin for domestic and technological wastewater, as well as PVC pipe networks for domestic waste. Stormwater management involves rectangular-section gutters and hydrocarbon separators, with dedicated wastewater treatment facilities for domestic wastewater.

The wastewater treatment stations include a domestic wastewater treatment plant, a collection basin for domestic wastewater and sewage (collection is done using a pump through a discharge pipe), and a petroleum product separator with an integrated sludge decanter for the periodic discharge of petroleum products.

▪ **Mogoșoaia Depot**

It has a sealed, reinforced concrete drainage basin for domestic wastewater. Technological and rainwater, after hydrocarbon separation, are managed through retention basins and concrete tanks for regulated discharge.

Condensate from gasoline and diesel tanks, together with rainwater collected from the concrete basin at the CF unloading ramp and water collected in the truck loading area, pass through a hydrocarbon separator, and then all the water is discharged into two retention basins. From there, it is discharged upon request. The quality indicators of the discharged water must fall within the limits imposed by NTPA 002.

▪ **Șimleu Silvaniei Depot**

Domestic wastewater and potentially polluted water are treated through a mechanical-biological treatment station before being discharged into the Crasna River, ensuring environmental compliance. Technological wastewater, potentially contaminated rainwater, and pre-purified domestic wastewater through the mechanical-biological station pass through the petroleum product separator.

▪ **Vatra Dornei Depot**

It uses a drainage basin for domestic wastewater, which is then transported to the Vatra Dornei city treatment station.

Rainwater, together with water from platform washing, tank cleaning, and loading and unloading areas, is collected in the storm water drainage network, passed through a petroleum product separator, and then discharged into the Bistrița River.

▪ **Zărnești Depot**

Domestic wastewater from the offices in the old building and the toilets of the Administrative Pavilion is collected through the sewer system and treated in a wastewater treatment station before being discharged into the Bârsa River. Water collected from the tank area, spaces designated for fuel transfer pumps from the tankers to CP1 and CP2, and the technological platform area, passes through a Hauraton-type petroleum product separator before being discharged into the Bârsa River using a PVC pipe sewer system.

Rompetrol Gas SRL



The management of impacts related to wastewater discharge involves meticulous monitoring and adherence to regulatory standards for wastewater quality, ensuring that discharged water meets established limits and minimizes environmental impact. The limits set for wastewater quality indicators are covered by Government Decision (HG) 188/2002 – NTPA 002/2002, amended and supplemented by HG 352/2005. Stormwater discharged into the street is covered by the NTPA 001/2005 standard, according to HG 352/2005.

Each LPG filling station (Bacău LPG Filling Station, Pantelimon LPG Filling Station) uses professional services for wastewater management and complies with guidelines for the sustainable use and discharge of water, reflecting **Rompetrol**'s commitment to the responsible management of water resources and environmental protection.

Rompetrol Quality Control SRL (RQC)

Water discharge management is a crucial aspect of RQC's environmental responsibilities, with all wastewater being discharged into the sewer system managed by **Rompetrol Rafinare SA**. In 2024, the total volume of discharged water was equal to the volume of domestic water used, i.e., **13.640** megalitres, demonstrating a comprehensive approach to managing the impacts related to water discharge and ensuring that wastewater discharge processes are aligned with environmental standards.

The semi-annual monitoring of discharged water includes a range of indicators, including pH levels, suspended solids, SS (suspended solids), chemical and biochemical oxygen demand, and anionic surfactants, ensuring that the discharged water meets environmental standards.

Actions regarding soil pollution

Efforts to prevent environmental contamination include the strategic placement of euro containers and designated temporary storage areas to prevent soil pollution. The **Petromidia** and **Vega Platforms** are equipped with appropriately marked containers and storage areas, minimizing the environmental impact.

In the close vicinity of Vega Refinery, there is a hazardous waste landfill consisting of 14 lagoons located on the northern side of the refinery platform, **Vega Refinery** covering approximately 82,450 square meters. These lagoons are designed with impermeabilization measures, using compacted soil layers and bentonite to prevent leaks and soil contamination. This aspect is addressed within the *ESRS E5 - Circular Economy topic, under the sub-topic of Waste*.

For **Rompetrol Downstream SRL**, **Rompetrol Gas** and the administrative offices of these entities, the facilities are designed to prevent soil and groundwater pollution, featuring concrete platforms, drainage systems, and vapor recovery installations.

Actions regarding pollution with hazardous substances

The strict compliance of the **Petromidia Refinery**, **Vega Refinery**, **Rompetrol Downstream SRL**, and **Rompetrol Gas SRL** with environmental Protection Objectives

- a) Maintain the validity of the environmental permits (no expired environmental permits) and ensure the necessary conditions for compliance with the maximum permissible limits of the environmental parameters/indicators monitored according to the environmental permits and the legal provisions in force.
- b) Target: i.100% on time; ii.0 exceedances of the maximum permissible values.

Within the legislative framework established by the **SEVESO Directive** we ensure the implementation of comprehensive preventive and control actions, resulting in minimized risks regarding pollution with hazardous substances.

To prevent pollution with hazardous substances, **Rompetrol Rafinare** has implemented a series of documented measures, including specific procedures and plans. These actions aim to prevent and manage accidental pollution through a comprehensive strategy, detailed environmental protocols integrated into the operational manuals of each refinery unit, and fully developed structures for emergency response and crisis management.



In the context of actions undertaken to prevent pollution with hazardous substances, it is essential to emphasize the interconnection between hazardous waste management and its environmental impact. Thus, within the topic of *ESRS E5 - Circular Economy, under the sub-topic of Waste*, actions related to hazardous waste management will be addressed, actions that will contribute to avoiding pollution with hazardous substances.

3.1.4 Targets

ESRS E2-3

3.1.4.1 Presentation of pollution targets and their relationship to policy objectives

In the context of the activities carried out by **Rompetrol**, environmental targets are defined by the limits set by the Environmental Permits and Water Management Permits issued in accordance with the applicable legislation. Our pollution control targets are aligned with the requirements set by the applicable legislation, with no additional voluntary commitments beyond regulatory compliance. The values resulting from periodic analyses of water, air, and soil quality parameters are continuously monitored, following the frequencies specified in the relevant regulations for each main activity carried out.

The Integrated Environmental Permit sets a limit value for each relevant indicator (emission/target value, expressed as concentration) either in air (exhaust gas emissions) or in water (effluent from the wastewater treatment plant). Continuously, through testing programs (analyses) and the inspection program, all the indicators mentioned in the environmental permit are monitored (**emissions to air, water, soil - subsoil**), as well as the obligations regarding the management of **hazardous substances**.

Regarding the management of hazardous substances, **Rompetrol** has not established specific targets for 2024, given that there is no significant risk of pollution under the normal operating conditions of the units.

Furthermore, the implementation of BAT (Best Available Techniques) for **Rompetrol Rafinare** plays a crucial role in setting and achieving environmental targets. These advanced techniques have contributed to optimizing industrial processes, reducing pollutant emissions, and preventing negative environmental impact.

BAT has provided an effective framework for setting performance targets, considering the best available technological and procedural solutions. By adopting these techniques, **Rompetrol Rafinare** has adjusted its procedures to comply with regulated limits.

The target is to ensure full annual compliance with permitted emission limits, in line with legislation and the provisions of applicable BAT (Best Available Techniques) Decisions for Rompetrol Rafinare S.A., as reflected in the Integrated Environmental Authorization.

The targets/objectives set at all relevant levels of the company are measurable and aligned with the policies declared by the top management, including commitments to pollution prevention, and the promotion of sustainability criteria.

In setting the objectives, current and future strategies of **Rompetrol Rafinare SA**, **Rompetrol Downstream**, **Rompetrol Gas**, and the served markets are considered, along with the results of the analysis performed by management, the outcomes of the processes carried out by the organization, compliance obligations, significant environmental aspects, sustainability criteria for biofuels, health and safety risks at work, technological options—BAT/BREF (only for Rompetrol Rafinare SA), financial and operational aspects, consultation with/relevant stakeholders' viewpoints, and identified risks and opportunities for improvement.

3.1.4.2 Monitoring the effectiveness of policies and actions through targets (ESRS 2 MDR-T)

Within **Rompetrol**, all data obtained from the measurement and monitoring of the integrated management system are periodically analyzed and evaluated by top management or responsible personnel to demonstrate the adequacy and effectiveness of the integrated management system in continuous improvement of its effectiveness.

Periodically, at a defined frequency, compliance with legal requirements and other applicable regulatory requirements related to environmental protection is evaluated through:



- Internal audits
- Inspections
- Document/record analysis
- Analysis of the results of monitoring/verification conducted for environmental aspects

Compliance evaluation is also carried out by authorities/certification bodies following external inspections/audits.

When deviations are found during the compliance evaluation, appropriate actions/measures are taken.

3.1.5 Pollution of air, water and soil

ESRS E2-4

The pollution of air, water, and soil changed over time as, being reduced due to the use of modern technologies, advanced safety practices and comprehensive internal policies. Within the measurement of the pollution of air, water, and soil we employ the internal methodologies in evaluating and calculating the pollution values and risks. To collect data for our pollution-related accounting and reporting, we use measurements of the pollution quantities around our business operation sites, together with values and data that are received from the national regulators and agencies.

The pollutants monitored at **Rompetrol** are presented in the table below:

Types of emissions	Location and emissions monitored
Air emissions	Petromidia Refinery Sulfur oxides (SOx), Nitrogen oxides (NOx), dust, Carbon monoxide, Volatile organic compounds (VOCs), H2S
	Vega Refinery NOx, SOx, dust, VOCs, H2S
	Rompetrol Downstream SRL VOCs
	Rompetrol Gas SRL Sulfur oxides (SOx), Nitrogen oxides (NOx, dust
Water emissions	Petromidia Refinery SEEP (substances extractable with petroleum ether), benzene, toluene, ethylbenzene and xylene, sulfides and hydrogen sulfide, sulfates, phenols, and total suspended solids, ammonium nitrate, total nitrogen and total phosphorus, detergents, total ionic iron, nickel, mercury, vanadium, lead, cadmium, diethylhexyl phthalate (DEHP), trichlorobenzene, 1,2-dichloroethane, dichloromethane, tetrachlorethylene, PCBs, hexachlorobutadiene.
	Vega Refinery CCOcr, suspended matter, extractable substances, naphthenic acids, sulfonic acids, phenols, cyanides, sulfides, lead, nickel, ammoniacal nitrogen, cyanides, benzene, anthracene, naphthalene, cadmium, ammoniacal nitrogen.
	Rompetrol Downstream SRL NA pH, MTS, CCOcr, CBO5, SEEP, temp, phosphorus, anionic surfactants, ammoniacal nitrogen, sulphides and H2S, sulphates, chlorides, etc.
	Rompetrol GasSRL NOx, SOx pH, MTS, CCOcr, CBO5, SEEP, temp, phosphorus, anionic surfactants, ammoniacal nitrogen, sulphides and H2S, sulphates, chlorides, etc.
	Rompetrol Quality Control SRL NA
Soil emissions	Petromidia Refinery -As, Ba, Cd, Crt, Cu, Mn, Hg, Ni, Pb, Se, V, Zn, sulfates, sulfides, benzene, toluene, xylene, phenol, total aromatic hydrocarbons, total PAHs, TPH.
	Vega Refinery As, Ba, Cd, Crt, Cu, Mn, Hg, Ni, Pb, Se, V, Zn, sulfates, sulfides, benzene, toluene, xylene, phenol, total aromatic hydrocarbons, total PAHs, TPH.
	Rompetrol Downstream SRL NA
	Rompetrol Gas SRL NA



Petromidia Refinery – quantities water emissions

Pollutant	Annual quantity kg/year
SEEP	49,008.00
Benzene	0.08
Toluene	0.08
Etilbenzene	0.08
Xilene	0.08
Petroleum product	2,180.86
Sulphides and hydrogen sulphide	66.65
Sulphates	1,548,652.80
Phenols	321.00
TSS	115,985.27
CCOCr	677,453.3
BOD5	178,062.33
Ammonia nitrogen	15,354.21
Total nitrogen	50,640.95
Total phosphorus	15,020.95
Detergents	980.16
Total ionic iron	729.24
Nickel	78.41
Mercury	1.96
Vanadium	228.38
Lead	115.66
Cadmium	3.92
Diethylhexyl phthalate (DEHP)	0.00
Trichlorobenzene	0.00
1,2-Dichloroethane	0.00
Dichloromethane	0.00
Tetrachlorethylene	0.00
PCB	0.00
Hexachlorobutadiene	0.00

Air emissions

Petromidia air emissions (tons)		2024	2023	2022	2021
Sulphur oxides	Refinery units	207.783	250.11	248.79	191.810
	Petrochemical units	0.001	1.942	3.784	0.148



Nitrogen oxides	Refinery units	291.167	366.73	383.25	291.55
	Petrochemical units	1.386	23.000	60.596	54.03
Particulate matter	Refinery units	13.687	17.19	17.79	16.83
	Petrochemical units	0.001	0.687	2.032	1.72
Carbon monoxide	Refinery units	92.729	115.58	120.7	97.11
	Petrochemical units	0.553	9.836	27.902	23.76
Ozone-depleting substances	not applicable				
Volatile organic compounds *	Emission related to gasoline storage, loading & unloading (mandatory to report according to Law no.264/2017)	80.895	88.660	92.000	72.270
	Total diffuse emissions calculated for Petromidia Refinery/ crude oil input (no requirements for reporting)	441.012	867.7	965.27	734.24

* VOC emissions factors: EMEP/EEA air pollutant emission inventory guidebook (CORINAIR) 2019-Fugitive emissions oil - refining/storage

Vega air emissions	2024	2023	2022	2021
NOx (t)	21.79	24.17	24.85	22.78
SOx (t)	0.189	0.209	0.214	0.241
PM(t)	0.596	0.657	0.671	0.716

*For VEGA - Also CORINAIR methodology applied/ emission factors.

Regarding soil emissions, there are no direct contaminations. We conduct annual soil monitoring by analyzing the concentration of specific pollutants to evaluate the long-term impact of on-site activities and identify any potentially contaminated areas. The parameters are monitored and analyzed by a RENAR-accredited laboratory. As a result, there are no quantitative figures to report on this topic. All soil test results from 2024 were within legal limits, confirming the absence of pollutant exceedances in the monitored areas, including the refinery premises and external locations.



Notes:

Rompetrol Rafinare - Regarding the online analysis of flue gases, they undergo the QAL2 procedure every five years and the AST procedure annually. As part of these processes, an accredited company conducts parallel monitoring to compare the obtained results and ensure accuracy.

We do not employ any inferior methodologies in our monitoring processes. All environmental monitoring activities are conducted strictly in accordance with the provisions of the Environmental Integrated Permit. This ensures that data collection, analysis, and reporting adhere to the highest regulatory standards, using validated methodologies and approved procedures. Our approach guarantees accuracy, reliability, and compliance with environmental regulations, reinforcing our commitment to responsible environmental management.

For Rompetrol Gas & Rompetrol Downstream - on the pollution measurement methodology, we confirm that, in accordance with the provisions of the environmental authorization, environmental factors are monitored on a daily, weekly, monthly, or annual basis, depending on the specific indicator being assessed. The results are then compared against the established emission limit values. Monitoring is conducted by a RENAR-accredited laboratory, ensuring compliance with regulatory standards. For the identification of potential contamination, particularly in soil, samples are taken at 5 cm and 30 cm depths in case of suspicion and analyzed against the applicable legislative requirements.

Rompetrol Gas and Rompetrol Downstream are not subject to the reporting obligations outlined in Regulation (EC) No 166/2004, as their operations do not meet the criteria established by the regulation. This regulation primarily applies to industrial installations engaged in activities with significant environmental impact, as defined by the European Pollutant Release and Transfer Register (E-PRTR). These activities typically include large-scale energy production, industrial manufacturing, waste treatment, and chemical processing, all of which are subject to strict emission reporting requirements based on defined pollutant thresholds. However, Rompetrol Gas and Rompetrol Downstream operate in sectors focused on LPG distribution, fuel retail, and related services, which do not fall within the scope of industrial activities covered by the regulation. Additionally, the reporting requirements under Regulation (EC) No 166/2004 are triggered only when pollutant emissions exceed specified thresholds for air, water, or soil contamination. Given that neither Rompetrol Gas nor Rompetrol Downstream engage in large-scale refining, processing, or other industrial operations associated with significant emissions, they do not meet the conditions for mandatory reporting. Despite not being covered by the regulation, both companies remain committed to environmental responsibility and compliance with all applicable national and EU environmental standards, ensuring that their operations adhere to best practices for sustainability and pollution prevention.

For 2024 for Rompetrol Vega, Rompetrol Downstream, Rompetrol Gas and Rompetrol Quality Control maintained full compliance, with no incidents of non-compliance or enforcement actions required due to violations of permitted conditions.

Petromidia Platform – Rompetrol Rafinare SA, Rompetrol Downstream SRL work sites, Rompetrol Gas SRL work sites – are not located in a water risk area.

Rompetrol Rafinare SA falls under the scope of the IED (Industrial Emissions Directive) and EPRTR (European Pollutant Release and Transfer Register).

Rompetrol Rafinare – Petromidia is subject to the Commission Implementing Decision of 9 October 2014, establishing the conclusions on the Best Available Techniques (BAT) under Directive 2010/75/EU of the European Parliament and Council on industrial emissions, for the refining of mineral oil and gas, and the Reference Document on BAT in the Production of Polymers.

There are no programs or derogations granted related to the implementation of BAT-AEL (Best Available Techniques – Associated Emission Levels).



3.1.6 Substances of concern

ESRS E2-5

Rompetrol Rafinare SA, Rompetrol Downstream SRL, and Rompetrol Gas SRL are subject to the **SEVESO Directive**. The European "SEVESO" Directive requires the identification of industrial facilities with major hazards. A SEVESO facility is one that is involved in the handling, manufacturing, use, or storage of hazardous substances.

Petromidia Refinery, Vega Refinery, Rompetrol Downstream, Rompetrol Gas use and/or distribute and market substances of concern. Rompetrol Quality Control use 5 substances of very high concern in limited quantities. Considering the small quantities of substances of high concern used (as per substances table above for RQC) and the protective measures implemented, we consider these substances are insignificant in terms of impact upon health and environment.

At both refineries, chemicals and chemical preparations are supplied both from internal and external suppliers. The refineries falls under the provisions of Law no. 59/2016 regarding the control of major accident hazards involving hazardous substances as a high-tier establishment.

In accordance with the current regulations, all chemical products are accompanied by Safety Data Sheets, which contain basic information about the chemical composition of the product, hazard identification data, first aid measures, fire prevention and extinguishing measures, measures for preventing accidental spills, requirements for transportation, handling and storage, stability and reactivity data, toxicological information, ecological information, recommendations for final disposal, etc.

The table below presents the substances of concern (under SEVESO Directive) present within the **Petromidia Refinery**. For each substance, the existing quantity are specified.

Nr.	Name of the substance of concern	Nr. CAS	Existing quantity
			annual quantities
			Ton
1	Crude Oil	5/9/8002	4,002,556.33
2	Gasoline	86290-81-5	1,266,052.94
3	Gasoline (intermediate product)		5,370.93
	straight run naphtha	64741-42-0	60.96
	hydrotreated naphtha	64742-48-9	146.25
	RC component	64741-63-5	2,149.45
	FCC component	64741-54-4	3,014.27
	light naphta	64742-89-8	-
4	Diesel	68334-30-5	



			2,044,297.43
5	Diesel (intermediate products, DA, Cx)		12,201.69
6	Jet	8008-20-6 64742-81-0	400,043.44
7	Jet (intermediate product)	8008-20-6	3,235.60
8	MTBE	1634-04-4	191.39
9	PROPANE	74-98-6	3,601.96
10	BUTAN-BUTENE	87741-01-3	-
11	PROPILENE	115-07-1	82,740.00
12	ETILENE	74-85-1	-
13	Gases with H2S	6/4/7783	55,123.17
14	METHANOL	67-56-1	10,836.40
15	1-BUTENE	106-98-9	-
16	N PENTAN + i-PENTAN	68476-55-1	871.43
17	C5-C6	68476-50-6	35,424.25
18	LPG	68476-85-7	180,550.00
19	Heavy Fuel Oil	68553-00-4	111,757.71



20	REZIDUU CC	64741-62-4	3,861.59
21	Slops	68476-33-5	705.99
22	VACUUM DISTILLED	68955-27-1 64742-59-2	684.83
23	ETHANOLAMINE	141-43-5	11.28
24	DIETANOLAMINA (DEA)	111-42-2	1,131.60
25	HEXAN	(64742-49-0) 110-54-3	473.75
26	Additives	64742-94-5 25551-13-7 91-20-3 108-67-8	41.36
27	BIODIESEL	67762-38-3	108,110.19
28	BIOETHANOL	64-17-5	32,176.11

The table below presents the substances of concern present within the **Vega Refinery** (total/year). For each substance, the existing quantity are specified.

Substance/mixture	CAS number	Quantity 2024 (t)
Hydrocarbons, C5-C6	68476-50-6	34,652.80
Carbon Black Feedstock (slurry)	64741-62-4	3,861.59
Kerosene (JET A1)	64742-81-0 128-37-0	8,787.18
Fuel oil	64741-56-6 64741-62-4 64741-59-9	97,305.30
RAFINATE	64742-49-0	148,168.80
Hydrocarbons, rich in C5 (SE 30/60)	68476-55-1	29,584.84
Naphtha (petrol era), light refined with solvent(SE)	64741-84-0	1,496.51
Naphtha (petroleum), hydrotreated light (n-Hexane)	64742-49-0	65,128.17
Solvent aliphatic medium naphtha (petroleum) white spirit rafinate	64742-88-7	4,625.09



Light distillates (petroleum) chemically neutralized (Light Naphta type II)	64742-31-0	55,896.40
Light distillates (petroleum) chemically neutralized(Light Naphta)	64742-31-0	28,208.69
Rompetrol Calor Extra 1 (RCE 1 fuel)	64741-62-4; 92045-24-4; 64742-31-0	4,196.14
Rompetrol Calor Economic 3	64741-62-4; 64742-31-0; 68955-27-1; 68553-00-4	11,026.48
Type 3 Light Liquid Fuel (CLU type 3)	68553-00-4 64741-56-6 64741-62-4 64741-59-9	0
Fuel oil 40/45	68553-00-4 64741-56-6 64741-62-4 64741-59-9	12,607.78
Dyeguard Blue MCR2Y/ OMM Blue 2 RO	64741-84-0	8.37
Primer for the protection of buried metal pipes Citom/Citom G	64742-93-4 64741-84-0	75.14

*all amounts are actual quantities at the end of 2024

4 WATER AND MARINE RESOURCES

ESRS E3

4.1 Concepts and measures relating to water and marine resources

4.1.1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

ESRS 2 IRO-1

Rompetrol Rafinare SA and its subsidiaries are included in the KMGI Group Risk Profile. Recognizing the importance of water as a vital resource, we have implemented dedicated internal procedures that encompass all aspects of water management — from quality monitoring and wastewater treatment to the prevention of accidental pollution. These measures not only align with regulatory compliance but also underscore our dedication to responsible stewardship of water resources.

Our entities, **Rompetrol Rafinare SA**, **Rompetrol Downstream SRL**, **Rompetrol Gas SRL**, identify relevant risks and opportunities arising from the analysis of the context in which they operate, compliance obligations, and the needs and expectations of relevant interested parties. Additionally, risks can also be associated with emergency situations that may have harmful impacts on the environment, health and safety at work, or other effects on the company. In identifying potential emergency situations, the nature of the hazard, the type and scope of the most likely emergency situations, and potential emergency situations in nearby areas (Domino effect) are considered. The risks relevant to the intended results of the integrated management system, as well as those associated with permanent or temporary changes within the organization, are identified and evaluated by process owners/department managers, who establish and plan appropriate actions to address them. In the case of planned changes, the evaluation is conducted prior to the implementation of the change. Opportunities for improving the performance of the management system are also identified, and those that are found feasible after evaluation are incorporated into the organization's plans/programs. The identified risks and opportunities that may generate other risks and opportunities for the organization



are also considered and evaluated. The implementation status of actions is periodically reported to management, constituting input data for the analysis conducted by management.

The stages of the process for identifying significant impacts, risks, and opportunities related to water resources include:

- Data Collection and Analysis is performed on:
 - Water Sources: Identification of water sources used.
 - Water Usage: Monitoring the quantities of water used in different operational processes and identifying the potential for recycling/reusing.
 - Water Quality: Evaluating the quality of water before and after use, as well as treating wastewater for recycling/reuse/disposal.
- Identification of Risks and Impact Evaluation related to water include:
 - Environmental Risks: Assessing the environmental impact of water use in operational processes, documented in the Environmental Aspects List at the platform level.
 - Availability Risks: Assessing the impact associated with water shortages during dry periods (development of a restriction plan).
 - Operational Risks: Identifying risks related to water supply interruptions and evaluating their impact on operations.
- Identification of Opportunities relate to:
 - Water Use Efficiency: Implementing technologies and practices that reduce water consumption.
 - Water Reuse: Improving the system for reusing treated water to conserve resources and reduce dependence on external sources.
- Stakeholder Consultation related to water management include both:
 - Regulatory Authorities: Collaborating with authorities to ensure compliance with regulations/contractual clauses.
 - Business Partners: Working with suppliers and customers to develop joint water management solutions (Apele Romane, platform consumers, RAJA Navodari and Corbu + wastewater treatment station clients).
- Monitoring - Continuous Monitoring is performed to continuously track water usage and its impacts to adjust strategies and ensure continuous improvement.

For **RRC, DWS, Rp Gas**: The potential pollution-related impacts, risks, and opportunities for the refinery, gas stations and depots are analyzed within the evaluation of environmental aspects. This evaluation is carried out based on a documented procedure.

When identifying specific environmental aspects, the following are taken into account: the direct environmental aspects of the activities, services, products of the organization and the indirect ones (which the company can influence), from the perspective of the life cycle, as follows:

- air emissions from stationary sources and in receiving neighborhoods (emissions);
- smells;
- spills in water;
- waste management;
- management of hazard substances;
- soil pollution;
- noise;
- the use of raw materials and natural resources;
- the impact on communities.

In order to identify the impact/risk/opportunity of the business activities, we assess each unit/plant/activity of the refinery, gas stations and depots. The calculation of the environmental impact is calculated according to severity, frequency, affected neighborhoods, regulation.

As a laboratory service entity, **Rompetrol Quality Control SRL** identifies relevant risks and opportunities arising from the analysis of the context in which it operates, as well as from compliance obligations, needs, and expectations of relevant stakeholders. The quantity of water used is monitored, and wastewater is periodically analyzed.



Moreover, as part of our double materiality assessment, we identify our impacts, risks and opportunities related to our site locations and business activities along our value chain. We have implemented a thorough screening process to identify actual and potential water-related impacts, risks and opportunities within our operations and value chain. In addition, we have conducted stakeholder consultations as part of our materiality assessment.

For each new project an environmental impact assessment is performed, prior to implementation. This assessment identifies, describes and evaluates, as appropriate in each case, the significant direct and indirect effects of a project on the following factors:

- (a) population and human health (vicinity).
- b) biodiversity, paying special attention to protected species and
- c) land, soil, water, air and climate.
- d) material assets, cultural heritage and landscape.

During authorization procedure, if applicable acc. to EPA Decision, local communities are invited to public debates.

Section 1.5.4 Material impacts, risks and opportunities and their interaction with strategy and business model presented above, summarizes the water and marine resources IROs from the double materiality analysis conducted.

4.1.2 Policies

ESRS E3-1

Rompetrol adopted policies to manage material impacts, risks, and opportunities related to water and marine resources which are in accordance with the minimum reporting requirements laid out in the Minimum Disclosure Requirements with regards to policies (MDR-P) as defined in ESRS 2. The industry in which **Rompetrol** operates is subject to a wide range of regulations, standards, and policies aimed at protecting water, both in terms of consumption and preventing pollution or contamination. In this context, we have implemented dedicated internal procedures that cover all aspects of water management, from monitoring water quality and treating wastewater to preventing accidental pollution. These measures not only comply with regulations but also highlight our commitment to the responsible management of water resources.

Because refineries can use relatively large quantities of water depending on their size and the complexity of the refining process, and the amount of water withdrawn and consumed by an O&G company and the quality of its discharges can have impacts on ecosystems and people. Rompetrol drafted and ESG Policy applicable for the KMG Group.

The policy is designed to guide our actions in a way that aligns with the best practices and industry standards. An effective ESG policy should commit to continuous improvement and regularly evaluate and update sustainability practices to remain aligned with evolving industry standards and stakeholder expectations. The draft policy addresses that water-related risks are reported annually in the Sustainability Report. There are no formalized policies related to sustainable oceans and seas, however Rompetrol aligns to permit level requirements for discharge.

Rompetrol acknowledges the critical importance of responsible water resource management. Our approach to water management includes reducing water consumption, improving water recycling processes, and ensuring wastewater treatment before discharge. We aim to mitigate our environmental impact and contribute to clean water and sanitation both in our operations and within the community. We implemented water efficiency and recycling practices in our operations to reduce water consumption. The water management practices adopted by **Rompetrol Rafinare SA** follow an integrated and responsible approach to the use, treatment, and conservation of water. Based on the AGA decision, there is a contract between RR and Apele Române, which defines the quantities of raw water to be extracted and the volume of water to be discharged into the Black Sea. The contract also



establishes the maximum allowable contaminant limits for discharged water. **Rompetrol Rafinare** pays monthly contributions based on water quality analyses conducted by both parties.

Our water management strategy complies with the rigorous requirements of the **Water Management Authorization**. Additionally, **Rompetrol Downstream SRL** and **Rompetrol Gas SRL** responsibly manage water, treating it as a vital common resource, in accordance with the requirements of the water management authorizations for each operational location.

The QHSE policy of **Rompetrol Rafinare SA** aims at the sustainable use of this vital resource and includes water conservation and efficient water usage. In accordance with the law and regulations, water management authorizations include aspects related to water usage and supply, water treatment, and the prevention and reduction of water pollution. A fundamental element of the water management system within **Rompetrol Rafinare SA** is the **Accidental Pollution Prevention and Response Plan**. This is described in the *ESRS 2 section – Pollution*.

During the reporting period, **Rompetrol Rafinare SA** has maintained its certifications, which demonstrate our commitment to quality and environmental protection, ISO 9001:2015 and ISO 14001:2015. Regarding water, ISO 14001 includes aspects related to **water resource management** within the environmental management system. Specifically, it focuses on identifying, evaluating, and controlling the impact of the organization's activities on water, which may include water consumption, water pollution, wastewater management, and other aspects related to water resources.

The top management of Rompetrol has defined, implemented, and ensures the maintenance of policies and regulations in the areas of QHSE, security, and energy, which are aligned with the organizational purpose and context. In the process of establishing these policies, the following aspects have been considered:

- National and international context
- Alignment with the purpose and context of Rompetrol Rafinare S.A.
- Compliance obligations and applicable legislation
- Requirements set by stakeholders
- Sustainability requirements for products
- Requirements for evaluating compliance and correcting nonconformities
- Necessary resources
- Desired level of customer satisfaction
- Nature and types of risks and opportunities identified, with a focus on ensuring environmental protection, preventing pollution, and protecting natural resources, including water, through responsible management, promoting worker participation and consultation, and ensuring energy efficiency measures
- Opportunities and requirements for the continuous improvement of the effectiveness of the implemented system.

To achieve the objectives set in the company's policies, all activities related to environmental management are monitored to prevent nonconformities, including in the areas of water resource management and water pollution prevention.

The company's policies are communicated to all employees and are available to stakeholders. They are periodically reviewed to ensure they remain relevant and appropriate.

At the company level, the existing QHSE Policy regarding the management of significant impacts, risks, and opportunities related to pollution prevention and control, including water pollution, promotes the adoption of necessary practices for identifying, evaluating, and managing associated processes and risks, as well as the periodic assessment of environmental aspects. There is a constant focus on minimizing the impact on the surrounding environment, preventing water pollution and other natural resource depletion, reducing emissions, and using energy and resources efficiently, including water.

The individuals within **Rompetrol** at the highest level, responsible for implementing the water resources policy, are:

- Petromidia and Vega Refineries – General Director;
- Rompetrol Downstream – Anca Banciu – Director General Rompetrol Gas SRL - Alexandru Lilian – Sole Administrator and Rompetrol Quality Control SRL – Temirlan Kantay



4.1.3 Actions

ESRS E3-2

In accordance with the minimum disclosure requirements for actions (MDR-A), our key actions taken during the reporting year and planned for the future related to **water resources** and **marine resources** are described in this section.

Actions are aligned to BAT for refineries in the context of Directive 2010/75/UE on industrial emissions (updated), to ensure optimization of water use, and water protection. All applicable measures have already been implemented (eg: online flue gas analysers, frequency of monitoring, etc.).

Regarding the reduction of *water consumption*, Rompetrol Rafinare SA, **Rompetrol Downstream SRL** and **Rompetrol GAS SRL** implement water-efficient technologies in production processes, with the primary objective of reducing the amount of water used. Additionally, processes are optimized to minimize water losses and increase water use efficiency throughout the entire production flow.

Rompetrol Rafinare SA continuously improves its wastewater recycling systems, thereby reducing reliance on external water sources. The treated water is reused in industrial processes such as washing and cooling, contributing to a more responsible and sustainable use of water resources.

For **Rompetrol Rafinare SA**, **Rompetrol Downstream SRL**, and **Rompetrol GAS SRL**, water quality is continuously monitored to prevent contamination.

For **Rompetrol Quality Control SRL**, the monitoring of chemically treated wastewater quality is carried out semi-annually.

Regarding the **upstream value chain**, relevant activities for Rompetrol Rafinare SA include:

- Collaboration with Suppliers: Partnerships are developed with suppliers to implement sustainable water management practices and reduce the impact on water resources.
- Monitoring and Reporting: Water consumption monitoring systems are implemented. Results are periodically reported to ensure transparency and accountability.

Downstream of Rompetrol, relevant activities for Rompetrol Rafinare SA include:

- Analysis of the Impact of Discharged Water in the Black Sea
- Promoting Water Use Efficiency: Awareness programs are developed for clients (platform consumers) to promote efficient water use and reduce water consumption.

On the Upstream Value Chain of **Rompetrol Downstream SRL** and **Rompetrol Gas SRL**, the following are performed:

- Collaboration with Suppliers: Partnerships are developed with suppliers to implement sustainable water management practices and reduce the impact on water resources.
- Monitoring and Reporting: Water consumption monitoring systems are implemented. Results are periodically reported to ensure transparency and accountability.

There are **no hydrologically stressed areas** in the operation areas, from where water extraction is performed by Rompetrol.

4.1.4 Targets

ESRS E3-3

Targets are established within **Rompetrol**, particularly for our industrial sites. The measurable targets of the **Petromidia Refinery** for reducing water consumption are directly related to managing the risks associated with water availability. Even though Rompetrol sites are not located in high water stress area, the **Petromidia Refinery** aims to significantly reduce water intake (by 4% in 2025 and by up to 20% by 2040), reflecting a responsible approach.

Rompetrol Rafinare SA - Petromidia Refinery	2022*	2024	2025	2030	2040	2050
Freshwater withdrawal (million liters), var.from base year	2,781	2,515	-4%	-15%	-20%	1)



Water discharge (million liters)	5,622	6,493	5,500	5,500	5,200	5,200	2) 3)

*Note: 2022 is the reference year for measurements

1) New pump installed in 2026 in the reusable water system

2) New Carasu pumping station starting in 2025

3) New potable water and raw water supply systems after 2030

The consumption reduction initiatives (1), (2), (3) are examples of measures that contribute to the efficient use of water and reduce the risks related to its availability.

To achieve the target of a 20% reduction by 2040, the following initiatives have been considered, which impact the reduction of raw water consumption:

- New pump installed in 2026 in the reusable water system
- New raw water pumping station – Carasu (reducing freshwater abstraction by 50 mil Liters per year)
- Replacement of the potable water distribution system at the Petromidia platform in 2030 (reducing potable water acquisition by 38 mil Liters per year)
- Replacement of the raw water transmission pipeline in 2040 (reducing freshwater abstraction by 50 mil Liters per year)

The targets presented are **voluntary** and are part of the company's sustainability strategy to reduce environmental impact and improve operational efficiency.

Constant monitoring and internal and external audits demonstrate Rompetrol Rafinare SA's commitment to achieving these targets.

The effectiveness of the actions taken by **Rompetrol Rafinare SA**, **Rompetrol Downstream**, and **Rompetrol Gas** to address the impacts, risks, and opportunities related to water resources is monitored through the following methods:

- Continuous Monitoring:
 - Implementation of monitoring systems to collect real-time data on water consumption and quality at various operational locations;
 - Internal and external audits to assess compliance with environmental standards and regulations.
- Reporting and Data Analysis:
 - Generation of periodic reports summarizing water usage, the effectiveness of implemented measures, and environmental impact. These reports are used to evaluate progress against set objectives;
 - Data analysis to interpret trends in water consumption and quality, identifying areas that require improvements.
- Performance Indicators Used:
 - Water consumption: Measuring the total volume of water used and evaluating efficiency by calculating the ratio between total production and water consumption.
 - Water quality: Monitoring water quality indicators to ensure compliance with local and international standards.
 - Water recycling and reuse: Measuring the percentage of recycled water and reducing fresh water consumption through recycling systems.
 - Environmental impact: Measuring the reduction of pollutant emissions in treated wastewater.

For the **Petromidia Refinery**, the water consumption reduction targets are aligned with the company's sustainability policies and its objectives regarding the efficient management of water resources and environmental protection. The company's policies focus on water conservation, improving water recycling and reuse processes, as well as reducing water pollution, in accordance with internal and external regulations. Reducing water consumption and using it efficiently are directly related to the responsibility towards the environment and the impact on natural resources.



The targets set for the Petromidia Refinery are **relative** and refer to reducing the abstraction of freshwater. The targets are specifically applied within the **Petromidia Refinery**, having a direct impact on production activities and water management within the refineries. The geographical limits are Romania, with particular focus on local water sources and water resources near the refinery. Performance will be monitored annually, and progress will be reported in the sustainability reports. The indicators used will include volumes of water consumed.

Regarding the **methodologies and significant assumptions used to define the targets**, it can be mentioned that the water consumption reduction targets for the **Petromidia Refinery** are based on initiatives such as the installing of a new pump in 2026 in the reusable water system, the construction of a new raw water pumping station (Carasu), and the replacement of the potable water distribution system in 2030. These measures are designed to contribute to the efficient use of water and reduce risks related to its availability.

Water consumption reduction approaches are based on internal assessments and operational efficiency plans. Stakeholder consultation takes place within the IRO analysis, suggesting their involvement in the process of setting sustainability objectives and targets.

For Vega Refinery, the water consumption reduction targets are aligned with the company's sustainability policies and its objectives regarding the efficient management of water resources and environmental protection. The company's policies focus on water conservation, improving water reuse processes, as well as reducing water pollution, in accordance with internal and external regulations. Reducing water consumption and its efficient use are directly linked to environmental responsibility and the impact on natural resources.

The targets set for Vega Refinery are relative and refer to the reduction of the amount of extracted water and discharged wastewater. The targets are specifically applied within Vega Refinery, having a direct impact on production activities and water management within the refineries.

Performance will be monitored annually and progress will be reported in sustainability reports. The indicators used will include the volumes of water consumed.

For our **Vega Refinery**, the targets align to be fully compliance with water permit conditions.

For Rompetrol **Downstream SRL**, **Rompetrol Gas SRL**, and **Rompetrol Quality Control**, there are no specific targets related to water consumption due to the nature of their operations and the low water usage compared to the activities within **Rompetrol Rafinare SA**.

4.1.5 Water consumption

ESRS E3-4

Petromidia Refinery

The **Petromidia Refinery demonstrates** adaptive and well-structured water management, focusing on the efficient use of water resources to support both daily operations and the company's sustainable development goals. The water abstraction strategy is diversified to meet various operational needs, with a particular emphasis on the efficient and sustainable management of water.

Water sources are diversified and well-established. Petromidia relies on natural sources such as the Danube, Carașu, and Luminița branches to ensure a continuous water flow, thus adapting to the specific needs of the refinery. Additionally, the use of potable water infrastructure from the R.A.J.A. regional supply system reflects a dependence on external but well-integrated and reliable sources, ensuring a constant and secure supply for the refinery's needs.

Petromidia manages its water sources for technological and firefighting purposes by capturing water from the Poarta Albă-Midia-Năvodari Canal, with different capacities for normal conditions and emergency situations. In this regard, the refinery has a well-established system capable of ensuring operational continuity and responding effectively in case of emergencies, which is essential for the safety of industrial operations. The water supply for firefighting purposes is exclusively from the Luminița branch of the Poarta Albă-Midia-Năvodari Canal, ensuring readiness for emergency response.

A strong point of the company's strategy is the cooling water recirculation system, with an impressive recirculation coefficient of 97%. This highlights Petromidia's commitment to resource efficiency and the



reduction of freshwater consumption, serving as a clear example of the application of sustainability principles in industrial activity. This recirculation system has a significant impact on saving water resources and considerably reduces the amount of water needed for cooling processes.

The water recirculation system includes:

- Three recirculated water units: G1, G2, G3.
- Cooling water station ASU.
- Additional cooling water stations: G100, G200, G300.

The table below presents data regarding total water consumption, water abstraction and discharge, as well as the quantities of recycled and reused water for the years 2022, 2023, and 2024. This information is essential for assessing the impact of activities on water resources and promoting more efficient water usage practices. Continuous monitoring of these indicators helps optimize processes, reduce consumption, and ensure responsible water management in the context of climate change and pressures on natural resources. Our water use related metrics are not validated by an external body.

We do not have operations in high-water stress areas, however a storage capacity of 10,750 m³ is in place, which is typically not utilized as it is not required.

Indicator	Unit	2022	2023	2024
Total water consumption	m ³	2,781,418	2,649,283	2,514,786
Total water consumption in water-scarce areas, including areas with high water stress	m ³	-	-	-
Total amount of recycled and reused water	m ³	752,401	1,214,420	633,793
Total amount of stored water	m ³	-	-	-
Changes in water storage	m ³	-	-	-
Water consumption intensity (total water consumption in own operations, in m ³ per net revenue in million Euro)	m ³ per net revenue in million Euro	62,746	81,019	87,451
Raw water consumption for cooling tower makeup	m ³	3,414,731	3,179,652	2,819,859
Raw water consumption in the fire network	m ³	1,188,938	2,272,030	1,914,062
Raw water consumption for producing filtered water for sale	m ³	2,556,687	2,435,271	2,367,055
Additional intensity rates	%	-	-	-
Total water abstractions	m ³	8,701,710	8,520,505	9,008,148
Raw water abstractions	m ³	8,405,578	8,264,885	8,721,550
Drinking water abstractions	m ³	296,132	255,620	286,598
Total water discharges	m ³	5,624,160	5,871,222	6,493,362

Vega Refinery

The Vega Refinery ensures its supply of technological and fire-fighting water primarily from underground water wells, including P1, P2, P6, and the wells in conservation P3, P4, P5, P7, P8. This water from the underground wells reaches the refinery through a main pipeline with a diameter of 8 inches, forming a closed loop (ring-type) within the refinery. From this loop, the water is distributed to various technological installations through pipes with diameters of Dn50 and 200 mm, across a network of approximately 7.8 km. The water management authorization permits a maximum annual volume of



1,715,500 cubic meters of water, ensuring a sufficient supply for refinery operations while adhering to the principles of sustainable water use.

Indicator	Unit	2022	2023	2024
Total water consumption	m ³	46,320	-174,073	40,750
Total water consumption in water-scarce areas, including areas with high water stress	m ³			
Total amount of recycled and reused water	m ³			
Total amount of stored water	m ³			
Changes in water storage	m ³			
Water consumption intensity (total water consumption in own operations, in m ³ per net revenue in million Euro)	m ³ per net revenue in million Euro	19,922	NA	26,441
Raw water consumption for cooling tower makeup	m ³	327,437	292,411	219,132
Raw water consumption in the fire network	m ³			
Raw water consumption for producing filtered water for sale	m ³			
Additional intensity rates	%			
Total water abstractions	m ³	1,304,618	1,156,310	779,834
Raw water abstractions	m ³	1,235,618	1,088,548	779,758
Drinking water abstractions	m ³	0	0	0
Total water discharges	m ³	1,269,298	1,330,383	739,008

Rompetrol Downstream SRL ensures a sustainable supply of fresh water by complying with the Water Management Authorization issued for each operational site. This includes supplying water from underground wells (benefiting 30 gas stations and 4 warehouses) or accessing municipal drinking water infrastructure (gas stations and 2 warehouses) for various needs such as sanitation, fire fighting, and food preparation. This water is used for hygiene, fire fighting, and culinary purposes.

Rompetrol Gas SRL operations ensure water supply through comprehensive and compliant methods across various warehouses, using both underground wells and bottled water for human consumption, along with connections to local drinking water networks for sanitary, fire-fighting, and food production needs.

In the case of **Rompetrol Downstream SRL** and **Rompetrol Gas SRL**, water consumption is not as relevant a factor, given the activities carried out, where the impact on water consumption is significantly lower compared to the refining process. Although some maintenance or cleaning operations may take place, they do not involve water consumption of the same magnitude as in refineries.

*Justification: Water consumption DWS 2024 (stations and depots) 264,940.28 cm; water consumption Rompetrol Gas 2024 (depots): 8,266 cm.

As for **Rompetrol Quality Control SRL**, water consumption is even less significant, as the activities performed are less intensive in water use, being focused on laboratory and administrative activities, compared to the industrial processes at the Petromidia and Vega Refineries.



5 RESOURCE USE AND CIRCULAR ECONOMY

ESRS E5

5.1 Concepts and measures related to resource use and circular economy

5.1.1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

ESRS 2 IRO-1

Rompetrol Rafinare SA and its subsidiaries (**Rompetrol**) are included in the **Risk Profile of the KMG** Group.

The significant impacts, risks, and opportunities of Rompetrol related to circular economy, particularly regarding waste, are identified within the double materiality assessment framework. We have implemented a thorough screening process, identifying actual and potential impacts, risks, and opportunities related to waste within our operations and value chain. Additionally, we have conducted consultations with stakeholders as part of our materiality assessment through an online questionnaire.

Consultations with potentially affected communities are carried out in the permitting procedure of our facilities, as required by the EU EIA Directive, EU IED Directive.

Section 1.5.4 Material impacts, risks and opportunities and their interaction with strategy and business model presented above, summarizes the material resource use and circular economy IROs from the double materiality analysis conducted, related to waste management.

5.1.2 Policies

ESRS E5-1

Rompetrol does not have a separate waste management policy, specifically for managing its significant impacts, risks, and opportunities related to the circular economy. However, within the ESG Policy of the KMG Group, it is stated that the aim is to minimize the environmental footprint by implementing best practices for waste management. Our current policies do not include provisions regarding the transition away from certain resources or the increased use of recycled materials.

Waste management measures are regulated by the current legislation and translated into internal procedures, thus focusing on prevention, mitigation, and remediation of impacts, while also considering identified risks.

Documents related to waste management, including requirements and procedures, are made available to all employees, management, and contractors. Additionally, quarterly environmental updates are published on the Rompetrol website. At the beginning of each year, waste management training materials are distributed to all contractors.

The internal procedures of Rompetrol Rafinare SA, Rompetrol Downstream, and Rompetrol Gas, as well as waste management plans and programs, are part of each company individual integrated management systems for quality, environment, health, and occupational safety, certified in accordance with the ISO 9001 – ISO 14001 – ISO 45001 standards.

For all **Rompetrol** entities, the **QHSE Policy** is implemented, which represents the management's commitment to identifying, assessing, and managing processes and associated risks, including those related to resource management and circular economy. It also involves setting specific objectives and rules for improving the performance of the management system and promoting the adoption of sustainability principles in its operations by minimizing their impact on the environment (including efficient waste management).



Rompetrol Rafinare SA complies with all regulations regarding waste management, integrating these requirements into its internal protocols and guidelines. This commitment extends to **service providers, subcontractors, and tenants** across both refining platforms through complex contracts, including the Health, Safety, and Environment (HSE) Agreement.

Waste Prevention and Reduction Programs

In accordance with the current legal regulatory requirements, specifically Law no. 17/2023 for the approval of Government Emergency Ordinance no. 92/2021 regarding the waste regime (which transposes European Parliament and Council Directive 2008/98/EC on waste), economic operators conducting commercial or industrial activities for which the competent environmental protection authority has issued an environmental permit/integrated environmental permit, based on the result of a waste audit, are required to prepare and implement a waste prevention and reduction program for waste generated from their own activity or, where applicable, from any product manufactured. This includes measures to identify and adopt actions to reduce prevent and the quantity or hazard of waste generated.

Thus, the individual "Waste Prevention and Reduction Programs" include the measures/actions implemented at 3 entities within Rompetrol, namely **Rompetrol Rafinare SA, Rompetrol Downstream, and Rompetrol Gas SRL**. The main objective is minimizing the negative effects of waste on public health and the environment, primarily through waste generation prevention. Therefore, the development of the individual waste prevention and reduction programs takes into account the following aspects:

- Identification of measures for efficient waste management at the site
- Designing products to optimize the consumption of raw materials and process chemicals (only for **Rompetrol Rafinare SA**)
- Planning the procurement activities of raw materials and chemicals to avoid creating stocks that may lead to depreciation/expiration (only for **Rompetrol Rafinare SA**)
- Establishing measurable objectives
- Utilizing voluntary waste management tools

In accordance with the implemented programs and procedures, within **Rompetrol**, we consider the **waste hierarchy** by implementing a management system that places a strong emphasis on waste generation prevention and resource consumption reduction. First, measures that **prevent waste generation are prioritized**, followed by options that allow for the **reuse and recycling of materials**. If these options are not feasible, **energy recovery** from waste is considered. Only as a last resort, when no more sustainable solutions are available, the company considers **waste disposal** through incineration or landfilling (**Rompetrol Rafinare SA**), after a detailed analysis of the available options and, where applicable, conducting technical and economic studies to assess their impact and feasibility.

At the **Petromidia Refinery**, a key component of efficient waste management is the documented procedure that aligns with the Integrated Environmental Permit and other relevant legal frameworks.

This procedure defines the identification of waste categories arising from production and auxiliary activities, ensuring adherence to the waste hierarchy. It includes strategic and cost-effective measures for the recovery and disposal of waste, including those related to the decommissioning of deactivated facilities.

The priority given to avoiding or minimizing waste is addressed through the implementation of measures to prevent waste generation by using the best available technologies (BAT) and by designing products that optimize the consumption of raw materials and process chemicals.

At **Rompetrol Rafinare SA**, the concept of eco-design is considered by evaluating purchased products in terms of their lifespan and environmental impact, as well as by acquiring equipment and catalysts with a long lifespan. Additionally, the use of packaging that promotes sustainability is encouraged. Rompetrol Downstream successfully implemented the SGR in 2023, alongside the introduction of measures for single-use plastics during the same year. For Rompetrol Rafinare - a contract is in place with an authorized company to meet the annual objectives (as per legislation) related to the recycling of packaging associated with our polymer products placed on the domestic market.

The individuals within **Rompetrol** at the highest level, responsible for implementing policies related to circular economy aspects, are:



- Petromidia and Vega Refineries – General Director
- Rompetrol Downstream – General Director
- Rompetrol Gas SRL – Sole Administrator
- Rompetrol Quality Control SRL – General Director

5.1.3 Actions

ESRS E5-2

Rompetrol has implemented a series of actions and allocated resources to promote the circular economy. These actions are aligned with the principles defined in ESRS 2 MDR-A.

Permitted entities are engaged for the disposal or recycling of all types of waste, aligning with environmental conservation efforts. The organization has developed a robust waste prevention and reduction strategy, addressing multiple aspects such as efficient waste management practices, product design to minimize the use of raw materials and chemicals, strategic procurement to avoid surpluses and waste, exploring alternatives for waste minimization, setting clear objectives, and adopting proactive waste management approaches.

A prevention and reduction waste Plan for Rompetrol Rafinare SA (with actions to reduce/ reuse materials) - Petromidia is publicly available on the company's website and is submitted to environmental protection authorities.

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

Within the Refining Division, waste management prioritizes prevention, aiming to minimize waste generation before it occurs. Initiatives within Rompetrol Rafinare SA's waste reduction program include:

- Evaluating purchased products in terms of lifespan and environmental impact
- Setting consumption norms for raw materials/chemicals/utilities for all processes carried out
- Purchasing chemicals in reusable/recyclable packaging/large volumes/bulk, to reduce the amount of packaging waste generated
- Using renewable catalysts/high-lifespan catalysts/consumables in processes/that allow the recovery of metal compounds
- Identifying alternative methods for the recovery/disposal of the same category of waste

The waste management protocols, as dictated by legislation, are fully integrated into **Rompetrol Rafinare's** internal procedures, ensuring specific waste handling practices such as selective collection, proper temporary storage, recovery or disposal of waste by authorized operators, and full traceability of waste from generation to disposal, maintained for at least three years.

Efforts to prevent environmental contamination include the strategic placement of euro containers and designated storage areas to prevent soil and water pollution and reduce air emissions. The Petromidia and Vega platforms are equipped with properly marked containers and storage areas, minimizing environmental impact. **Rompetrol Rafinare SA** also focuses on reducing packaging waste by using reusable containers, bulk chemical procurement, and sustainable or renewable catalysts.

Complete records of waste are maintained for each waste category, with a focus on separating hazardous from non-hazardous waste. Hazardous waste is carefully described and stored in conditions that protect human health and the environment, preventing accidental pollution or potential health risks. Authorized transporters ensure the traceable transport of waste from origin to final destination, with detailed records kept for a minimum of three years, demonstrating the company's commitment to responsible waste management and environmental protection.

Petromidia Refinery

To effectively manage the complexity of waste management, **Petromidia Refinery** employs a systematic approach that includes the separation of household and production waste, from their generation to final disposal or recovery. The foundation of this system is based on the clear identification and continuous monitoring of waste sources and streams within each department. This responsibility includes documenting the waste categories generated by their respective activities, emphasizing a decentralized yet coordinated effort in waste management.



The platform is fully equipped with euro containers, specialized external zones, and strategically placed concrete platforms near waste generation points. These are designed with temporary storage capacity to accommodate the volume of waste produced between two collection cycles. To facilitate the efficient separation of waste, the containers and collection areas are clearly marked according to the type and category of waste they are designated for.

The refinery's methodical approach is encapsulated in detailed internal procedures and annual plans, particularly in the "Waste Management" procedure and the annual waste management plan. These documents serve as the cornerstone of the waste management strategy and are subjected to rigorous validation through both internal and external audits and inspections. This strategy adheres to the principles of the waste hierarchy: prioritizing waste prevention, preparing for reuse, recycling, other forms of recovery such as energy recovery, and, as a last resort, disposal.

Significantly, **Petromidia Refinery** does not engage in on-site treatment of waste before its disposal or recycling. Instead, a selective collection protocol is implemented based on the nature of the waste, facilitating its temporary storage in properly marked locations while awaiting final disposal or recycling. This step ensures proper waste management, aligning with the refinery's commitment to environmental protection and compliance with current regulations.

External recovery of packaging materials, especially for petrochemical products, underscores the refinery's commitment to sustainability. By using recyclable materials for packaging and establishing a recovery service contract that mandates a recovery rate of at least 60% of all packaging introduced into the market, the refinery strengthens its dedication to environmental protection.

To maintain the integrity of the waste management process, training personnel on legal requirements and best practices is essential. This educational component is crucial to ensure that all those involved in waste management are well-informed and capable of performing their responsibilities effectively, thus keeping the waste management process under strict control.

As part of the waste management information process, regular training sessions are conducted quarterly or semi-annually for all employees, covering environmental aspects such as waste handling, hazardous substances, procedures, and MSDS. Additionally, during shutdowns or maintenance periods, a waste management plan is developed, detailing waste categories, codes, hazards, storage locations, labelling, and transportation methods. This plan is then communicated to all unit managers.

Vega Refinery

At **Vega Refinery**, waste management is a priority, with systems in place to ensure compliance with legal requirements. The platform is equipped with euro containers, specially designed external zones, and optimally placed concrete platforms at the waste generation points. These have adequate temporary storage capacity for the volume of waste generated between collections. The containers are color-coded and marked according to the type/category of waste, facilitating efficient separation and handling.

Vega Refinery has established contracts with authorized companies for the collection, transport, and recovery/disposal of all waste generated on-site. This includes both hazardous and non-hazardous waste, such as used oil, bitumen waste, sludge from wastewater treatment, contaminated soils, metal scraps, plastic packaging, paper and cardboard, household waste, mineral wool waste, and tank sludge.

The waste management principles applied by the refinery include preventing waste generation whenever possible and ensuring that any waste produced is managed to minimize its environmental impact. This involves applying the waste hierarchy to encourage prevention and efficient waste management, thus reducing environmental effects. Recyclable waste is sorted into categories for recovery, and an active program for preventing and reducing waste generation is in place.

The waste management procedures are documented, covering the flow from generation to recovery or disposal, and include maintaining records for each waste type in compliance with legislation and the Integrated Environmental Permit requirements.

Mixing different categories of hazardous waste, as well as mixing hazardous waste with non-hazardous waste, is strictly prohibited (this restriction is incorporated into our internal procedure). Hazardous waste is clearly defined and temporarily stored in labelled and secured areas to minimize health and environmental risks.



Waste destined for recovery or disposal off-site is transported by authorized companies, with storage practices designed to prevent soil and water contamination and minimize air emissions. The management of historical waste is outsourced to third parties, ensuring compliance with contractual and legislative obligations.

A documented procedure ensures that the waste management process meets the requirements of the Integrated Environmental Permit, correctly identifies waste categories, and follows the waste hierarchy. This procedure also targets the efficient economic recovery or disposal of waste, including waste from decommissioned facilities, and mandates mandatory training for personnel regarding legal requirements to maintain process control.

Waste composition reporting includes detailing hazardous versus non-hazardous waste, waste flows relevant to the sector's activities, and materials present in the waste. All waste management practices are designed to minimize environmental impact, with a strong emphasis on reducing, reusing, and recycling waste whenever possible.

Management of Historical Waste

Vega Refinery's approach to managing historical waste, includes 14 lagoons located on the northern side of the refinery platform, covering approximately 82,450 square meters. These lagoons are designed with containment measures, utilizing compacted soil layers and bentonite to prevent leaks and environmental contamination.

The site primarily hosts acid tar lagoons (pits 7 - 20), where waste from petroleum product tanks, by-products, sludge from petroleum separators, and contaminated soils are temporarily stored. These lagoons have been essential in managing waste that is not directly associated with the refinery's primary production activities but results from auxiliary processes or historical operations.

Specifically, lagoons 7 - 12, covering an area of 15,475 square meters, have reached their maximum storage capacity. These lagoons are partially levelled and partially bordered by embankments due to uneven terrain. Rainwater collected on their surface is pumped into the chemical drainage system for disposal.

Similarly, lagoons 13 - 15 and 16 - 19, with areas of 12,250 square meters and 43,350 square meters, respectively, are interconnected but separated by boundary embankments, some of which have been surpassed by the level of the landfill. These lagoons also store acid tars, with rainwater being collected and pumped into the chemical drainage network.

Additionally, lagoon 20, located near lagoons 16 - 19 and to the south of them, spans approximately 0.5775 hectares. Like the others, it serves as a temporarily storage area for acid tars, adhering to the refinery's comprehensive waste management strategy.

There is an ongoing project aimed at the remediation of these lagoons, which involves the treatment of existing historical waste and subsequent disposal in impermeable cells in accordance with Order 757/2004.

This initiative is the refinery's commitment to the responsible management of environmental resources, ensuring that the management of historical waste is carried out in a sustainable manner.

Rompetrol Downstream SRL

Rompetrol Downstream SRL has implemented specific measures to minimize the environmental impact of waste, with a particular focus on reducing packaging usage in our food service operations. Products are served on porcelain plates, and packaging for takeaway items is made from biodegradable materials, eliminating the use of plastic bags. This initiative aligns with our commitment to sustainability and waste reduction.

To efficiently manage packaging waste, we collaborate with suppliers specializing in the selective collection of packaging waste, ensuring their practices comply with regulatory standards. This approach is part of our broader strategy to manage packaging responsibly and sustainably. In response to the Single-Use Plastics (SUP) Directive, as transposed into national legislation through GEO 6/2021, we are transitioning to reusable and sustainable alternatives to single-use plastics.



In accordance with Law no. 249/2015, we take responsibility for managing packaging waste within the national territory, aiming to recycle or utilize this waste. This responsibility is transferred to an extended producer responsibility organization authorized to manage packaging waste, ensuring we meet our recycling targets.

Our waste prevention and reduction program includes plans for each worksite to optimize packaging selection and reduce waste. We have engaged local suppliers to collect packaging waste at no cost and contracted an organization to manage our product packaging responsibilities. This ensures traceability of hazardous and non-hazardous waste, with documentation provided for the transport and recovery of these wastes.

The Deposit Return Scheme (SGR) allows consumers to return packaging to any designated return point in Romania, regardless of where the product was purchased. For each returned package, consumers are refunded 0.5 lei, promoting recycling and waste reduction without requiring a shopping receipt. This initiative underscores our commitment to environmental protection and sustainable practices.

For Rompetrol Downstream: SGR 2024:

PET number<=1000ml: 25,485 pieces

number PET>1000ml: 10,053 pieces

number of aluminum cans: 18,454 pieces

number of glass containers=500ml: 10,678 pieces

number of glass containers>500ml: 1,295 pieces

Total quantity reported: 65,965 pieces

Single-use plastics 2024:

number of straws 31,656,520 pieces

number of cups 316,520 pieces

number of lids 4,256,400 pieces

number of pots 512,759 pieces

coffee palettes 6,727,000 pieces

Reduction of single-use plastics: 10% in 2024, in accordance with Order 06/2021, aimed at minimizing the impact of various plastic products.

Both Rompetrol Downstream and Rompetrol Gas engage in selective waste collection and have contracts with RTOs to meet the targets set by current legislation. All agreements for waste collection, transportation, recovery, and disposal are made with authorized companies.

Also these entities carry out waste audits, internal inspections, and external audits as part of their compliance and sustainability efforts.

At **Rompetrol Gas SRL**, we implement comprehensive waste management practices to mitigate the impact of our operations on the environment. Our approach to waste handling involves separating waste by type into designated containers, located on waste platforms specific to each operational site. Contracts are in place with specialized companies authorized to collect, transport, and either recover or dispose of both hazardous and non-hazardous waste.

Recognizing the significant negative impact that poor waste management has on climate change, air quality, ecosystems, and biodiversity, Rompetrol Gas is committed to managing waste responsibly. Our partnerships with authorized waste management contractors facilitate the monthly collection of waste from our depots, demonstrating our dedication to environmental protection.

A key element of our environmental strategy is the Waste Management Program, which is developed annually and includes initiatives aimed at reducing the volume of waste generated.



Our dual objective is to minimize the depletion of raw materials and reduce the environmental impact of our disposal methods. To achieve this, we explore ways to prevent waste by innovating or improving production processes. Where prevention is not possible, we strive to recover materials or convert waste into energy.

As a waste producer, we bear the ultimate responsibility for its disposal. This responsibility guides us in selecting contractors for waste management, ensuring they meet our strict disposal criteria as outlined in our agreements. The waste reduction plan for each site is formally established at the beginning of the year, and its effectiveness is evaluated through routine internal audits and inspections.

Therefore, the measures/actions identified and implemented regarding waste within **Rompetrol Downstream SRL** and **Rompetrol Gas SRL** are:

- Signing contracts with authorized companies to take responsibility for packaging management;
- Identifying alternative methods for the recovery/disposal of the same category of waste;
- Evaluating purchased products in terms of their lifespan and environmental impact.

Rompetrol Quality Control SRL

At Rompetrol Quality Control SRL, **waste management and reduction are critical aspects of our efforts to protect** the environment. Our facilities are equipped with euro containers and specially designed areas, including indoor spaces and concrete platforms, strategically placed near waste generation points. These containers, which have appropriate temporary storage capacity for the interval between two collections, are clearly labelled according to the type of waste they collect, ensuring effective separation and management of waste.

Each department within RQC is responsible for identifying the types of waste generated by their activities and documenting them in a detailed environmental aspects list. Depending on the category, the waste is temporarily stored in designated areas, intended either for disposal or recovery. Our comprehensive waste management approach extends from the initial generation of waste to its final recovery or disposal, with contracts in place with specialized companies.

In accordance with legal requirements and our internal waste management and reduction plans, all waste categories are managed by authorized companies. Our efforts focus on minimizing the impact of waste through strict compliance with legal provisions and the implementation of internal procedures.

Circular economy actions include:

- Returning containers to the supplier/client;
- Reducing waste by ordering reagents according to consumption and shelf life;
- Reusing glass containers.

At **Rompetrol**, the implementation of actions requires significant operational expenses (Opex) and/or capital expenditures (Capex). The effectiveness of your company's actions to address significant impacts, risks, and opportunities, including relevant indicators, is evaluated regularly.

Within **Rompetrol Rafinare SA**, **Rompetrol Downstream SRL**, and **Rompetrol Gas SRL**, the necessary resources (significant operational expenses (Opex) and/or capital expenditures (Capex)) are allocated annually to implement the measures/actions required for the responsible and sustainable management of resources/waste.

PEM OPEX, related with management of waste mil\$	Actual			Budget				
	2022	2023	2024	2025	2026	2027	2028	2029
	0.685	0.663	0.681	1.083	1.113	1.033	1.063	1.083

For 2024 waste management costs were as follows: Opex depots Rompetrol Gas SRL: Arad: 13,613 RON; Pantelimon: 5,986.65 RON; Bacau: 429.38 RON; Rompetrol DWS: 140,000 USD

The values for the estimated for upcoming years are 30% higher.



5.1.4 Targets

ESRS E5-2

Regarding waste management, within **Rompetrol Rafinare SA**, **Rompetrol Downstream SRL**, and **Rompetrol Gas SRL**, national targets for waste recovery/recycling are adhered to, as well as obligations related to selective collection. Targets are not linked to a Rompetrol formalized waste policy, the scope is to align to the national targets, and follow national legislation regarding the requirement of a waste reduction program, therefore the stakeholders involved are the Romanian environmental authorities in the compliance review process.

The measurable targets for activities at the **Petromidia Refinery** regarding the waste recovery rate are presented in the table below, being closely linked to the waste prevention and reduction program. The waste recovery rate is an important indicator of the success of a waste prevention and reduction program, serving as a complementary objective for minimizing environmental impact.

	2022 *	2024	2025	2030	2040	2050
The waste recovery rate (%)	92	89	>90			

* Note: 2022 is the reference year for measurements.

These established **targets are absolute values**, representing a fixed objective, independent of other factors or external conditions. These percentages are not expressed in relation to other variables. They are directly applied to the total amount of waste produced by the company or organization.

Our significant assumptions used to define the targets are reflected in our actions planned and progress achieved.

Vega Refinery

There are sludge lagoons on site with historical waste for which there is a remediation plan - permitted by the Environmental Protection Agency, with multi-year clean-up and monitoring measures in place. Clean-up works are scheduled in agreement with EPA Prahova, and monitoring is performed to decide the destination of waste removed/treated on-site.

The measurable targets for activities at the Vega Refinery regarding the waste generated rate are presented in the table below, being closely linked to the waste prevention and reduction program. The waste recovery rate is an important indicator of the success of a waste prevention and reduction program, serving as a complementary objective for minimizing environmental impact.

	2022 *	2024	2025	2030	2040	2050
The waste generated rate (kg/ton of raw material)	0.6	<2	<2			

For **Rompetrol Downstream SRL**, **Rompetrol Gas SRL**, and **Rompetrol Quality Control**, measurable, results-oriented, and time-bound targets regarding circular economy aspects have not been established.

Rompetrol monitors the effectiveness of actions to address significant impacts, risks, and opportunities, including waste indicators, as part of the integrated management system **analysis**.

The progress of action implementation at **Rompetrol Rafinare S.A.** is reported periodically to management, with waste performance data submitted for the analysis to management.

The top management of **Rompetrol Rafinare S.A.**, **Rompetrol Downstream SRL**, and **Rompetrol Gas SRL** is informed through periodic reports and annually or whenever necessary, reviews the following:

- Waste aspects, IROs and measures included in the integrated management system, in terms of its adequacy and effectiveness
- Opportunities for improvement and necessary changes to waste management practices



- Compliance with the requirements stated in policies/objectives, legislation, and reference standards
- Evaluation of possibilities for improving and changing waste policies, objectives, and targets

5.1.5 Resources outflows

ESRS E5-5

Waste

For **Rompetrol Rafinare SA** and **its subsidiaries**, the total quantities of waste generated, the total quantity and percentage of non-recycled waste, as well as the total quantity of hazardous and radioactive waste generated, are presented in the table below.

	Petromidia Refinery	Vega Refinery	Rompetrol Downstream SRL, tons	Rompetrol Gas SRL, tons	Rompetrol Quality Control	Total (t)
Waste generated (t)	6,032.46	269.78	8,913.78	34.79	42.24	15,283.11
Non-recycled waste (t)	4,886.16	269.78	8,903.84	25.61	0.127	14,085.51
Non-recycled waste (%)	81	100	99.8	73.61	0.30	92.16
Hazardous waste (t)	4,448.96	196.56	36.65	0.227	1.34	4,682.73
Radioactive waste (t)	0	0	0	0	0	0

Additionally, the table below presents both the total quantity by weight for which disposal was avoided, broken down into hazardous and non-hazardous waste, and categorized by the types of recovery operations (preparation for reuse, recycling, and other recovery operations), as well as the quantity by weight intended for disposal based on the treatment type (incineration, landfill, and other disposal operations) of the waste, and the total quantity summing all three types, with a breakdown into hazardous and non-hazardous waste.

Waste Type	Operation Type	Petromidia Refinery (tons)	Vega Refinery (tons)	Rompetrol Downstream SRL, (tons)	Rompetrol Gas SRL, (tons)	Rompetrol Quality Control (tons)	Total
Recovered Waste							
Hazardous waste	Preparation for reuse	0	0	0	0	0	0
	Recycling	38	0	36.65	0.227	0	74.877
	Other recovery operations	0	0	0	0	1.21	1.21
Non-hazardous waste	Preparation for reuse	8	0	0	0	0	8
	Recycling	1,108.3	0	100.068	8.95	4.76	1,222.07
	Other recovery operations	0	0	1.864	0	0	1,864
Total recovered waste		1,146.3	0	138.582	9.177	5.97	3,170.147
Waste for disposal							
Hazardous waste	Incineration	3,728.38	168.7	0	0	0.127	3,897.20
	Landfill	682.58	27.86	0	0	0	710.44
	Other disposal operations	0	0	0	0	0	0



Waste Type	Operation Type	Petromidia Refinery (tons)	Vega Refinery (tons)	Rompetrol Downstream SRL, (tons)	Rompetrol Gas SRL, (tons)	Rompetrol Quality Control (tons)	Total
Total hazardous waste for disposal		4,410.96	196.56	0	0	0.127	4,607.64
Non-hazardous waste	Incineration	16.76	54.2	9.94	0	0	80.9
	Landfill	450.44	19.02	8,903.84	25.61	36.14	8,040.21
	Other disposal operations	0	0	0	0	0	0
Total non-hazardous waste for disposal		467.2	73.22	8,913.78	25.61	36.14	8,121.11
Total waste for disposal		4,878.16	269.78	8,913.78	25.61	36.26	12,728.75

The operations of the **Petromidia Refinery** generate a wide range of waste types, classified into hazardous and non-hazardous categories, including: sludge from the wastewater treatment plant and tank cleaning operations, used oils, contaminated soil, insulation materials, and spent chemicals and catalysts (containing metals such as Ni, Co, Mn), recyclable materials such as metals (scrap iron, aluminum), plastics, paper, and non-recyclable waste, including household waste, insulation, and wood.

The operations of the **Vega Refinery** generate a wide range of hazardous and non-hazardous waste types, such as used oil, bitumen waste, sludge from wastewater treatment, contaminated soil, metal scraps, plastic packaging, paper and cardboard, household waste, mineral wool waste, and sludge from tanks.

The operations of **Rompetrol Downstream SRL** generate a wide range of waste types, classified into hazardous and non-hazardous categories, including the following: sludge from tanks resulting from tank cleaning, sludge from oil/water separators, oil from oil/water separators, oily water from oil/water separators, paper and cardboard packaging, plastic packaging, metal packaging, glass packaging, packaging containing residues of hazardous substances or contaminated with such substances, absorbents, filtering materials (including oil filters with no other specifications), polishing materials, protective clothing contaminated with hazardous substances, other waste containing hazardous substances, car wash waste, sludge from the treatment of urban wastewater, mixtures of fats and oils from separating water/oil mixtures from edible oils and fats, fluorescent tubes and other mercury-containing waste, edible oils and fats, batteries and accumulators other than 20 01 33, electrical and electronic waste other than 20 01 21 and 20 01 23 with hazardous components, mixed municipal waste.

The operations of **Rompetrol Gas SRL** generate a wide range of waste types, classified into hazardous and non-hazardous categories, which include the following categories: Paper and cardboard; Scrap electrical and electronic equipment, other than those specified in 20 01 21, 20 01 23 and 20 01 35; metals; mixed municipal waste; Plastic materials; Other hydraulic oils; Other engine, transmission and lubricating oils; Packaging that contains residues or is contaminated with dangerous substances; "Absorbents, filter materials (including oil filters, without other specification), materials polishing, protective clothing contaminated with dangerous substances"; oil filters etc.

The operations of **Rompetrol Quality Control SRL** generate a wide range of waste types, classified into hazardous and non-hazardous categories, including the following: used oil; packaging containing residues or contaminated with hazardous substances; absorbents, filtering materials, protective clothing contaminated with hazardous substances; expired inorganic laboratory chemicals from hazardous substances; expired organic laboratory chemicals from hazardous substances; plastic packaging; paper and cardboard; glass; iron and steel; discarded equipment other than those mentioned in 16 02 09 to 16 02 13; household waste.

Waste is measured by weighing, with a receipt issued by a metrologically verified scale. The data is recorded and reported to the authorities (Environmental Agency).



SOCIAL INFORMATION

6 OWN WORKFORCE

ESRS S1

6.1 Strategy and concepts related to the own workforce

6.1.1 Interests and views of stakeholders

ESRS 2 SBM-2

Human resources represent essential intangible assets, crucial elements in the operation, growth, success and innovation of companies, regardless of their field of activity. In order to fulfil the objectives of the organization, to support economic growth and a high level of services, our companies invest in the identification, attraction, motivation, retention and continuous development of their human capital.

In these regards, Rompetrol has commitments to people-centred sustainability that go beyond immediate operational needs, focusing on long-term impact and the contributions to industry and communities that the company deserves. The evolution of the labour market presents an ongoing challenge, highlighting the importance of attracting young talent to the energy sector and managing a diverse workforce that spans five working generations. This diversity offers a multitude of opportunities for the company, pushing it to rethink its leadership model and embrace a community-centred approach to ensure competitiveness and sustainability.

Rompetrol's Human Resources strategy is guided by our EVP "*Together we grow people*" and reflects a deep belief in the symbiotic growth of individuals and the organization. The company's strategy is based on four basic pillars: Education and Growth, Rompetrol People Community, Work Environment and Culture, and Employees Health & Wellbeing. These pillars are essential in creating an optimal framework that encourages our employees to form interest-based communities, collaborate effectively and enjoy the achievements of their labour.

As part of the Employee Engagement Survey, which company is running on an annual basis, employees are invited to share their opinions about various aspects related to leadership and inclusive leaders, communication, recognition, work-life balance, growth opportunities, recognition, etc, and, based on the outcome of the survey, a plan of action aiming to address employees' concerns and increase engagement is developed.

Rompetrol is steadfast in its commitment to fostering a workplace where its people enjoy support, inclusion and professional and personal development as the company continues to set new benchmarks for what sustainability means in the sector it operates. Rompetrol's human resources policies and procedures, as well as the lines of action of administrative and executive management, aim to respect employee's rights in accordance with international and local law. Within our companies, the collective labour agreements, internal regulations and specific procedures regulate aspects related to respect for employee's rights and fair treatment, including respect for freedom of association, prevention of human trafficking, prevention of forced labour related to child labour and precarious work.

Therefore, Rompetrol promotes a constant dialogue with all social partners (trade unions and elected employees' representatives) who are informed and consulted on all matters that have an impact on the workforce. As part of the social stability plan, collective bargaining plays an important role in securing competitive work conditions and guaranteeing equality of opportunity and treatment. Also, as part of the social dialogue process, periodical meetings with representatives of trade unions and/or employees' representatives are organized to discuss and clarify various aspects related to CLA provisions implementation or ad-hoc requests from the represented employees.



To tackle these significant effects, we modify our strategy and business model by effectively integrate employee interests and views into company's strategy and business model, the company employs several structured approaches, emphasizing active engagement, continuous feedback.

- Regular employee satisfaction surveys and annual engagement assessments to capture employees' views on various aspects such as workplace environment, career growth opportunities, work-life balance, and organizational values.
- Career development and learning opportunities: based on employee identification needs we invest in training and development programs, upskilling initiatives, and leadership development programs that support career progression and skill acquisition.
- Diversity and Inclusion: responding to employee input, company has strengthened its commitment to diversity and inclusion, with a policy that supports equity and inclusive practices.

6.1.2 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM 3

The actual and potential impacts on our own workforce which we have identified during our double materiality assessment are connected to our strategy and business model. The following are material risks and opportunities arising from impacts on own workforce linked to our strategic approach and business model.

Section 1.5.4 Material impacts, risks and opportunities and their interaction with strategy and business model presented above, summarizes the material IROs related to our own workforce from the double materiality analysis conducted.

The financial effects on Rompetrol companies in the short, medium and long term of the significant risks and opportunities arising from the impacts on the own workforce are assessed as having a moderate financial effect level (above 0.1% but below 0.7% of the turnover), during the double materiality analysis process.

With regards to Rompetrol material impacts, risks and opportunities, the company includes all people in its workforce who could be materially impacted by the company's business activities that are in the scope of the disclosures, covering its own operations and the value chain. Rompetrol's materially impacted workforce comprises all own work force of the company, together with other workers that could be contracted through third parties. In the case of material positive impacts, we included above a brief description of the activities that result in the positive impacts, the types of employees and non-employees in our own workforce that are positively affected or could be positively affected.

With regards to our material impacts, risks and opportunities, we include all people in our own workforce who could be materially impacted by our business activities are in the scope of our disclosures, covering our own operations and the value chain.

Our materially impacted workforce comprises both employees and non-employees; non-employees include subcontractors and station workers who do not have a direct contract with Rompetrol companies. In accordance with current national and international legislation, there is no forced labor or employment of individuals under 16 years of age.

In order to describe the main types of people in our own workforce who are or could be negatively affected, within Rompetrol companies, we developed an understanding of how people with particular characteristics or those working in particular contexts or undertaking particular activities might be at greater risk of harm.

In this regard, in particular, **Rompetrol Rafinare SA** prioritizes the health and safety of its employees first and foremost. This is reflected in complex health and safety protocols, rigorous training programs and regular audits to ensure compliance with international industry standards. In order to achieve and maintain the highest safety standards in all operations, Rompetrol Rafinare SA sets ambitious performance objectives, aimed at promoting a culture of safety at all levels of the organization.



6.1.3 Policies

ESRS S1-1

KMG International companies, including Rompetrol Rafinare SA and affiliated entities, have adopted policies (QHSE Policy, ISO 45000) to manage our material impacts, risks, and opportunities related to our own workforce and disclose them in accordance with the minimum reporting requirements laid out in the Minimum Disclosure Requirements with regards to policies (MDR-P) as defined in ESRS 2. In this regard, since 2023 we initiated the development and implementation of a Diversity, Inclusion and Belonging (DIB) policy, in line with the KMG Group's strategy, initiated through adherence to the Romanian Diversity Charter, aligned with applicable EU legislation. This policy aims to create a diverse, inclusive and supportive work environment for all employees. This reflects our commitment to diversity, inclusion and belonging within the KMG Group, recognizing these values as essential to driving employee engagement, driving innovation, achieving business success and fostering a collaborative culture.

Rompetrol believes in creating an environment without discrimination, violence and intimidation, in which every individual is valued and respected regardless of sex, race, colour, age, national origin, religion, disability, sexual orientation, marital status or any other protected characteristic by law. The Diversity, Inclusion and Belonging procedure is completing by Anti-Harassment and Non-Discrimination Procedure. Employees who believe they have been subjected to any kind of discrimination or harassment that conflicts with the Diversity, Inclusion and Belonging policy and initiatives should seek assistance from a supervisor or an HR representative.

Rompetrol is dedicated to enhancing, protecting and reinforcing its dedication to human rights within its workforce. In this regard, at group level, we implemented inclusive policies, commitments, and mechanisms in accordance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. We emphasize our commitment through a series of policies and regulations for our employees such as the Code of Conduct, Diversity and Inclusion Policy, in order to uphold the human rights, including labour rights, of individuals within the company's own workforce. Human Resources **policies and procedures at our companies**, as well as the lines of action of administrative and executive management, aim to respect human rights in accordance with international and local law.

To guarantee excellence in business ethics and the protection of human rights, Rompetrol companies run extensive training programs targeting different segments of its workforce, in order to assure the respect for stakeholders' interests, adherence to the rule of law, compliance with international norms and the support of human rights.

All Rompetrol policies are aligned with relevant internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights, the European Union's regulations and practices, and other relevant international organizations and legal frameworks.

In this regard, Rompetrol strictly prohibits the exploitation of minors in its operations and takes measures to prevent such practices in the work of its contractors and suppliers. The Romanian Constitution ratifies the universal and European human rights treaties. The respect for the rights of individuals within our workforce, including human rights and workers' rights, is ensured both by the Labor Code at all Rompetrol entities, and the collective labour agreements (CLAs) of Rompetrol companies.

Furthermore, **Rompetrol** offers the same learning and growing opportunities to every one of its employees, maintain comprehensive and up-to-date records on recruitment, training, and promotions, fostering transparency in the opportunities available to employees and showcasing their progression within the company. All employees have access to the human resources policies and procedures, the Internal Regulation of each company and the Code of Ethics and Business Conduct, available on the intranet. **Rompetrol** promotes a constant dialogue with the social partners (unions and employee representatives), who are informed and / or consulted on all decisions that may lead to important changes in the organization of work, contractual relations or labour relations or any other aspects that have an impact on the workforce of work.



6.1.4 Processes for engaging with own workforce and workers' representatives about impacts

ESRS S1-2

Rompetrol considers the perspectives of its own workforce by ensuring that their insights actively shape the company's decisions and guide its activities aimed at managing both the actual and potential impacts on our workforce. The engagement occurs with all workers through multiple yearly polls, one-on-one meetings, feedback forms and diverse initiatives that favour the interaction such as:

- HR Coffee Talks - physical meetings with colleagues and workshops. These meetings are designed as informal and open forums where employees can freely share their thoughts and perspectives on various topics of interest to employees, topics requested by them in previous meetings or ideas sent by email and take place every 2 months. The first meetings, being organized exclusively face-to-face, were limited to the capacity of the room and brought together approximately 25 colleagues per session;
- Rompetrol Business Talks – online meetings where management shares its strategic directions and projects whenever topics of interest to employees arise. In 2024, they were generally organized every quarter;
- Dedicated business events - facilitate interactions between management and employees and does not have a regular frequency, they are organized whenever necessary;
- Non-business events - such as children's parties, or the Sports Academy and Run & Care initiatives. These fewer formal meetings provide opportunities for face-to-face interactions, fostering community spirit and encouraging direct discussion and exchange of ideas between management and employees. Each of the events takes place once a year.

All this feedback from the own workforce allows the company to identify strengths and areas for improvement at various levels. Based on these results, both specific actions and structured intervention plans are outlined. To gain insights into the perspectives of individuals within our workforce, the company creates polls that are accessible and anonymous for all employees. The implementation of these engagements with the workforce is conducted under the Human Resources Department by HR Business Partner and the Group HR Director together with the department managers.

To ensure information is understandable and accessible for the entire workforce, Rompetrol utilises multiple means of communication such as the intranet platform, Viva Engage (platform that hosts multiple active communities set by geographic location to facilitate local interactions), Radio Vox Pem (radio station broadcast within the Petromidia Refinery, offering personalized content for employees) and an internal monthly magazine.

Recognizing the changing needs of the workforce, the company has introduced several new engagement programs focused on employee well-being. These included initiatives such as wellness activities and workshops, work-life balance programs, flexible working hours and a hybrid work-from-home model. These programs are designed to support employees in achieving a harmonious balance between their professional responsibilities and personal life, ensuring that their mental and physical health is a priority.

Information on the effectiveness of the company's workforce engagement processes from previous reporting periods is provided, with assessments conducted during the current reporting period involving a comparison of the annual polls and feedback from the employees. Continuous comparison and analysis of the workforce feedback ensures ongoing improvement in the interactions with the workforce and creates a better understanding of the employee's needs. We measure employee satisfaction and engagement level by tracking the improvement result of our yearly engagement surveys. For example, following 2023 engagement survey feedback, received from employees, we implemented several initiatives aiming to improve the workplace satisfaction, such as: a new induction kit, replacement of office chairs, a new e-learning platform, career celebration, etc. These changes were well-received by the workforce and have contributed to improving employee turnover. The results of the implemented actions during 2024 will be verified after the next engagement survey, which will be conducted in 2025, comparing the results with the previous one.



The company promotes a constant dialogue with all social partners (trade unions and elected employees' representatives) who are informed and consulted on all matters that have an impact on the workforce. As part of the social stability plan, collective bargaining plays an important role in securing decent work and guaranteeing equality of opportunity and treatment. Also, as part of the social dialogue process, periodical meetings with representatives of trade unions and/or employees' representatives are organized to discuss and clarify various aspects related to CLA provisions implementation or ad-hoc requests from the represented employees. Based on the feedback collected from the employees, the leading union requested during the last CLA negotiation process some improvements on the medical package namely to add specific analysis for cancer screening, to be involved in the negotiation process of the insurance policy for the employees and to add the hybrid working schedule in the CLA, all these requests being accepted by the Company.

Negotiations for the conclusion of the Collective Labor Agreement take place every 2 years (or one year in the case of the extension of a Collective Labor Agreement), the process being organized in accordance with the legal provisions (Law 367/2022 on social dialogue). As part of the process, all entitled parties are invited to participate in the negotiation process, based on evidence of representativeness.

Employees are informed in a timely manner by the management regarding the outcome of the negotiation process (conclusion or extension of the Collective Labor Agreement, new benefits or increasing the value of existing benefits, collective wage increases). The Internal Regulations were reviewed in accordance with the latest legal requirements and agreed upon with union representatives.

As part of the social dialogue process, periodic meetings are organized with representatives of all unions to discuss and clarify various aspects related to the implementation of the provisions of the Collective Labor Agreement or ad hoc requests from the represented employees.

The internal regulation of the company was drawn up with the consultation of the union, and any change made to it is subject to the consultation process with the union. We address the wellbeing programs to all our employees, and they participate on a regular basis, in order to balance the work-life activities. Based on our employees' feedback we adjust our wellbeing programs, to align with their needs and expectations. Depending on employees' hobbies and interests, we organize the activities at work location level, as they are grouped according to their preferences. Through internal and external communication channels, employees are informed about how their feedback influenced decisions.

Moreover, within **Rompetrol Rafinare SA**, there are: a daily operational meeting, a weekly management meeting, a monthly safety meeting, and in these meetings actions, deadlines, etc. are centralized and are forwarded to stakeholders for implementation. This ensures ongoing improvement in our interactions with the workforce.

6.1.5 Processes to remediate negative impacts and channels for own workers to raise concerns

ESRS S1-3

Rompetrol companies have implemented a Whistleblower Policy that aimed to encourage the company's employees to report irregularities that could affect the company. The Whistleblower Policy enable every employee, supplier, customer or collaborator accountable to honestly report concerns or complaints, ensuring confidentiality and protection from retaliation for those who use the whistleblowing channel. The process of investigating these complaints is both professional and objective, adhering strictly to Romanian Law no. 361/2022, which implements EU Directive 2019/1937 on the protection of whistleblowers. Through ensuring that all complaints are treated with strict confidentiality and thoroughly investigated, the company endeavours to ensure that its workforce is aware of and trusts the provided channels.

Our company is committed to maintaining an effective whistleblower mechanism that fosters trust, transparency, and accountability. To ensure the effectiveness of our reporting channels, we implement the following measures:

- all complaints can be made Anonymus (if desired) and are handled with strict confidentiality, ensuring that whistleblowers remain protected from retaliation.;



- tracking and monitoring issues raised is performed in a database/ register where all complaints are being recorded and tracked. - containing details as nature of the complaint, description, result and responsible

- reports on cases performed are being presented to the management and BOD.

- audits are being performed to reviews assess the effectiveness of the whistle-blower function.

Reporting channels managed by Internal Control & Forensics Team are the following:

- Whistleblower Channel (speakup@rompetrol.com) – also accessible from external
- Internal Control & Forensics team e-mail address (internalcontrol@rompetrol.com)
- Or directly by e-mail/in written to the members of the Internal Control & Forensics team;

Concerns about unethical or unlawful behavior and matters related to integrity or breaches of our rules and internal regulations are reported using e-mail (whistleblower channel) in a strictly confidential manner. The concerns are addressed, internal investigations performed, and results are reported.

There are also other channels available for employees to raise concerns like: Suggestion boxes in Refinery - managed by Internal communication.

QHSE Department also has a process of managing the complaints related to QHSE issues.

The Internal Regulations of **Rompetrol** companies set out the rights and obligations of the employees and of the employer, including rules on non-discrimination and infringement of the human dignity, conflict of interest, disciplinary procedure or processing of the employees and is signed by them for acknowledgement of its provisions. As part of actions that can minimize the potential conflicts among employees is the implementation of different programs of training and development, aimed to develop both soft and technical skills for a better integration and better professional results.

Furthermore, at group level, the Department of Internal Control and Forensics supports the availability of these reporting channels by conducting awareness campaigns and trainings with employees.

Moreover, at **Rompetrol Rafinare SA**, as part of the social dialogue process, periodic meetings are organized with representatives of all our unions to discuss and clarify various aspects related to the implementation of the provisions of the collective labour agreement or ad hoc requests from the represented employees. The internal regulation of the company was drawn up with the consultation of the union, and any change made to it is subject to the consultation process with the union.

Also at **Rompetrol Rafinare SA**, the company's Compliance and Internal Control and Forensics Departments plays an essential role in ensuring the best practices in the development and application of policies and regulations regarding the respect of human rights. For example, Current Pay & Benefits Procedure intends to set a comprehensive framework for establishing and adjusting the compensation elements and to provide the line management with a useful tool to ensure its consistent implementation (in terms of pay movements and related decisions), while maintaining the internal equity and external competitiveness.

6.1.6 Actions

ESRS S1-4

At Rompetrol, we have taken, planned or are currently implementing a series of actions in order to prevent or mitigate any material adverse effect on our employees. Following our internal surveys we update the HR action plan and allocate funds for projects to address potential adverse effects on our employees (including, but not limited to additional trainings, exit interviews etc.).

As part of the **social stability plan**, collective bargaining plays a key role in ensuring decent work and guaranteeing equality of opportunity and treatment. Negotiations for the conclusion of the Collective Labor Agreement take place every 2 years (or one year in the case of the extension of a Collective Labor Agreement), the process being organized in accordance with the legal provisions (Law 367/2022 on social dialogue). As part of the process, all entitled parties are invited to participate in the negotiation process, based on evidence of representativeness.



Employees are informed in a timely manner by the management regarding the outcome of the negotiation process (conclusion or extension of the Collective Labor Agreement, new benefits or increasing the value of existing benefits, collective wage increases).

The Internal Regulations were reviewed in accordance with the latest legal requirements and agreed upon with union representatives. A series of our planned actions are to effectively manage the material impacts, risks and opportunities relating to our workforce, which are consistent with ESRS 2 MDR-A. Furthermore, these initiatives are designed to support the achievement of the following Sustainable Development Goals:

- Gender equality. **Rompetrol** is dedicated to promoting gender equality and equal opportunities within the company and in the communities where we operate. This commitment is reflected in our policies and practices, which aim to ensure equal opportunities for leadership, employment, and training.
- Workplace equality: implementation of policies to ensure equal pay for equal work, promote women into leadership positions, and support work-life balance initiatives.
- Empowerment programs: support for external programs aimed at encouraging diversity, focusing on education, empowerment, and entrepreneurship.

In order to minimize the potential conflictual risks among employees we continuously improve the working conditions, such as implementing flexible working arrangements, and work from home schedule, aimed to simplify employees' lives.

We believe that maintaining a work-life balance is crucial for employees' wellbeing and thus we developed for them the Well Station global platform, designed to integrate all our initiatives on the well-being area. Inspired by the company's profile, the gas stations being one of the most known symbols, Well Station is a program to inspire energy, a pit stop for all employees to refill with well-being, mindfulness & good information about health, a source of fuel for a better life. Well Station consists of three pillars:

- Emotional and social well-being
- Physical well-being
- Financial well-being

Under the three pillars, we mapped and implemented programs such as: family and care events, stress management and mindfulness, hobbies and cultures, themed workshops, health education and prevention, nutrition and hydration, financial coaching and education, financial contribution for extraordinary life circumstances.

- Ensuring **health and safety measures** at work is essential in any activity, even more so for companies active in the oil and gas industry. The essential role that Rompetrol has in the national economy, involves ensuring a high level of quality and safety, so that the incidents that may occur in the activity do not become problems of great importance. Employees play a crucial role in this process, and safe working conditions are particularly important to maintain the high standards of quality and safety of the products offered. The daily activities that our employees carry out involve the use of hazardous substances that can pose a risk to their health and safety and that of the community if they are not handled and used correctly. By implementing health and safety measures at the workplace, Rompetrol ensures that employees are protected against injuries, work accidents and occupational diseases. These measures include the provision of personal protective equipment, regular training on safety procedures and regular medical check-ups. Guaranteeing employees' access to these measures contributes to the prevention of work accidents and the reduction of risks of exposure to harmful substances.
- To prevent and mitigate any negative HSE impacts, the company conducts risk assessments covering all the elements from workplace safety, industrial and process safety and environmental impacts to control and minimize the risks for workforce, contractors, general public and communities. Rompetrol also conducted Process Hazard Analysis for the industrial sites. The HAZOP Studies resulted in concrete actions aiming to decrease the major accident hazards.
- With a **competitive reward package**, the company aims to attract and retain top talent, and skilled and experienced employees. Additionally, healthcare programs and other extra benefits aim to motivate employees and to increase productivity and decreased turnover rates.



- To mitigate the risk arisen from various factors, including budget constraints, inadequate benchmarking against industry standards, and a lack of strategic focus, we constantly make efforts to increase employee's engagement. For example, we annually run an external benchmarking in order to **acknowledge changes in the market** compared to the previous year, by conducting annual salary surveys rolled out together with leading consulting companies. To retain talented workers, there are a series of implemented recognition programs, such as "Career Celebration", "Employee of the Year", "Thank you" project, "Petromidia 45 years".

In the energy industry, recruiting qualified talent presents challenges due to the specialized skills, technical expertise, and rigorous safety standards required. This field demands professionals with strong engineering and operational knowledge and adaptability to work in diverse environments, which limits the pool of eligible candidates.

Without proactive measures to ensure a steady pipeline of candidates, we risk facing critical workforce, which could impact our operational efficiency, project timelines, and ultimately, our ability to meet client and market demands. Our company is dedicated to building a sustainable talent pipeline through Traineeship Programs, Skilling, Reskilling, Practice and Dual Learning program. Over the years, we have developed strong partnerships with universities and high schools to make it easier to reach high school students and students from universities. These initiatives are essential to create a sustainable talent pool that secures our company's future, ensures operational continuity, and supports our ability to remain competitive in this demanding industry.

Traineeship Programs

Traineeship programs (at KMGI Group level) represent a valuable tool for the development and prosperity of our community, being the main source of attracting talent for our specific and niche roles from Petromidia and Vega refineries. In a field where specific skills or jobs are critical, our Traineeship programs offer recent graduates structured, training that aligns closely with our industry's requirements. Through targeted Mentorship, Trainees gain the practical expertise needed in our environment, preparing them for full-time roles within our company. The companies of the KMGI group involved in these programs include the following reporting entities: Rompetrol Rafinare SA and Rompetrol Quality Control SRL.

Practice

By assuring the mandatory practice for technical high-school and university students in our organization, we create valuable opportunities for them to apply their academic knowledge in a real-life context. This experience creates the context for the new generation of professionals to get in touch with the industry as soon as possible and allows us to identify and retain talents in our company. The companies usually involved in this program include Rompetrol Rafinare SA.

Dual Learning

Through partnerships with educational institutions, our dual learning program combines classroom learning with practical training within Rompetrol Rafinare SA. In 2024 we started our partnership with Energetic High-School from Constanta, and our aim is to guide the 24 students who, over three years, will have the opportunity to obtain an internationally recognized professional qualification in the energy sector.

Rompetrol school - The first step towards a refining profession

The project launched in 2022 represents our engagement to grow the passion for working in Petromidia refinery, desire to pass on the specificities of the job and power to form a new generation of professionals.

This program aims to train the participants for the jobs of Field Operator and Compressor. For 4 months, the participants accumulate and develop both theoretical and practical knowledge with the support of our colleagues, from Operators to Plant Managers, as well as Process Engineers.

With the support of over 30 Rompetrol Mentors - fellow Operators, Plant Managers, Process Engineers, they can improve their theoretical and practical technical knowledge and receive all the necessary guidance to become future experts in the field.



With the implementation of these programs, we closely monitor progress to measure their success and ensure we achieve meaningful results over time. For our Traineeship Program, we evaluate the number of Trainees that we have recruited and how many of them remain with the company after completing the program. For example, in 2024 we selected 51 trainees (45 in Rompetrol Rafinare and 8 in Rompetrol Quality Control) and 27 of them became our colleagues at the end of the program. Trainees feedback received after completing the program was 4.5 scoring from 5 according to the feedback form sent to them.

For our program, Rompetrol School – The first step towards a refining profession, we use the same analysis method as for the Traineeship program. We consider how many participants we had in the program and how many of them remain after completing the program. In 2024, there were 24 participants and 23 (96%) remained within the company.

The profession of chemist operator involves building a solid base of theoretical and practical knowledge, discipline and rigor, in this regard, graduates of the "Rompetrol School" qualification and requalification program will continue their professional skills development program for a period of 6-12 months in the technological units in the refinery, under the continuous monitoring and evaluation of the production unit managers, production foremen and technological engineers.

For an employee to become independent on the role, we need multi-disciplinary qualified employees who can meet the technical challenges of flexible operation of refinery facilities.

Regarding our practice programs, we analyse how many high school students and students participate in our programs. For example, in 2024, there were 88 high-school students and 52 university students in practice.

Regarding the dual learning program, it is not yet finalized, but we continuously monitor key aspects to ensure its effectiveness. We keep track of high school students' attendance in classes, their grades for scholarship eligibility, and their engagement in the practice component of the program.

In this case, the success metric is retention of the high-school students, from 19 students, 16 remained (85%) last year. Also, all the high school students received the scholarship and the attendance at practice classes was 100%.

This ongoing assessment allows us to evaluate the high school students' commitment and progress, ensuring that they are receiving the necessary support to succeed in their educational and practical experiences. By maintaining close oversight, we aim to enhance the program's impact and better prepare high school students for their future careers in our industry.

Rompetrol Rafinare implements the necessary actions in response to any real or potential negative impacts on our workforce, particularly through programs that secure a consistent and skilled talent pool such as Traineeship program, Practice and Dual Learning. Given the unique challenges in our industry, we prioritize processes that proactively address workforce needs and ensure continuity. Through partnerships with universities and high schools, we gain insights into emerging talent trends and the specific skills of upcoming graduates. This collaborative approach helps us tailor our Traineeship, and Dual Education programs to better align with market needs and create a steady talent pipeline, reducing the risk of skill shortages.

We aim to continue our projects with an increased focus on those that have a meaningful impact for high school students. By expanding and continuing programs designed to introduce high school students to industry skills and career path, we aim to create positive impacts for both the company and the communities we activate in.

Our goal is to introduce students to the energy field and equip them with the knowledge and experiences that inspire and prepare them for potential careers in the field.

Understanding the importance of a strong educational foundation, we offer resources and guidance to help high school students prepare for their exams. Also, our involvement in the Joblandia program provides high school students with a unique introduction to the industry through interactive learning and career exploration.



6.1.7 Metrics and targets

ESRS S1-5

Rompetrol companies established a series of targets in the area of human resources, which it follows closely and which it has communicated and engaged the unions and/or employee representatives. For the companies for which specific targets have not yet been adopted, we are considering establishing them in 2025. Even so, the companies closely monitor at least the same indicators as the other companies with established targets.

KMG International set as main HSE indicator Lost Time Injury Rate with a target of 20% decrease versus previous year. This was cascaded to all of the Group's entities (including Rompetrol Rafinare and its affiliated entities).

Overall KMG Group achieved this target in 2024 managing to decrease the LTIR indicator with 26% versus 2024 figure.

Even under the conditions mentioned above, Rompetrol considers the possibility of revising the targets in 2025, either by adding new indicators or/and revising the existing ones after consultations with internal stakeholders, meaning that workers' representatives are engaged in the process.

We plan to maintain an adequate payment of the employees and we continue to make the annual benchmarking with the specific Oil & Gas market, as well as ensuring health protection to the employees through life and health insurance and prevention and prophylaxis medical services.

Rompetrol Rafinare								
KPI	2022- base year	2023 Actual	2025	2030	2035	2040	2045	2050
Average training hours per year per employee	39.85	28.85	31	33	36	40	42	45
Percentage of total employees covered by collective bargaining agreements	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of total employees with labor contract	100%	100%	100%	100%	100%	100%	100%	100%
Share of women at management level (mid & top management positions)	27%	28%	30%	33%	33%	33%	33%	33%
Ratios of standard level wage compared to local minimum wage	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Percentage of employees receiving regular performance and career development reviews	>98%	94.6%	>98%	>98%	>98%	>98%	100%	100%

Retail entities (Rompetrol Downstream, Rompetrol Gas)								
KPI	2022- base year	2023 Actual	2025	2030	2035	2040	2045	2050
Average training hours per year per employee	6.28	11.82	9	10	11	12	13	14
Number of employees that received one or multiple training sessions	43%	74%	60%	65%	70%	75%	80%	85%
Percentage of total employees covered by collective bargaining agreements	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of total employees with labour contract	100%	100%	100%	100%	100%	100%	100%	100%



Share of women at management level (mid & top management positions)	32%	36%	32%	33%	33%	34%	35%	36%
Ratios of standard level wage compared to local minimum wage	100%	>100%	100%	100%	100%	100%	100%	100%
Percentage of employees receiving regular performance and career development reviews	>96%	99.4%	>97%	>97%	>98%	>99%	100%	100%

To enable comparability over time, we maintain stability in our targets by ensuring consistent definitions and methodologies. The targets are based on our Company's commitments, including our Codes of conduct, sourcing policies, global frameworks, forming the foundation for our commitment.

6.2 Diversity and equal opportunities

6.2.1 Characteristics of the undertaking's employees

ESRS S1-6

In 2024, **Romp petrol Rafinare and subsidiaries (Romp petrol)** had a total of 1,888 employees, distributed across all 6 entities. The employee data was reported as an average headcount of reporting period. At Romp petrol level, it is considered to ensure a team with a balanced structure, both in terms of age groups and gender categories, but, considering the operational nature of the activity, the number of male employees represents 68.95% of total.

No of employees by gender

Gender	Headcount*
Male	1,301
Female	587
Other	-
Not reported	-
Total	1,888

*Number of employees represent average headcount.

Number of employees by gender and entity

Gender	Rom oil SA	Romp petrol Downstream SRL	Romp petrol Gas SRL	Romp petrol Logistics SRL	Romp petrol Quality Control SRL	Romp petrol Rafinare SA	Total
Male	5	306	81	-	31	878	1,301
Female	2	150	12	2	160	261	587
Other	-	-	-	-	-	-	-
Not reported	-	-	-	-	-	-	-
Total	7	456	93	2	191	1,139	1,888



The evolution of the total percentage of female employees within the company registers a constant trend, this being mainly determined by the specifics of the jobs in the activity sector, whose particularities of availability and effort are addressed more to men.

	2024		2023		2022		2021	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of employees (head count)	587	1,301	613	1,317	589	1,275	582	1,268
Number of permanent employees (head count)	529	1,194	553	1,203	537	1,206	535	1,193
Number of temporary employees (head count)	58	107	60	114	52	69	47	75

Most of the employees have a permanent employment contract, and 99.28% of the contracts are full-time (full-time being 40 hours/week).

Employees by contract type and gender:

2024				
Female	Male	Other*	Not Disclosed	Total
Number of employees (head count)				
587	1,301	-	-	1,888
Number of permanent employees (head count)				
529	1,194	-	-	1,723
Number of temporary employees (head count)				
58	107	-	-	165
Number of non-guaranteed hours employees (head count)				
-	-	-	-	-
Number of full-time employees (head count)				
584	1,290	-	-	1,874
Number of part-time employees (head count)				
2	12	-	-	14

* Gender is the one mentioned by the employees themselves



Number of employees by contract type and entity

2024							
Romoi SA	Rompetrol Downstream SRL	Rompetrol Gas SRL	Rompetrol Logistics SRL	Rompetrol Petrochemicals SRL	Rompetrol Quality Control SRL	Rompetrol Rafinare SA	TOTAL
Number of employees (head count)							
7	456	93	2	-	191	1,139	1,888
Number of permanent employees (head count)							
7	432	90	2	-	165	1,027	1,723
Number of temporary employees (head count)							
-	24	3	-	-	26	112	165
Number of non-guaranteed hours employees (head count)							
-	-	-	-	-	-	-	-
Number of full-time employees (head count)							
1	455	91	2	-	190	1,135	1,874
Number of part-time employees (head count)							
6	-	2	-	-	1	5	14

During 2024, a total number of 109 employees left the company, either voluntarily (resignations), or due to dismissal, retirement or death. The staff turnover rate is calculated as the number of departing employees compared to the average number of employees in the reporting period (average headcount). The staff turnover rate was 5.77%, which is a slight decrease compared to the previous year (the staff turnover rate for 2023 was 6.84%).

Entity	Headcount	Leavers	Turnover (%)
ROMOIL SA	6.83	-	0%
Rompetrol Downstream SRL	455.42	32.00	7%
Rompetrol Gas SRL	92.67	6.00	6%
Rompetrol Logistics SRL	2.00	-	0%
Rompetrol Petrochemicals SRL	-	-	0%
Rompetrol Quality Control SRL	190.92	12.00	6%
Rompetrol Rafinare SA	1,139.67	59.00	5%
Total	1,887.51	109.00	5.77%

Note: Internal movements of employees between **companies part of Rompetrol** are not counted in leavers number.

All information regarding the number of employees is reported as the average headcount for the reporting period, calculated based on the monthly headcount indicator calculated at company level. The headcount is calculated according to the methodology agreed at the company level, based on the information exported monthly from the payroll system.

All the calculated data related to the employed personnel are concrete data, not estimates.



6.2.2 Characteristics of non-employee workers in the undertaking's own workforce

ESRS S1-7

The total number of non-employees in our workforce amounts to 0 for the reporting period, meaning that there were no contract workers, secondment or volunteers employed.

6.2.3 Diversity metrics

ESRS S1-9

Top Management at Rompetrol include senior managers within the organization that are responsible for strategic direction and organizational leadership.

In preparing the disclosure on gender at top management, Rompetrol used the definition of top management as one and two levels below the administrative and supervisory bodies.

Number		
Female	Male	Total
7	4	11

%		
Female	Male	Total
63%	37%	100%

Entity	Number		
	Female	Male	Total
Rompetrol Downstream SRL	4	1	5
Rompetrol Gas SRL	-	1	1
Rompetrol Quality Control SRL	1	-	1
Rompetrol Rafinare SA	2	2	4
Total	7	4	11



Entity	%		
	Female	Male	Total
Rompetrol Downstream SRL	81.82%	18.18%	100%
Rompetrol Gas SRL	0%	100%	100%
Rompetrol Quality Control SRL	100%	0%	100%
Rompetrol Rafinare SA	46.67%	53.33%	100%
Total	63%	37%	100%

Distribution of employees (headcount) by age:

Number			
Under 30 years old	30-50 years old	over 50 years old	Total
272	787	829	1888

%			
Under 30 years old	30-50 years old	over 50 years old	Total
14%	42%	44%	100%

Entity	Number			
	Under 30 years old	30-50 years old	over 50 years old	Total
Romol SA	0	4	3	7
Rompetrol Downstream SRL	42	296	117	455
Rompetrol Gas SRL	6	47	40	93
Rompetrol Logistics SRL	0	0	2	2
Rompetrol Petrochemicals SRL	0	0	0	0
Rompetrol Quality Control SRL	40	68	83	191
Rompetrol Rafinare SA	184	372	584	1140
Total	272	787	829	1,888

Entity	%			
	Under 30 years old	30-50 years old	over 50 years old	Total
Romol SA	0%	56%	44%	100%
Rompetrol Downstream SRL	9%	65%	26%	100%
Rompetrol Gas SRL	6%	50%	44%	100%
Rompetrol Logistics SRL	0%	0%	100%	100%
Rompetrol Petrochemicals SRL	0%	0%	0%	0%
Rompetrol Quality Control SRL	21%	36%	44%	100%
Rompetrol Rafinare SA	16%	33%	51%	100%
Total	14%	42%	44%	100%



6.2.4 Persons with disabilities

ESRS S1-12

Rompetrol supports the inclusion of people with disabilities; however, most jobs in the company have specific health requirements attached to our employees, as confirmed according to applicable legal requirements. The health status of the staff is certified upon employment and subsequently periodically by the specialized occupational medicine service available within the company.

Rompetrol has strengthened its commitment to diversity and inclusion, with a policy that supports equity and inclusive practices. The policy Diversity, Inclusion and Belonging policy encourage a diverse workforce that encompasses people from various backgrounds, including but not limited to race, ethnicity, gender, age, sexual orientation, disability, and socioeconomic status.

Rompetrol Rafinare and its affiliates	No. of employees with disabilities			% Employees with disabilities		
	Female	Male	Total	Female	Male	Total
	2	4	6	0.36%	0.29%	0.31%

6.3 Fair and secure working conditions

6.3.1 Collective bargaining coverage and social dialogue

ESRS S1-8

The Collective Labor Agreement (CLA) provisions are applicable to all employees of the companies.

Entity	Headcount	Employees covered by CLA	CLA coverage (%)
Romol SA	6.83	6.83	100%
Rompetrol Downstream SRL	455.42	455.42	100%
Rompetrol Gas SRL	92.67	92.67	100%
Rompetrol Logistics SRL	2.00	2.00	100%
Rompetrol Petrochemicals SRL	-	-	0%
Rompetrol Quality Control SRL	190.92	190.92	100%
Rompetrol Rafinare SA	1,139.67	1,139.67	100%
Total	1,887.51	1,887.51	100.00%



Out of the total number of employees, 67% are registered in one of the legally established trade unions that operate at the company level.

Entity	Headcount	Employees Represented	Workplace representation (%)
Romoi SA	6.83	-	0%
Rompetrol Downstream SRL	455.42	167.25	37%
Rompetrol Gas SRL	92.67	69.33	75%
Rompetrol Logistics SRL	2.00	1.00	50%
Rompetrol Petrochemicals SRL	-	-	0%
Rompetrol Quality Control SRL	190.92	156.16	82%
Rompetrol Rafinare SA	1,139.67	863.58	76%
Total	1,887.51	1,257.32	67%

6.3.2 Adequate wages

ESRS S1-10

As adequate wages are essential for ensuring employees' satisfaction, motivation, retention, and overall wellbeing, we strive to establish pay structure that reflects the value of the contributions made by our employees. Thus, all our employees are paid above adequate wage.

Salary negotiation is sensitive to the requirements contained in the job description and considers a comparative evaluation with the income earned in similar activities at national level, having as main pillars the responsibility, accountability and know-how associated to the respective job.

6.3.3 Social protection

ESRS S1-11

All our employees are covered by social protection against loss of income due to major life events by national programs governed by the state, such as: sickness, unemployment, employment injury, disability, maternity leave, retirement. The legislation in force that regulates the family related leaves are:

- Government Emergency Ordinance 111/2010 on maternity leave and allowance for childcare
- Law 76/2002 regarding the unemployment insurance system
- Government Emergency Ordinance no. 158/2005 on holidays and social health insurance allowances
- Law 360/2023 regarding the public pension system

Additionally, the Rompetrol companies cover sickness, accidents, disabilities by private life and health insurances. Also, Rompetrol, as per the CLAs, pays to the employees a bonus for the maternity leave meant to cover the difference between the amount paid by the state and employees' monthly gross salary, as well as a retirement bonus.

Rompetrol offers social protection benefits for its employees safeguarding against income loss during events such as sickness, unemployment, employment injuries and acquired disabilities, parental leave, retirement or any other similar situations. The company offers the following social benefits for its employees:

- Health, life, sickness and disability insurance
- Medical subscriptions
- Humanitarian aid - for significant damage following calamities
- Assistance and allowances during and after pregnancy
- Allowances/ vouchers for rest and relaxation
- Benefits related to major life events (marriage, birth, illness, death)



6.3.4 Remuneration metrics (pay gap and total remuneration)

ESRS S1-16

Rompetrol applies the principles of equal remuneration, as an important factor in retaining qualified employees. One of our priorities, ensuring equal remuneration for women and men, involves prioritizing fair pay practices, aiming to eliminate gender-based wage gaps and fostering a workplace where compensation is based on merit and job value rather than gender.

In an industry historically dominated by men, Rompetrol is actively working to bridge the gender gap. Gender equality is a cornerstone of a peaceful, prosperous, and sustainable world, and we are committed to reducing gender inequality across all levels of our organization. Our efforts have led to a gradual increase in the percentage of female employees, reflecting our dedication to fostering a more balanced and equitable workplace. In 2024, Rompetrol continued its commitment to ensuring fair and equitable compensation across all its operations, with a particular focus on addressing the gender pay gap. This is a crucial aspect of our sustainability and social responsibility efforts, reflecting our dedication to fostering an inclusive and equitable workplace.

The ratio of the base salary and remuneration of women to men within our Romanian entities highlights both the progress we have made and the challenges we still face in achieving gender pay equality. Rompetrol is committed to continuous improvement in this area, with the aim of not only meeting but exceeding legal and ethical standards for gender pay equity.

The gender pay gap, defined as the difference between the average pay levels of female and male employees, expressed as a percentage of the average pay level of male employees. The gross hourly remuneration level of all employees is included. We applied the following formula to calculate the gender pay gap: $(\text{gross hourly pay level of male employees} - \text{gross hourly pay level of female employees}) / (\text{gross hourly pay level of male employees} \times 100)$.

	%
Rompetrol Rafinare and its affiliates	-5.34

Breakdown of the pay gap between women and men, by employee category

Management level	%
Top Management	34.46
Middle Management	-1.90
Staff	-4.36
Total	-5.34

The ratio of the total annual compensation for the highest paid employee to the total median annual compensation for all employees (excluding the highest paid employee). We applied the following formula for the total annual remuneration ratio = $(\text{annual remuneration of the highest paid employee}) / (\text{median value of annual remuneration (excluding the highest income)})$

	Ratio
Rompetrol Rafinare and its affiliates	8.24

Rompetrol applies the principles of equal remuneration, as an important factor in retaining qualified employees. One of our priorities, ensuring equal remuneration for women and men, involves prioritizing fair pay practices, aiming to eliminate gender-based wage gaps and fostering a workplace where compensation is based on merit and job value rather than gender. The calculation was made considering all salary incomes made in the year and includes all employees.



6.4 Protection of human rights

6.4.1 Incidents, complaints and severe human rights impacts

ESRS S1-17

All internal procedures and policies are aligned with local and European legislation in force. No incidents of discrimination, including harassment, occurred in the reporting period.

Between January and December 2024, a total of two complaints/reports was submitted for Rompetrol Rafinare and four complaints/reports for its affiliates (for Rompetrol Downstream) through the reporting channels managed by the Internal Control and Forensics Department. The status of the two complaints received for Rompetrol Rafinare is the following: one complaint was not confirmed and was closed, and the other complaint is in progress. In respect with Rompetrol Downstream, the status of the four complaints is the following: all these four complaints were closed, two of them were confirmed, and two were not confirmed.

In relation to identified cases of severe human rights incidents (e.g., forced labour, human trafficking or child labour) there were no severe human rights incidents connected to the undertaking's workforce in the reporting period, including an indication which of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. No such incidents have occurred in 2024.

6.5 Employee Well-being and Development Metrics

6.5.1 Health and safety

ESRS S1-14

Ensuring health and safety measures at work is essential in any activity, even more so in a company active in the oil and gas industry. The essential role that the company has in the national economy, involves ensuring a high level of quality and safety, so that the incidents that may occur in the activity do not become problems of great importance.

Employees play a crucial role in this process, and safe working conditions are particularly important to maintain the high standards of quality and safety of the products offered. The daily activities that our employees carry out involve the use of hazardous substances that can pose a risk to their health and safety and that of the community if they are not handled and used correctly.

By implementing health and safety measures at the workplace, the company ensures that employees are protected against injuries, work accidents and occupational diseases. These measures include the provision of personal protective equipment, regular training on safety procedures and regular medical check-ups. Guaranteeing employees' access to these measures contributes to the prevention of work accidents and the reduction of risks of exposure to harmful substances.

Below we disclose required information, where applicable broken down between employees and non-employees in the undertaking's own workforce:

- a) the percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines;
- b) the number of fatalities as a result of work-related injuries and work-related ill. This information supports the information needs of benchmark administrators to disclose ESG factors subject to health;
- c) the number and rate of recordable work-related accidents;
- d) with regard to the undertaking's employees, the number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data; and
- e) with regard to the undertaking's employees, the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.
- f) LTI and LTIR



LTI - Refers to any work-related injury or illness that results in an employee being unable to return to work for at least one full workday after the incident. It is a critical measure of workplace safety performance.

LTIR is a metric used to standardize and compare lost-time injuries across different organizations or time periods. The Lost Time Injury Rate (LTIR) is calculated by multiplying the number of Lost Time Injuries (LTI) by 1,000,000, then dividing the result by the total number of work hours during the reporting period. The multiplier (usually 1,000,000) allows for comparison regardless of company size or workforce hours.

The information for (b) we reported for other workers working on the undertaking's sites, such as value chain workers if they are working on the undertaking's sites.

Where is necessary, we disclosed the information specified in points (d) and (e) of paragraph 88 with regard to non-employees.

In addition, where is necessary we included the following additional information on the health and safety coverage: the percentage of its own workers covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party.

At KMGI level, all the workforce is covered by the implemented safety management system.

	Entity	worked hours	Fatalities	LTI	LTIR	TRI	TRIR	Occupational illness	Number of lost workdays	Contractors	worked hours	Fatalities	LTI	LTIR	TRI	TRIR
2024	RRC	2,036,027	0	4	1.96	5	2.46	0	84	RRC	477,039	0	0	0.00	0	0.00
	DWS	807,343	0	0	0.00	0	0.00	0	0	DWS	7,135,182	0	1	0.14	1	0.14
	RQC	331,464	0	0	0.00	0	0.00	0	0	RQC	6,230	0	0	0.00	0	0.00
	GSS	1,357,030	0	0	0.00	0	0.00	0	0	GSS	709,080	0	0	0.00	0	0.00
	RPL	4,268	0	0	0.00	0	0.00	0	0	RPL	n.a.	0	0	0.00	0	0.00
	RML	4,898	0	0	0.00	0	0.00	0	0	ROMOIL	n.a.	0	0	0.00	0	0.00
	GAS	169,081	0	0	0.00	0	0.00	0	0	GAS	817	0	0	0.00	0	0.00
	Total	4,710,111	0	4	0.85	5	1.06	0	84	Total	8,328,348	0	1	0.12	1	0.12
2023	RRC	2,030,097	0	5	2.46	5	2.46	0	144	RRC	442,582	0	2	4.52	2	4.52
	DWS	789,893	0	0	0.00	0	0.00	0	0	DWS	5,943,036	0	1	0.17	1	0.17
	RQC	337,235	0	0	0.00	0	0.00	0	0	RQC	191	0	0	0.00	0	0.00
	GSS	1,322,065	0	1	0.76	1	0.76	0	116	GSS	303,159	0	0	0.00	0	0.00
	RPL	4,158	0	0	0.00	0	0.00	0	0	RPL	n.a.	0	0	0.00	0	0.00
	RML	4,968	0	0	0.00	0	0.00	0	0	ROMOIL	n.a.	0	0	0.00	0	0.00
	GAS	171,889	0	0	0.00	0	0.00	0	0	GAS	350	0	0	0.00	0	0.00
	Total	4,660,305	0	6	1.29	6	1.29	0	260	Total	6,689,318	0	3	0.45	3	0.45
*RRC - Rompetrol Refining; DWS - Rompetrol Downstream; RQC - Rompetrol Quality Control; GSS - Global Security System; RPL - Rompetrol Logistic; RML - Rom Oil Romania																

*LTI - Lost Time Injury; LTIR - Lost Time Injury Rate; TRI - Total Recordable Injuries; TRIR - Total Recordable Injuries Rate

Petromidia Refinery - February 21st – DAFWC (days away from work case) - A field operator was carrying out sampling activities to determine the density of the diluted caustic soda solution (usual activity). He accidentally dropped the sampling plastic cylinder on the ground, at which point the liquid from the cylinder splashed to both his eyes. He immediately washed himself with water. The local



emergency medical service, MedLife, was requested by foreman. The preliminary diagnosis was "eyeball burn (bilateral) by caustic soda". Later, the employee was sent by ambulance to hospital. Hospitalization was not required.

Petromidia Refinery - 1st of May – DAFWC (days away from work case) - A refinery employee sprained his left ankle while walking in the CC-HDV unit. The employee traveled with his personal car to Constanta, to a private emergency service for additional investigations and specialized treatment. He received medical leave for 5 days; no surgery or gypsum being required.

Petromidia Refinery - May 23rd – DAFWC (days away from work case) - While preparing the area for mechanical works, a refinery employee suffered burns with hot liquid (water) on 30-40% of body surface (chest, abdomen, upper and lower limbs). First aid was given at MedLife site clinic, then sent to Constanta Hospital for additional investigations and specialized treatment. He received medical leave.

Petromidia Refinery 1st of July – DAFWC (days away from work case) – An operator sprained his right ankle while moving to the Caustic Chemical Warehouse at Water Treatment Unit. No hospitalization was required, injured person received medical leave for 5 days (a cast was applied on the foot).

(The work-related injury rate is calculated as the respective number of cases divided by the total number of hours worked by persons in the own labor force and multiplied by 1,000,000.)

Main safety events - Rompetrol 2024

On March 29, 2024 – the 120 Naphtha Hydrotreater Unit, at Petromidia Refinery, an ignition occurred at a Naphtha Hydrotreater Unit (120-NHT) in the area of the tubular furnace 120-H2 during preparation (steaming stage) for mechanical work following the measurements made to determine the thickness of the coil of the 120-H2 furnace.

There were no victims, no injuries only minor material damage related to replacement of the instrumentation and electrical cables.

Implemented Actions

Detailed Risks assessment was carried out, as well as:

- Development of Safe Work Guidance for technological equipment decontamination for maintenance works – in 1 month further slow down 2025 completion (overall estimated dead line – by end of April 2025)
- Create a list of equipment with high hydraulic resistance to prevent petroleum product residue during steaming to update safe work guidance – by end of Shut Down 2026 (overall estimated dead line – by end of April 2026)
- Emergency Cell protocol communication update
- Training all operational employees with organization & responsibilities related intervention teams and evacuation

A Safety measures package for PEM Refinery program is initiated, aiming to increasing the safety level of the units

- **Safety Package I** - Improve safety measures for separations points between high- and low-pressure sections from PEM Refinery hydrotreaters units (four units – HB, HPM, HPR, HDV)) was implemented – all the action on safety package1 are from HAZOP recommendations – **completed**
- **Safety Package II** - Up-grade sampling points for all PEM Refinery hydrotreater units - only tie-ins was implemented in TA2024, end of project planned to be done in 2025
 - By implementing measure from Safety package I and II was increased the safety level for Refinery technological units.
- **YBP 2025-2029** Capex Budget was included projects: **Safety Package III, Safety Package IV** and new HAZOP projects which include recommendations from HAZOP Studies.
- A New **Industrial Safety Department** was established within the Rompetrol Refining, which completed the following:
 - Process safety management procedure



- Process safety KPI's established and agreed

Emergency preparedness study was launched on August 24 - The objective of study is to enhance the facility's ability to effectively respond to and mitigate emergency situations, ensuring the safety of personnel, protecting the environment, and minimizing potential damage to assets. The study aims to identify and address any gaps or deficiencies in the current emergency response systems and procedures, aligning them with industry best practices/standards and regulatory standards.

Audit on site was performed for both platforms and the final report will be issued by external contractor on end of March 2025.

Retraining of entire operational personnel present Petromidia and Vega Platform in regards with Company operational procedures and QHSE procedures is complete, and the extension of *Supervision* personnel on Platforms is initiated, in progress.



- **"SAFETY BEGINS WITH YOU!"** campaign was launched on both platforms, designed not only to improve safety culture, but also quality of working conditions and the detailed analysis of these aspects. This campaign refreshed the awareness about the risks and hazards associated with your job and influence each colleague to be responsible for taking necessary precautions to prevent accidents and injuries.
- Reinforce culture of safety with **LIFE SAVING RULES**. Each employee received these rules, welcomed by our top management on the main entering gates along with small motivational gifts,
- **A PERMANENT FEEDBACK FORM**, which was accessible for employees, mobile phones via a QR code and in printed format, in the control panels of units.

6.5.2 Work-life balance metrics

ESRS S1-15

The percentage of our employees eligible for family-related leave is 100%. All our employees are entitled upon request to family-related leaves, such as: maternity leave, paternity leave, parental leave, and carers' leave, in accordance with the legislation in force, the Internal Regulations and Collective Labor Agreements. Also, our employees benefit of days off for personal events, such as birth, marriage, death of a close relative, change of permanent address.

Furthermore, in the following table we disclosed the percentage of employees entitled to take family-related leave and the percentage of entitled employees that took family-related leave, and a breakdown by gender.

	Rompetrol Rafinare and its affiliates		
	Female	Male	Total
Total Headcount	587	1,301	1,888
Employees entitled to family related leave	587	1,301	1,888
Employees who took maternity/paternity or parental leave	43	8	51
Employees who took family related and care leave	112	202	314
Percentage of employees entitled to family related leave	100%	100%	100%
% Employees who took maternity/paternity or parental leave	7%	1%	3%
% Employees who took family related and care leave	19%	16%	17%



6.5.3 Training and skills development for own workforce

ESRS S1-13

At Rompetrol, we believe that training and development is a continuous process. We offer our employees various opportunities to develop their competences and skills:

- Core competencies for each managerial level a set of competencies is in place (SHL Universal Framework). For each competence, relevant courses/ providers are identified.
- Professional certifications - PMP, CIPD, CIPS, CIMA, ACCA, etc.
- Technical courses – courses specific for each activity within Rompetrol.

We are using Top E-learning Platforms. During 2024, employees continued to have access to 2 digital learning platforms with unlimited access to more than 18.000 high quality courses covering business, creative and technology topics, taught by today leading industry experts. The intention is to have our own Learning Management System in order to use internal expertise, to design materials in various business areas, objective being to address training needs for as many employees of different categories (including production operators from production area or gas station employees in retail).

Mandatory Trainings

During 2024 we have continued to have as priority the regulatory requests, so all the reauthorization trainings were attended by specialized personnel: Health & Safety Inspector, Rescue Operators, Steam boiler Operators, Electrical Courses, Transports Safety, Dangerous Substances Handling, Waste Management, Forklift Driver, Lifting Machines Operators, Crane Operators, Risk Evaluator & Health and Safety Auditor, Management of hazardous substances, Work at height, Civil Protection Inspector, Ship handling and manoeuvring simulation of large vessels.

In 2024 we started to focus on transforming of the organization in QHSE culture direction. In this regard we invested in Health & Safety trainings and build internal expertise:

- Employees of various entities on Petromidia platform attended NEBOSH certification training.
- Defensive Driving for different types of vehicles was attended by 137 employees.

Our future plans include use of a Learning Management System that allow us to develop learning content, define certain learning paths for various jobs, giving access to a much larger audience.

Training hours

In 2024, we continue to invest in the professional growth of our employees, with an average of 20.54 training hours recorded per employee across the company. This figure translates to a total of 38,772 training hours for our workforce of 1,888 individuals as of December 31, 2024. These sessions aimed to develop skills, with a continuous focus on technical and professional training. The reduction in training sessions this year compared to last year is attributed to several key factors, but the most important is the one referring to a series of certification trainings that take place with a certain recurrence and took place in 2023, such as the QHSE "Rescue Operator" certification, Retail Academy program, etc. Moreover, 2024 marked the General Turnaround at Petromidia Refinery, which took place between March and May and involved the continuous presence of many resources, which made it impossible for colleagues to participate in training courses during that period.

Training Rompetrol Rafinare and its affiliates	2024	2023	2022	2021
Average number of training hours per employee	20.54	22.10	26.42	8.91
Average training hours for female employees	15.51	15.10	11.53	4.42
Average training hours for male employees	22.80	25.33	33.25	10.97



Training Rompetrol Rafinare and its affiliates	2024
Average training hours for managers	25.91
Average training hours for execution level employees	20.10

Training Rompetrol Rafinare and its affiliates	2024	2023	2022	2021
Total training hours for female employees	9,094.50	9,257	6,732	2,574
Total training hours for male employees	29,677.50	33,390	42,322	13,908
Total hours of training	38,772	42,647	49,054	16,482

Training Rompetrol Rafinare and its affiliates	2024
Total training hours for managers employees	3,661
Total training hours for execution employees	35,111
Total hours of training	38,772

The company's employees go through a series of stages of the **goal setting and performance evaluation process annually, as follows:**

- The performance evaluation process begins in the middle of January, with information to employees regarding the implementation of the performance evaluation campaign that takes place through the dedicated HRIS, and ends at the end of February, and includes the self-evaluation stage, in which each employee assesses the degree of fulfilment of his own objectives from the previous year, then moves on to the evaluation made by the supervisor, on which occasion the feedback discussion takes place, and subsequently the performance evaluation process is closed.
- By the end of March, the process of setting the objectives for the current year is completed, namely the approval of the objectives and the establishment of the performance indicators (the objectives established at the company level are transferred to the level of each employee and agreed with his supervisor).
- The objectives are monitored throughout the year, and the revision of the objectives set for the current year can be done by the employee, with the supervisor's approval, in August.
- All employees are eligible for the performance evaluation process. The number of employees who went through the Performance Evaluation process in 2024, for 2023, was 1,828 employees, respectively 1,245 men and 583 women, which means 96.8% of the total eligible employees, respectively 97.2% of women and 96.7% of men.



7 PROTECTION OF CONSUMERS AND END-USERS

ESRS S4

7.1 Strategy and concepts related to the protection of consumers and end-users

7.1.1 Interests and views of stakeholders

ESRS 2 SBM-2

Since the consumers and/or end-users could be materially impacted by our activities, we perceive them as a key group of our affected stakeholders. Therefore, their interests, views, and rights have a significant impact on our business model by making our strategy to continuously adapt and follow the requirements of the consumers. We adapt our strategy and business model based on material impacts such as information related impacts and other customer concerns, by having comprehensive policies and procedures that aim to protect and fulfil the consumers' needs, which include privacy, freedom of expression, and access to (quality) information.

7.1.2 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3

There were no significant negative impacts on consumers and end-users materialized or that could have arisen from our business activities in the reporting year. The relationship between our material opportunities arising from impacts and dependencies on our consumers and end-users, and on the other hand, our strategy and business model results from the products and commercial activities performed while serving our consumers.

Even though a strategy is not formalized, opportunities relate to communication, properly informing our customers, including labelling and marketing communications. Communication related to our products and other commercial activities is unrestricted, fostering social inclusion, with potential financial impacts on brand awareness, loyalty, and sales. Additionally, maintaining market integrity and transparency in product pricing can mitigate regulatory risks and liabilities for Oil & Gas - Midstream & Downstream undertakings, while also safeguarding our consumers from unfair pricing practices.

They are no consumers and end-users of our products that are inherently associated with a potential harm from using our products, as we are mainly an energy supplier.

Our products do not possess a significant risk and potential for chronic diseases during regular usage.

Rompetrol applies strict own rules on labelling, marketing information, aligned with local legislation and communication is not restricted to anyone to ensure social inclusion. Our gas station product users may be elderly, children or disabled, for which instructions for product use are in place. This is our positive impact which is the result of our business strategy and care for the consumers and end-users of our products.

Our companies provide information on the risks related to their products through safe storage and usage instructions. The actual and potential impacts on consumers and end-users identified are more related to labelling, marketing and safety information for our fuel station activities and wholesales. In particular, Rompetrol Rafinare SA, Rompetrol GAS SRL – as wholesalers and Rompetrol Downstream SRL, as a retailer, have identified IRO related to their consumers and end-users.

Section 1.5.4 Material impacts, risks and opportunities and their interaction with strategy and business model presented above, summarizes the protection of consumers and end-users IROs from the double materiality analysis conducted.



7.1.3 Policies

ESRS S4-1

Our policies with regard to consumers and end-users are aligned with internationally recognised instruments relevant to consumers and/or end-users. This is due to our interest to respect, adopt and follow the internationally recognised instruments relevant to consumers and end-users, including United Nations (UN) Guiding Principles on Business and Human Rights.

Our policies in place aim at zero accidents or severe human rights issues and incidents connected to our consumers and/or end-users every year.

We have adopted policies in accordance with ESRS 2 MDR-P, which cover all consumers and end-users of our products, however we do not have a specific policy regarding the consumers and end-users of our products, but we included different stipulations and practices in almost every policy and code we have, in order to assure that the needs of our customers are respected. There is no formalized marketing policy aligned with ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. Rompetrol continuously invests in consumer engagement research, carrying out strategic studies such as market measurement and segmentation, brand tracking and customer satisfaction. These efforts aim to understand the impact of fuel quality and the potential of retail products. Every year, Rompetrol obtains detailed information on consumer engagement and satisfaction through dedicated studies in the regions where it carries out retail operations. No complaints from consumers have been addressed in respect to non-respect of the UN Guiding Principles on Business and Human Rights.

7.1.4 Processes for engaging with consumers and end-users about impacts

ESRS S4-2

The perspectives of consumers and/or end-users inform our decisions or activities aimed at managing the actual and potential impacts on consumers by assessing and evaluating through multiple means (forms, direct communication, complaints, etc.) the viewpoints of the consumers. The engagement with consumers and end-user occurs as often is necessary and all the results regarding the perspectives of consumers are analysed and if necessary, further applied in order to assure the best practices for the consumers of our products.

Rompetrol's marketing director has the most senior role within Rompetrol with operational responsibility for ensuring this engagement happens and that the results inform the Rompetrol's approach

We have set a target to implement a general process for engaging with consumers and/or end-users quarterly, through various types of surveys. The perspectives of consumers and/or end-users regularly inform a series of decisions or activities of Rompetrol in respect to our marketing or communication approach to our customers.

Customer Satisfaction

Continuous monitoring of Customer Satisfaction is essential for Rompetrol as it keeps the **Rompetrol** brand consumer-focused, helps the company improve customer experience, which strengthens brand loyalty, trust, and sustainability.

- **Customer-Centric Approach:** By conducting quarterly satisfaction surveys targeting all customer segments, both individuals and legal entities, Rompetrol is deeply committed to the principle of "customer first."
- **Continuous Improvement:** Monitoring satisfaction helps Rompetrol identify areas that require improvement and adapt products, services, and experiences based on real customer feedback.
- **Sustainable Business Growth:** A high level of satisfaction and engagement is correlated with customer loyalty, which is essential for sustainable growth.



- **Improved Corporate Reputation:** Annual and quarterly monitoring of Customer Satisfaction and Engagement shows that Rompetrol values and listens to its customers. This constant feedback aligns with sustainable practices, contributing to the long-term resilience of Rompetrol's activities.

Constant investment in market research and consumer opinion surveys has supported the growth of Rompetrol's brands in 2023-2024. **Rompetrol** conducted strategic studies in the countries where it operates retail operations, covering market measurement, market segmentation, retail brand monitoring, customer satisfaction and engagement, fuel quality impact, and market potential for retail products.

B2B Segment

Continuous engagement is essential for Rompetrol across all B2B segments (retail, wholesale, trading), as the company constantly monitors the satisfaction of its B2B customers, achieving an overall score above the industry average.

Rompetrol's vehicle identification technologies directly at the pump, such as Card, Ring, and Easy Ring, are sustainability elements and are among the top 3 main satisfaction drivers for B2B Downstream customers, as they contribute to streamlining the refuelling process, reducing resource consumption, and improving the user experience.

In a dynamic context, Rompetrol explores ways to improve products and services for B2B customers.

The company's approach to clients through market studies is essential to highlight how Rompetrol understands and responds to customer needs, which is a key aspect of sustainability from a consumer-oriented perspective and continuous service improvement.

Nielsen Market Studies

- The company uses Nielsen market studies, which provide updated and detailed data about consumer trends and preferences in the retail sector. This type of report allows for an in-depth analysis of consumer purchasing behavior, product preferences, price requirements, and other factors influencing purchasing decisions.
- The Nielsen platform offers a clear understanding of consumer behavior, enabling Rompetrol to adapt marketing strategies, product development, and services to meet these needs more effectively. For example, Rompetrol can adjust its product mix based on identified demands, offer personalized promotions, enhance the shopping experience, or implement new technologies that meet customer expectations.

Additionally, using Nielsen data allows Rompetrol to track market evolution and anticipate changes in consumer behavior, which is essential for staying competitive and relevant in the long term.

Monitoring through Mystery Shopping

- Rompetrol implements a mystery shopping program to assess the quality of services offered to customers. This tool allows the company to measure the shopping experience from the customer's perspective, evaluating aspects such as customer service, store atmosphere, product availability, and staff efficiency.
- Mystery shopping helps identify areas where the customer experience can be improved. For instance, if a mystery shopper reports a negative experience regarding checkout wait times or product availability, Rompetrol can take corrective actions, such as staff training, adjusting stock levels, or improving customer flow management. This helps create a better experience for customers and strengthens their loyalty.

By analysing data from market studies and mystery shopping, the company takes corrective measures and implement strategies that address current consumer needs while anticipating future market trends. Furthermore, the information gathered is used to optimize communication with consumers, ensuring that it is relevant, personalized, and contributes to building a responsible and sustainable brand in the long term.

By continuously monitoring customer preferences and satisfaction, Rompetrol contributes to:



- **Waste Reduction:** By adapting more quickly to customer demands and managing stock more efficiently.
- **Innovation in Products and Services:** Developing solutions that meet consumer needs, including in the direction of responsible and sustainable consumption.
- **Increased Customer Satisfaction and Loyalty:** By offering better services and a pleasant and efficient shopping experience.

This approach not only improves customer relationships but also contributes to building a more responsible brand that is adaptable to market changes.

7.1.5 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS S4-3

We included in our policies and procedures means to contribute to remedy where we caused or contributed to negative impact on consumers and end-users. We have specific channels in place for consumers and/or end-users to raise their concerns and needs. These channels are established by Rompetrol itself, such as the whistle-blower mechanism, and cannot be classified as third-party mechanisms. We support the availability of such channels by our business relationships, and we track and monitor issues raised and addressed by consumers and end-users of our products and ensure the effectiveness of the channels.

The Internal Control and Forensics Department oversees the Whistleblower reporting channel (speakup@rompetrol.com), which is also accessible externally via KMGI's official websites. This channel allows any individual—whether an employee, collaborator, or third party—to confidentially submit a complaint. To ensure its effectiveness, the process is governed by strict confidentiality protocols, timely investigation procedures, and a zero-tolerance policy for retaliation. Regular audits and monitoring mechanisms are in place to assess the system's reliability and enhance transparency in addressing reported concerns.

At Rompetrol, as part of its business development strategy, monitoring consumer engagement and satisfaction is a priority within the Marketing Research Function. Rompetrol's commitment to customers is central to its operations. The company prides itself on understanding and addressing the needs, expectations and concerns of its customers, striving to deliver an exceptional experience with every opportunity. This continuous process of monitoring the market and customers is not only a business activity, but a source of fulfilment for Rompetrol, reflecting the care for customers and the dedication to guarantee their satisfaction in relation to our products and services.

We regularly assess the consumers and/or end-users' awareness and trust in our reporting mechanisms for addressing their concerns or needs during consultation for materiality. Furthermore, we have implemented policies to protect individuals who use these channels against retaliation. For further information, please refer to ESRS G1-1. Consumers and/or end-users may find this information on our website and social media platforms.

At Rompetrol, complaints are handled as quickly and responsibly as possible by our employees.

Complaint Resolution Policy for Non-Compliant Products

Resolving complaints related to non-compliant products is a crucial aspect that reflects a company's commitment to quality, transparency, and responsibility towards consumers.

The company has a clear and transparent complaint management policy, which includes standardized procedures for receiving, investigating, and resolving complaints related to non-compliant products. The policy aims to ensure a quick, fair, and efficient process that protects consumer rights and maintains product quality standards.

Key Points of the Policy:

- **Accessibility of Complaints:** Customers can submit complaints through multiple communication channels as presented on our website (phone, email, online platform, in-store).
- **Prompt Response:** The company is committed to responding to all complaints within a short time frame.



- **Confidentiality and Transparency:** All complaints are handled confidentially, and the consumer is kept informed throughout the process.

Identification of Non-Compliant Products

Non-compliant products may include:

- Manufacturing defects.
- Damaged packaging or packaging that does not meet safety standards.
- Products that do not match their advertising description (e.g., incorrect labels, incomplete information).
- Products that do not meet legal quality or safety standards.

Identifying Non-Conformities:

- **Quality Control Inspection:** Products are inspected during production and prior to delivery to prevent non-compliant products from reaching the market.
- **Customer Feedback:** Complaints received are monitored to identify trends in non-conformities (e.g., a common issue with a specific batch of products).

Complaint Resolution Process

1. Receiving the Complaint:

- Complaints are collected through the established channels and are recorded in a centralized system for tracking and management.

2. Evaluating the Complaint:

- **Detailed Investigation:** Complaints are examined by the responsible departments to identify the root cause of the issue and evaluate the nature of the non-conformity.
- **Product Verification:** If necessary, the product may be requested back from the customer for physical inspection or laboratory analysis, depending on the nature of the non-conformity.

3. Resolving the Complaint:

- **Product Replacement:** If the product is non-compliant, the customer will receive a replacement product at no additional cost.
- **Refund:** If replacement is not possible or preferred by the customer, a full refund will be provided for the product.

Corrective and Preventive Measures:

- **Process Improvements:** To ensure the highest standards of product quality and customer satisfaction, the company is committed to continuously improving its quality control processes. In the event of quality-related incidents, Rompetrol will take proactive measures such as enhancing monitoring and testing protocols, strengthening supplier requirements, and, if necessary, changing suppliers to prevent similar occurrences in the future. Additionally, we maintain open communication with customers, promptly addressing concerns and implementing corrective actions to uphold our commitment to safety, compliance, and product excellence. By reinforcing these measures, we aim to build trust and long-term partnerships while ensuring that our products consistently meet the highest industry standards.

This process reflects the company's commitment to quality and respect for consumers, and transparency in complaint management can enhance public trust in the company's brand. Rapid and efficient complaint resolution is crucial not only for customer satisfaction but also for the continuous improvement of products and services. Through this complaint resolution process, the company:

- **Reduces Waste:** By identifying and quickly correcting defects, it prevents the sale of non-compliant products that might otherwise be discarded.
- **Strengthens Customer Trust:** By offering quick and fair solutions, the company enhances its reputation as a responsible and customer-focused brand.
- **Improves Products and Services:** Customer feedback helps to adjust and continuously improve internal processes and product quality.



7.1.6 Actions

ESRS S4-4

We are actively addressing and preventing potential negative impacts on consumers and end-users through informing our customers about products and the risks that are associated with them. Furthermore, through our policies and practices, we assure that consumers and end-users are exposed as least as possible to any significant potential negative impact.

The processes through which we identify what action is needed and appropriate in response to a particular actual or potential negative impact on consumers and end-users is characterised by our interest to offer the best practices in our industry (evaluation against benchmarks). We continuously evaluate our practices and the potential impacts on consumers, in order to identify potential areas of improvement.

Severe human rights issues and incidents connected to our consumers and/or end-users have not been reported.

We have not yet formulated action plans to effectively manage the material impacts, risks and opportunities identified in the double materiality analysis, relating to our consumers and end-users. However, the following outlines a summarized description of our action plans and allocated resources (as part of the overall marketing and/or network development budgets) related consumers and end-users (the action plans and allocated resources are not related to material IROs):

Fuel Quality Monitoring

Rompetrol's customer-oriented approach is a commitment to ensuring that all fuels produced by the Refinery remain of high quality. Maintaining high standards is a key objective of Rompetrol's fuel strategy.

For this reason, fuel performance tests have been conducted on engines in independent laboratories, accredited internationally, ensuring that all fuels are kept at the highest quality level. Not only ensuring quality, but also customer-oriented innovation, are long-term objectives for Rompetrol.

The Ideal Gas Station

Generating new ideas for services that simplify and meet the complex needs of our customers is a primary concern for Rompetrol. In this regard, market studies were conducted to identify the key attributes that customers associate with an ideal fuel station. Through these studies, Rompetrol gathered information about the critical factors that customers consider important in defining an ideal station, thus adapting to the expectations and modern lifestyles of customers. Environmental care and recycling have become attributes that surpass the benchmark (80%), becoming increasingly important for individual drivers when choosing a refuelling station.

The Ideal Gas Station necessarily includes sustainability elements, according to individual customers, and these elements grow in importance with each annual measurement.

7.1.7 Targets

ESRS S4-5

Fuel Stations in Romania

The Rompetrol brand is one of the leading players in the Romanian market, offering a wide range of products and services highly appreciated by customers, with customer satisfaction being 4% higher than the market average. Rompetrol's market share in the retail segment for individuals has consistently increased, with a 2 percentage point growth compared to the previous year, thanks to intense marketing efforts, the variety of benefits provided through the "Rompetrol Go" loyalty program, the superior quality of fuel, and the quality of its convenience store and restaurant (which has been recognized as more attractive with a 5% increase compared to the previous measurement).

The direct station experience immediately after a visit is periodically evaluated through the Rompetrol Go app, showing a satisfaction score of 91 points on a 1-100 scale, a 3-point increase (Customer



Experience Study through the Rompetrol Go app, September 2024 wave compared to 2023) – a score indicating a high level of satisfaction among app users.

There are no targets or policies aligned to IROs or ESRS. Rompetrol previously defined some targets related to **customer satisfaction** results as follows. For our quarterly surveys the following apply:

Benchmarks	1-5 scale	1-100 scale
Threshold (minimum satisfaction score for regular clients)	4	80
Target (the key objective)	4.25	85
Challenge (the optimum level expected)	4.5	90

We achieved these targets on a **quarterly basis**, both for our company owned company operated fuel stations (CODO), as well as for the dealer owned, dealer operated (DODO) during the reporting period.

The company defines its customer satisfaction targets based on insights gathered from customer surveys, feedback mechanisms, complaint resolution processes, and industry best practices. While Rompetrol does not engage directly with every end-user in target-setting, it considers input from customer service interactions, market research, and industry proxies to ensure that targets align with consumer expectations and operational capabilities. Performance is monitored through customer satisfaction surveys, service quality evaluations, and complaint resolution metrics. The company regularly reviews customer feedback and service performance data to identify trends, strengths, and areas for improvement. Based on performance evaluations, Rompetrol implements corrective actions and process optimizations to enhance customer experience. This may include adjusting service standards, refining quality control measures, improving response times, or enhancing digital customer engagement platforms.



GOVERNANCE INFORMATION

8 Business conduct

ESRS G1

8.1 Governance structures and risk management

8.1.1 The role of the administrative, management and supervisory bodies

ESRS 2 GOV-1

Rompetrol Rafinare SA is administered in a unitary system by a Board of Directors ("BOD" or "the Board") and is constituted in accordance with the provisions of the Articles of Incorporation of the Company. The Directors are elected by the Ordinary General Meeting of Shareholders ("OGMS"), at the proposal of the Board of Directors or the shareholders. The corporate bodies are structured as follows: the OGMS, which is the highest decision-making forum of the company, and the BOD. The OGMS is the main corporate governance body to discuss, approve or amend the annual financial statements as well as other financial related duties. The role of management and supervision related to business conduct is assigned to BOD members, with all members having the required expertise on business conduct matters. The main supervisory body is represented by the Board of Directors. The Board of Directors is responsible for the fulfilment of all measures necessary for the Company's activity, as well as for the supervision of the activity. All Group policies also apply to BOD members.

The Board of Directors of Rompetrol Rafinare SA has the following specific responsibilities and attributions related to business conduct:

- establishes the main directions of activity and development of the company,
- appoints and dismisses the directors and supervises their activity,
- prepares the **annual activity report for Rompetrol Rafinare SA and subsidiaries, including the sustainability report**,
- carries out the decisions of the OGMS.

According to the above-mentioned duties:

- the Board was convened for 17 times (out of 23 meetings) during 2024 to approve the key contracts to be signed further by the company, including those regarding the main company's activity of acquisition and selling of the petroleum products.
- Acknowledge the measures envisaged by the executive management aiming to improve the overall activity.

The Board had quarterly meetings to discuss and be informed about the information received through the Whistle blower channel which raised certain allegations regarding the ethical standards and conflict of interests.

*Rompetrol Rafinare is a member of ARIR, an association dedicated to promoting transparency and fair practices among companies listed on the Bucharest Stock Exchange.

The approach is similar for all entities affiliated to RRC.



8.1.2 Description of the processes to identify and assess material impacts, risks and opportunities

ESRS 2, IRO 1

In the process to identify material impacts, risks and opportunities (IROs) in relation to business conduct matters, we included all Rompetrol's entities as well as the value chain. Associated impacts, risks and opportunities are identified and assessed in the double materiality analysis through internal consultation and other sources.

See also Section 1.5.4 Material impacts, risks and opportunities and their interaction with strategy and business model presented above, summarizes the water and marine resources IROs from the double materiality analysis conducted.

The assessment was carried out under the double materiality analysis process.

8.2 Governance and business practices

8.2.1 Business conduct policies and corporate culture

ESRS G1-1

Rompetrol adopted KMG International Business Conduct and Code of Ethics, which includes all values and principles of conduct, responsibilities and obligations that define the quality of professional activity. This code serves as a mandatory line of conduct and encourages the responsibility and involvement of the contractual staff within Rompetrol, so that they carry out a competent and responsible activity, in accordance with professional ethics. Addressing our material IROs, the Code reflects core values and behavioral rules, aligning with the Universal Declaration of Human Rights and ensuring the highest integrity standards, to safeguard their own health, safety, and well-being and prevent accidents, while it also establishes culture that engages and empowers employees and contractors to work with management to safeguard their own health, safety, and well-being and prevent accidents, to help maintain financial stability.

Rompetrol's General Director is the most senior level in the organisation that is accountable for the implementation of the policy, and monitoring compliance.

The Business Conduct and Code of Ethics has the goal of promoting ethical values and principles, in order to increase the quality of services offered and to protect our Group's reputation. Rompetrol's business is based on a clear and long-term strategic orientation towards integrity, honesty and responsibility.

Rompetrol is a dynamic leader in the regional oil industry and believes that the company's success is possible because it stems from and is shaped by a well-defined set of values, as it follows:

- **People** – the company places the highest priority on the needs of its employees. The actions are always determined by their dynamism, contemporary spirit, creativity and experience
- **Care, Integrity and Responsibility** – Rompetrol is a trustworthy worldwide partner and a valued corporate citizen, taking responsibility for its actions and acting with honesty towards its stakeholders
- **Determination** – the strength of the business stems from the company's firmness of will and determination to succeed
- **Environmental Protection** – the company and its partners adhere to all the national laws and regulations governing the environment and proper management of resources
- **Sustainability** – the company supports the principles set forth in the Universal Declaration of Human Rights and maintain the high standards of integrity in its business operations
- **High Quality** – the company is committed to quality in everything we do, and we strive to continuous improvement;
- **Commitment to Leadership** – Rompetrol uses its experience, technology and perseverance to offer products and services of the high standards and is committed to leadership in all its actions.



By adopting the KMG International Business Conduct and Code of Ethics, Rompetrol establishes, develops and promotes its corporate culture and complies with the following organizational and behaviour rules in all its activities.

A Business Conduct and Code of Ethics plays a crucial role in both promoting and evaluating corporate culture by setting clear expectations for behavior, fostering accountability, and providing mechanisms to measure ethical adherence.

Promoting Corporate Culture

A strong Code of Ethics:

- ✓ Defines Core Values – Establishes principles like integrity, fairness, and transparency, aligning employees' actions with the company's mission.
- ✓ Sets Behavioral Standards – Outlines expected conduct in areas like conflicts of interest, bribery, workplace respect, and data confidentiality.
- ✓ Provides Ethical Decision-Making Guidelines – Helps employees navigate dilemmas by offering frameworks for responsible choices.
- ✓ Encourages Ethical Leadership – Guides managers to lead by example, reinforcing ethical behavior at all levels.
- ✓ Supports a Speak-Up Culture – Establishes whistleblower protections and reporting channels to encourage employees to report misconduct.

The Compliance department, as owner of the document, is managing and promoting the Business Conduct and Code of Ethics through trainings and awareness campaigns.

Rompetrol is a customer-oriented business, conducting business in a transparent manner, ensuring that reliable and relevant information is disclosed to customers and other business partners. We are committed to be an equal opportunity employer by respecting all applicable human rights, civil rights and labour laws and does not tolerate any form of abuse, harassment or discrimination in any of the company's workplaces.

Rompetrol is devoted to protect its resources and information by keeping accurate financial records, take good care of its assets, handle confidential information with care and protect its intellectual property. We are dedicated to maintain the safety and health of everyone involved in its business activities through its Quality, Health, Safety, and Environment Policy.

Rompetrol is also highly committed to respect and follows all the applicable laws and regulations, and did not tolerate any form of conflict of interests, bribery and corruption. We are also politically-neutral and we are not engaging in any political activities

Rompetrol aims to be a socially responsible member of the local communities by being continuously active and involved in projects for the benefit of the local communities.

As part of the business conduct and corporate culture, Rompetrol adopted the KMG International Group-wide code as well as policies developed and implemented a series of specific business policies, including, the following:

- Remuneration Policy - Establishes fair and competitive compensation structures aligned with industry standards and regulatory requirements.
- Quality, Health, Safety and Environment Policy - Defines the company's commitment to maintaining high standards in operational safety, environmental protection, and workplace well-being.
- Whistleblower Policy - Provides a secure channel for employees to report unethical behavior, misconduct, or regulatory violations without fear of retaliation.
- Anti-corruption and anti-bribery Policy - Outlines measures to prevent bribery and corruption, ensuring compliance with international and national anti-corruption laws.
- Diversity and Inclusion Policy - Promotes an inclusive work environment that values diversity in gender, background, and perspectives, fostering equal opportunities for all employees.
- Marketing Policy - Ensures ethical and responsible communication, advertising, and branding practices aligned with regulatory and corporate standards.
- Tax Policy - Establishes guidelines for transparent and compliant tax management



- Conflict of Interest Procedure - Provides mechanisms for identifying, disclosing, and mitigating conflicts of interest to maintain ethical decision-making.

The responsibilities for implementing Group policies and procedures (as it is the case with Business Conduct and Code of Ethics), including requirements for training and awareness, are set within Policy no. 1 - Internal Regulations Management Policy. As such, the document owner of the respective policy is responsible for "drafting, content, update, implementation, administration and staff training of the internal regulation". Also the document owner is responsible for implementation of the respective internal regulation. Without being limitative, the following implementation methods can be used: workshops, trainings, awareness campaigns.

The directors of key functions are responsible for each of these policies, ensuring their proper implementation and adherence. Additionally, all employees are required to be familiar with these policies and comply with their provisions. To facilitate accessibility, all policies are available to employees on the internal SharePoint platform and are also communicated through internal emails.

8.3 Protection of whistleblowers

ESRS G1-1

Rompetrol has developed a complex framework of counselling and complaint resolution mechanisms, aimed at making each employee, business partner and stakeholder responsible for their conduct. This framework encourages the reporting of any incidents of non-compliance, environmental issues or social injustices to the relevant departments, including Compliance, Internal Control & Forensics and Human Resources. The aim is to ensure that every concern is considered and addressed, fostering a culture of integrity and ethical conduct throughout the organisation. Our target is to address and close all the potential concerns raised along the year.

Taking all these into account, the Group implemented multiple channels through which concerns and claims could be reported to the Internal Control & Forensics Department. Therefore, the concerns and claims can be reported as it follows:

- Whistleblower channel: An external email (speakup@rompetrol.com) accessible also from the company website, which allows confidential reports of unethical or illegal behaviour;
- Departmental email: Direct communication via internalcontrol@rompetrol.com, offering another level of confidentiality and direct access to the responsible department
- Direct Communication: Employees, suppliers, customers, collaborators or any other party are also encouraged to report directly to members of the Internal Control & Forensics Department by email or in writing.

All these channels are designed to ensure that all complaints are handled with the utmost confidentiality in accordance with legal and internal regulations, emphasizing a non-retaliation policy against anyone who raise a concern in good faith, who are whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937 of the European Parliament and of the Council. The company confirms that it is subject to Romanian Law no. 361/2022, which implements EU Directive 2019/1937 on the protection of whistleblowers.

The Whistleblower channel is designed to ensure that all concerns are analyzed with the utmost confidentiality, in accordance with legal and internal regulations, emphasizing a non-retaliation policy to protect those who report in good faith. Access to the concerns received to this channel is granted only to the members of the Internal Control & Forensics Department and information is managed with strict confidentiality.

Rompetrol's Compliance Department encourages all employees and collaborators to report any violations of the Code of Ethics and Business Conduct, as well as any ethical concerns or dilemmas that could exist.

When a complaint is submitted, a detailed analysis/investigation is carried out by the company. All investigations performed by Internal Control & Forensics Department are done according to Internal Investigations Methodology in place. Beyond the procedures to follow-up on reports by whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937, Rompetrol investigates procedures on business conduct incidents, including incidents of corruption and bribery, promptly,



independently and objectively. This structured process ensures that any negative impacts are addressed and rectified promptly. To increase awareness and understanding, regular training sessions are held (several times a year), focusing on the importance of reporting and the use of available mechanisms for this purpose.

In 2024 Anti-Bribery and Anti-Corruption (ABAC) trainings were performed with all entities from the Group, targeting all employees considered to be exposed to ABAC risks. Within the training session were presented also the channels available for reporting managed by Internal Control & Forensics Department.

Whistleblower Policy

The Whistleblowing Policy is approved at the KMGI Board of Directors level and is a critical component of the grievance mechanism managed by the Internal Control & Forensics Department. It ensures confidentiality and, if the whistleblower wishes, anonymity.

Addressing the a negative potential impact on the complainer and associated risk for Rompetrol, the KMGI's Protection of Whistle-blowers policy empowers employees, suppliers, clients, and collaborators to raise concerns or complaints in good faith. This policy ensures confidentiality and protects individuals from retaliation is likely to help maintain financial stability. Rompetrol's General Director is the most senior level in the organisation that is accountable for the implementation of the policy, and monitoring compliance.

Rompetrol's whistleblowing mechanism is governed by internal policies that ensure the protection of those who report possible non-compliance through its anti-retaliation provisions. This mechanism is accessible to all employees within the company as well as externally via the company website, allowing anyone to make complaints in good faith.

The scope and the objectives of the Whistleblower Policy are to enable every employee, supplier, customer, collaborator or any other party accountable to honestly report concerns or complaints. Besides this, the Whistleblowing Policy guarantees confidentiality and protection against retaliation for those who use the whistleblowing channel and allows the reporting of any transactions or events suspected of violating the laws, internal regulations or ethical standards of the company.

The Whistleblower Policy also assures the maintaining of an accessible channel for whistleblowers, including external access through the company's website, ensures that all complaints are treated with strict confidentiality and thoroughly investigated and provides feedback and following up for the potential complaints.

To ensure the effectiveness of, we have structured monitoring mechanisms that promote confidentiality, prevent retaliation, and track resolution outcomes.

- Confidential Reporting Channels – dedicated email addresses to ensure anonymity.
- Internal Control Department oversees complaints. A structured process ensures timely investigation, with defined escalation steps. Reports are categorized (e.g. safety violations, human rights concerns) for systematic handling.
- Protection Against Retaliation - Clear policy prohibiting retaliation against whistleblowers. HR and Legal Teams monitor employees who report concerns to ensure they do not face discrimination, demotion, or dismissal.
- Tracking & Performance Metrics - Regular internal audits to review the whistleblowing process. KPIs (Key Performance Indicators) such as: number of reports received and resolved, types of issues reported. Trends are analyzed to improve corporate policies and risk management.
- Regular Reporting & Transparency - Board-level reporting on whistleblowing cases and policy effectiveness; inclusion in sustainability reports.

During the reporting period, from January to December 2024, the company received a total of 18 notifications through this channel. Of these, 17 investigations were closed and one is in progress (no bribery and corruption incidents were confirmed during the reporting year).



Our targets are in our Whistleblowing Policy and relate to full compliance this means that all cases received to be analysed, managed and investigated according to their specificities and regulations in place.

8.4 Prevention and detection of corruption and bribery

ESRS G1-3

Rompetrol is committed to complying with ESG principles in order to create a sustainable and responsible business environment. To support these values, specific objectives have been defined to promote ethical conduct, protect personal data and ensure compliance within the company's operations.

We have implemented procedures aimed at preventing, detecting, and addressing any allegations or incidents of corruption and bribery which are outlined in the **Anti-corruption and anti-bribery Policy (ABAC Policy)**. The reporting, review/investigation and follow-up processes of suspected non-conformities in relation with Rompetrol's internal rules and regulations are anchored in a comprehensive framework established by the Internal Control & Forensics Department. The Internal Control and Forensics team is the owner of the Whistleblower process and objectively analyses each complaint received separately from the chain of management involved in the matter. Periodically, investigated cases are reported to Management.

Rompetrol ensures transparent and structured reporting of ethics, compliance, and misconduct investigations to its management and supervisory bodies in alignment with ESRS G1-3, 18(c). The Internal Control & Forensic Department compiles periodic reports detailing key findings, case resolutions, disciplinary actions, and systemic risks, which are submitted quarterly or annually to governance bodies. The Board of Directors and Supervisory Board receive high-level updates on significant compliance cases, while the Audit Committee oversees financial misconduct investigations. For high-risk cases escalation procedures ensure immediate executive management review and potential regulatory reporting. Confidentiality is strictly maintained, with anonymization measures in place to protect whistleblowers, ensuring compliance with GDPR and internal data protection policies. Insights from these reports drive continuous improvement, leading to enhanced internal controls, policy updates, and targeted compliance training, reinforcing Rompetrol's commitment to ethical business conduct and corporate integrity.

Anti-corruption and anti-bribery Policy (ABAC Policy)

Rompetrol has a zero-tolerance policy towards corruption and bribery, applying rigorous standards at all levels of its operations and among all business partners, including suppliers and contractors. This uncompromising stance is reflected in the Group's Anti-Bribery and Anti-Corruption Policy, a mandatory internal regulation for the conduct of our business. Rompetrol has taken extensive steps to integrate ABAC principles into its operations by implementing robust policies, training programs and contractual clauses designed to mitigate risks and promote a culture of integrity and transparency.

The main scopes and objectives of the ABAC Policy are as following:

- Protecting the Group's reputation and ensuring compliance with legal and regulatory requirements;
- Minimizing the risk of bribery and corruption in all business relationships;
- Increasing employee awareness and understanding of the risks of bribery and corruption;
- Promoting integrity, accountability and transparent business management.

Rompetrol developed and implemented a series of procedures through which the ABAC Policy is enforced, as it follows:

- Regular dissemination of policy details to all employees to ensure widespread understanding;
- Implementation of training sessions aimed at preventing bribery and corruption, and promoting ethical behaviour; Rompetrol ensures a risk-based approach to anti-corruption training by



identifying functions with higher exposure to corruption risks and providing them with enhanced, in-depth training. Departments such as procurement, sales, finance, legal, and government relations undergo specialized anti-bribery and compliance programs tailored to their specific risks. These training sessions cover conflict of interest management, third-party due diligence, fraud detection, and ethical decision-making, reinforcing adherence to the Anti-Corruption and Anti-Bribery Policy.

- Establish clear reporting channels for any suspected policy violations.

The anti-bribery and anti-corruption policy is supported by a suite of documents detailing the actions and principles necessary to prevent and eliminate the risks of bribery and corruption. These documents include the **Internal Order Regulations (ROI) of each entity**, the Code of Ethics and Business Conduct, the Conflict-of-interest procedure and the Whistleblower Policy. ABAC regulations, including the Anti-Bribery and Anti-Corruption Policy, the Conflict-of-Interest Procedure and the Whistleblowing Policy, are communicated to all Group entities, employees, business divisions and collaborators, ensuring universal adherence to ethical standards.

The Internal Control & Forensics Department actively monitors the implementation of the ABAC measures presented in the action plan, ensuring their effectiveness and making the necessary adjustments to strengthen the company's internal control framework. The Internal Control & Forensics Department reports to the Board of Directors how the ABAC Policy is implemented, and also the outcomes that came from the policy.

Rompetrol maintains a rigorous attitude against fraud, bribery, corruption and any relations with entities on international sanctions lists, implementing strict controls to mitigate these risks. We provide employees with a comprehensive education on the ethical principles, guidelines and standards that dictate their behaviour in the workplace. Topics such as the code of business conduct, anti-money laundering measures and anti-bribery and anti-corruption principles are essential components of employee training from the start of employment as part of their onboarding process.

During the 2024 fiscal year there were zero cases corruption or bribery. In 2024 we have as objective to perform ABAC training sessions with all group entities and their employees exposed to ABAC risks. Our ABAC trainings targets are in our ABAC Policy and relate to full compliance.

8.5 Management of suppliers

8.5.1 Management of relationships with suppliers

ESRS G1-2

To prevent late payments specifically to SMEs, the company implemented a set of policies – within the finance and procurement departments, that includes payment procedures, acquisition practices and other financial observations.

Rompetrol established a specific approach in managing its relationship with its suppliers, and took into consideration the risks that could appear in relation with its supply chain and the impact on sustainability matters. In this regard, we developed and implemented the **Suppliers Code of Conduct** (available publicly on company's websites for consultation by stakeholders and reflecting the Employees' Code of Conduct described in this report).

Rompetrol has a strategic approach to supplier engagement, emphasizing the company's dedication to promoting a supply chain that is not only compliant, but also supports sustainable development and responsible business practices. Rompetrol implemented this high-performance **supplier management system** that ensures rigorous pre-selection processes, periodic questionnaires and performance evaluations to ensure compliance with our sustainability standards.

The **Suppliers Code of Conduct** was established drawing inspiration from the **Code of Ethics and Business Conduct**, ensuring that both Rompetrol and its entire network of suppliers strictly comply with all relevant local and international regulations. The Suppliers Code of Conduct covers critical business areas such as human rights, workplace safety, fair employment practices, environmental protection and maintaining high ethical standards. Rompetrol requires that both potential and existing suppliers align with the company's commitment to integrity and ethical business conduct.



Rompetrol wants to collaborate only with suppliers who embody these specific values. In this regard Rompetrol uses a rigorous pre-qualification process that reflects the expectations set out in its **Code of Ethics and Business Conduct**. This process assesses potential suppliers against the specific criteria set out in the **Supplier Code of Conduct**, assessing their environmental management systems, labor practices, health and safety policies and commitment to ethical business operations. Only the suppliers that would successfully pass the prequalification stage would receive the approval of the company and the recognition of adhering to the **Rompetrol's Suppliers Code of Conduct**.

8.5.2 Payment practices

ESRS G1-6

Rompetrol ensures that supplier payments are made in accordance with contractual provisions agreed upon with each business partner. There is no standard payment term; terms vary by supplier category and contract agreements.

In 2024, Rompetrol adhered to the agreed contractual terms, with no recorded delays in supplier payments. The average time to pay an invoice, measured from the start of the contractual or statutory payment term, was 78 days.

The formula for calculating the percentage of payments made within the agreed standard terms is the average supplier balance divided by the cost of goods sold, multiplied by 360.

It is important to note that these figures exclude commercial contracts for crude oil, which follow distinct agreements; SMEs do not supply crude to the company.

As of the reporting period, there were no ongoing legal proceedings related to late payments registered for Rompetrol Rafinare.

8.1 Paid taxes (additional sub-topic)

Through the double materiality analysis, we identified an additional material sub-topic: paid taxes, as this is an industry-specific subject. Paid taxes have a **positive impact**, as they contribute to funding public services such as healthcare, education, infrastructure, and social welfare programs, thereby fostering societal development and well-being. However, a risk for Rompetrol arises from a volatile fiscal environment, but there's an opportunity linked to societal investment through tax payments. To manage the financial risk, in particular, Rompetrol has a fiscal policy in place.

Tax Policy

Rompetrol's Tax Policy expresses the company's commitment to increase its shareholder value through strategic fiscal management, rigorously respecting the legal and regulatory frameworks of each country in which it operates. This tax strategy underpins the company-wide tax activities, ensuring they align with the company core values, support its reputation and maintain positive engagements with tax authorities and governments around the world. Rompetrol is dedicated to being responsible and understands the essential role of the fiscal policies. In this regard, Rompetrol is guided by the following principles:

- Compliance with applicable laws and regulations,
- Transparent and proactive interaction with tax authorities,
- Accurate and detailed tax reporting,
- Selecting the most advantageous tax routes without compromising ethical standards and commercial success.

Our tax policy, drawn up by the Financial Director and approved by the Executive Director (also overseeing the tax matters), is a dynamic document revised and adjusted according to the strategic changes within our operations.



In order to maintain compliance with national and international fiscal laws and regulations, Rompetrol has implemented various measures, developed dedicated systems and invested significantly in ensuring full compliance. At the company level there are specialized teams that establish detailed internal guidelines to ensure the level of awareness among employees and compliance with applicable legislation.

Moreover, Rompetrol has a proactive interaction with the tax authorities that led to the negotiation of Advance Pricing Agreements (APAs) with the Romanian tax authority for key transactions between companies, reducing the risk of disputes. Current, ongoing initiatives include monitoring legislative changes, holding regular training sessions to keep employees up-to-date on tax legislation and participating in public consultations on tax regulations through professional associations.

As part of our Tax Policy we target full compliance with tax legislation.



APPENDIX - REPORT ACCORDING TO ARTICLE 8 OF REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ("TAXONOMY REGULATION")

1. Introduction

This report has been prepared to describe the information presented under *Article 8 of the Taxonomy Regulation (Regulation (EU) 2020/852)*, which is to be included in the *Sustainability Report of Rompetrol Rafinare SA and its subsidiaries - Rompetrol Downstream SRL, Rompetrol, Quality Control SRL, Rompetrol Gas SRL, Rompetrol Logistics SRL, Rom Oil SA (Rompetrol)* for the 2024 financial year.

An overview of the aligned, eligible, and non-eligible economic activities under the EU taxonomy carried out within Rompetrol during the reporting period from January 1, 2024, to December 31, 2024, is provided.

The information complies with the reporting requirements under Article 8 of the Taxonomy Regulation of the Delegated Act (Commission Delegated Regulation (EU) 2021/2178) and its subsequent amendments, including Delegated Regulation (EU) 2021/2139, Delegated Regulation (EU) 2022/1214, Delegated Regulation (EU) 2023/2485, Delegated Regulation (EU) 2023/2486, and Delegated Regulation (EU) 2024/3215.

2. Article 8 Regulation on taxonomy

The Taxonomy regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050, in line with EU targets, as Taxonomy is a classification system for sustainable economic activities.

In the following section, Rompetrol, as a non-financial enterprise, presents the share of turnover, capital expenditure (CAPEX) and operational expenditure (OPEX) for the reporting period 01 January 2024 – 31 December 2024, which are associated with the eligible and taxonomy-aligned economic activities related to the six environmental objectives:

- Climate change mitigation
- Climate change adaption
- Sustainable use and protection of water and marine resources
- Pollution prevention and control
- Transition to a circular economy
- Protection and restoration of biodiversity and ecosystems.

In accordance with Article 8 of the Taxonomy Regulation of the Delegated Act (Commission Delegated Regulation (EU) 2021/2178) and subsequent amendments, the performance of Rompetrol for the year 2024 is presented.

Following the internal assessment, **9 eligible activities** were identified in accordance with the Taxonomy Regulation, for which alignment with the six environmental objectives was assessed, activities performed by **Rompetrol Rafinare SA** and **Rompetrol Downstream SRL**.



An economic activity is considered **eligible** from a taxonomy perspective if it is described in the delegated acts adopted under Article 10 paragraph (3), Article 11 paragraph (3), Article 12 paragraph (2), Article 13 paragraph (2), Article 14 paragraph (2) and Article 15 paragraph (2) of Regulation (EU) 2020/852, **regardless of whether or not the economic activity in question meets all the technical screening criteria set out in those delegated acts.**

An economic activity is considered **aligned** from a taxonomy perspective if it substantially contributes to one or more of the environmental objectives, does not significantly harm any of the other environmental objectives, and respects minimum safeguards.

3. General presentation

Article 8 (2) of the Taxonomy Regulation of the Delegated Act.

The table below presents the proportion of non-eligible, eligible, and aligned economic activities from the Taxonomy perspective for Rompetrol entities (based on revenue, CAPEX, and OpEx)

Rompetrol Rafinare SA		Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (USD)			Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (RON)	
KPIs	Total (USD)	Eligible and aligned activities	Eligible and non-aligned activities	Total (RON)	Eligible and aligned activities	Eligible and non-aligned activities
Turnover	3,430,676,109	0	8,022,827	16,387,653,636	0	38,323,439
Capital Expenditure (CAPEX)	145,388,184	0	18,628,914	694,490,277	0	88,986,596
Operational Expenditure (OPEX)	40,136,504	0	6,843,484	191,724,054	0	32,689,954
Rompetrol Downstream SA		Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (USD)			Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (RON)	
KPIs	Total (USD)	Eligible and aligned activities	Eligible and non-aligned activities	Total (RON)	Eligible and aligned activities	Eligible and non-aligned activities
Turnover	1,894,926,597	0	0	9,051,685,369	0	0



Capital Expenditure (CAPEX)	37,059,482	0	31,058	177,025,735	0	148,358
Operating Expenditure (OPEX)	28,495,141	0	0	136,115,588	0	0
Rompetrol, Quality Control SRL		Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (USD)			Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (RON)	
KPIs	Total (USD)	Eligible and aligned activities	Eligible and non-aligned activities	Total (RON)	Eligible and aligned activities	Eligible and non-aligned activities
Turnover	11,549,147	0	0	55,167,965	0	0
Capital Expenditure (CAPEX)	439,880	0	0	2,101,220	0	0
Operating Expenditure (OPEX)	799,945	0	0	3,821,177	0	0
Rompetrol Gas SRL		Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (USD)			Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (RON)	
KPIs	Total (USD)	Eligible and aligned activities	Eligible and non-aligned activities	Total (RON)	Eligible and aligned activities	Eligible and non-aligned activities
Turnover	142,511,719	0	0	680,749,979	0	0
Capital Expenditure (CAPEX)	1,165,655	0	0	5,568,103	0	0
Operational Expenditure (OPEX)	2,055,807	0	0	9,820,178	0	0
Rompetrol Logistics SRL		Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (USD)			Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (RON)	



KPIs	Total (USD)	Eligible and aligned activities	Eligible and non- aligned activities	Total (RON)	Eligible and aligned activities	Eligible and non- aligned activities
Turnover	118,708	0	0	567,044	0	0
Capital Expenditure (CAPEX)	0	0	0	0	0	0
Operational Expenditure (OPEX)	29,527	0	0	141,043	0	0
Rom Oil SA		Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (USD)			Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (RON)	
KPIs	Total (USD)	Eligible and aligned activities	Eligible and non- aligned activities	Total (RON)	Eligible and aligned activities	Eligible and non- aligned activities
Turnover	5,997,159	0	0	28,647,229	0	0
Capital Expenditure (CAPEX)	2,218,354	0	0	10,596,636	0	0
Operational Expenditure (OPEX)	83,005	0	0	396,498	0	0
Rompetrol Petrochemicals SRL		Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (USD)			Taxonomy-eligible and non-eligible economic activities in total turnover, CAPEX and OPEX – FY 2024 (RON)	
KPIs	Total (USD)	Eligible and aligned activities	Eligible and non- aligned activities	Total (RON)	Eligible and aligned activities	Eligible and non- aligned activities
Turnover	0	0	0	0	0	0
Capital Expenditure (CAPEX)	0	0	0	0	0	0
Operational Expenditure (OPEX)	0	0	0	0	0	0



Grand total**						
KPIs	Total (USD)	Eligible and aligned activities	Eligible and non- aligned activities	Total (RON)	Eligible and aligned activities	Eligible and non- aligned activities
Turnover	3,724,825,212		8,022,827	17,792,745,072		38,323,439
Capital Expenditure (CAPEX)	186,270,304		18,659,972	889,775,986		89,134,954
Operational Expenditure (OPEX)	64,854,358		6,843,484	309,796,296		32,689,954

* Amounts in Romanian lei are provided for information purpose basis only and are translated by multiplying the values in USD with the 31 December 2024 closing exchange rate published by Romanian national Bank of RON 4.7768 = USD 1.

**Turnover total includes 1,760,954,227 USD- intercompany elimination for consolidation purposes

CAPEX total includes 1,253) USD- intercompany elimination for consolidation purposes

OPEX total includes (6,745,570) USD- intercompany elimination for consolidation purposes

Section 4 outlines the Turnover, CAPEX, and OPEX that are eligible and aligned at the consolidated level for Rompetrol Rafinare S.A. and its subsidiaries. Consolidated figures are used to avoid double counting, not only by eliminating intercompany transactions but also by ensuring that the same eligible activity is not reported multiple times under different categories.

This is achieved through cost center distribution, analytical accounts for specific activities, and detailed financial tracking mechanisms, ensuring precise allocation and avoiding overlaps.

This methodology is fully aligned with EU Taxonomy requirements, enhancing data accuracy, transparency, and comparability, while offering a reliable representation of our sustainability performance.

4. Our Activities

Economic activities eligible for taxonomy and their assessment for alignment

Rompetrol activities are mainly focused on the refining and retail sectors, with additional support operations consisting of natural gas operations and wholesale and laboratory services.

Rompetrol Rafinare SA (hereinafter referred to as Rompetrol Refinery or RRC) - is KMG International NV's most important asset in Romania.

The company has more than 40 years of experience in the field of petroleum production, starting from 1979, when its first plant, the DAV plant (Vacuum and Atmospheric Distillation Plant), was put into operation.

In December 2024, Rompetrol Refinery SA had five (5) directly controlled subsidiaries and two (2) indirectly controlled subsidiaries in Romania, as well as two (2) work points, Petromidia Refinery and Vega Refinery, located in Năvodari, Constanța County and Ploiești, Prahova County.

The **main field** of Rompetrol Refinery SA is the "manufacture of refined petroleum products" according to **NACE 19.20** – this main activity is **NOT eligible for taxonomy Rompetrol Downstream SRL**



(hereinafter referred to as Rompetrol Downstream or DWS) carries out its retail activity in gas stations distributed throughout Romania and the 6 fuel depots in Arad, Craiova, Șimleu Silvaniei, Vatra Dornei and Zărnești.

The **main activity** of the company consists in Retail trade of motor fuels in specialized stores according to **NACE code 47.30** – this activity is **NOT eligible for taxonomy**.

Regarding compliance with the new taxonomy requirements, the main activities identified as eligible are performed by **Rompetrol Rafinare SA** and **Rompetrol Downstream SRL** as follows:

Rompetrol Rafinare SA (refineries)

- Renovation of existing buildings (potential contribution to *Climate Mitigation*)
- Manufacture of hydrogen (potential contribution to *Climate Mitigation*)
- Manufacture of organic basic chemicals (potential contribution to *Climate Mitigation*)
- Construction, extension and operation of water collection, treatment and supply systems (potential contribution to *Climate Mitigation*)
- Construction, extension and operation of wastewater collection and treatment (potential contribution to *Climate Mitigation*)
- District heating/cooling distribution (potential contribution to *Climate Mitigation*)
- Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system (potential contribution to *Climate Mitigation*)
- Transmission and distribution of electricity (potential contribution to *Climate Mitigation*)
- Remediation of legally non-conforming landfills and abandoned or illegal waste dumps (potential contribution to *Pollution Prevention*)

Rompetrol Downstream SRL

- Construction, extension and operation of water collection, treatment and supply systems (potential contribution to *Climate Mitigation*)

Economic activities eligible for taxonomy and their evaluation for alignment

Section. 1.2.2.1 letter (a) from annex I of art. 8 Delegated act

An economic **activity is considered eligible** for Taxonomy if *it fits the description of the activity presented in the EU Taxonomy*. In order to identify eligible activities performed by Rompetrol, we carried out a full assessment of eligible activities and compared these activities with the description of economic activities/products listed in Annexes I or II of the EU Delegated Act on Climate Taxonomy and activities listed in Annexes I, II, III and IV of the EU Delegated Act on Environment.

Section 3.4 below presents our assessment process and decisions in identifying the alignment of our activities.



Economic activity	Environmental objective	Eligible	Aligned
Manufacture of hydrogen Rompetrol Rafinare SA	Climate mitigation	YES	NO
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		
Manufacture of organic basic chemicals Rompetrol Rafinare SA	Climate mitigation	YES	NO
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		
Construction, extension and operation of water collection, treatment and supply systems Rompetrol Rafinare SA Rompetrol Downstream SRL	Climate mitigation	YES	NO
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		
Construction, extension and operation of wastewater collection and treatment Rompetrol Rafinare SA	Climate mitigation	YES	NO
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		
Remediation of legally non-conforming landfills and abandoned or illegal waste dumps Rompetrol Rafinare SA	Climate mitigation	YES	NO
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		
District heating/cooling distribution Rompetrol Rafinare SA	Climate mitigation	YES	NO
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system Rompetrol Rafinare SA	Climate mitigation	YES	NO
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		
	Climate mitigation	YES	NO
	Climate adaptation		
	Water		



Transmission and distribution of electricity Rompetrol Rafinare SA	Circular economy		
	Pollution prevention		
	Biodiversity		
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		
Renovation of existing buildings Rompetrol Rafinare SA	Climate mitigation	YES	NO
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		
	Climate adaptation		
	Water		
	Circular economy		
	Pollution prevention		
	Biodiversity		

Decisions in identifying the alignment of our activities

Within Rompetrol, **9 activities** have been identified as eligible under the taxonomy, as they meet the description of activities defined in EU Regulation 2020/852 and the related delegated regulations. Therefore, according to the analysis carried out, for the reporting period from 01.01.2024 to 31.12.2024, no activities are aligned with the taxonomy in accordance with Article 17 of Regulation (EU) 2020/852 and the subsequent delegated acts.

For **alignment assessment** to the Taxonomy Regulation, the following steps were performed for each eligible activity:

- **Significant contribution** assessment
- **DNSH** assessment
- **Climate risk and vulnerability** assessment study of the activities
- **Minimum social safeguards** assessment

No main or secondary activities of **Rompetrol** are **aligned** with the taxonomy in 2024.

CapEx plan

The CAPEX plan includes the list of taxonomy-eligible economic activities in 2024 and provides information on the planned Capex for their financing with the aim of increasing sustainability over the **next 5 years**. The CAPEX plan for eligible activities should be based on the most recent business plan approved by management, while the time horizon reflects the five-year period for a Capex plan set out in Annexes 1-5 to Commission Delegated Regulation (EU) 2020/852. Planned Capex may be subject to revisions and changes.



For the financial year 2024, the eligible activities have been included in a CapEx plan as shown in the table below:

Activity	Capex 2024 (USD)	The year of completion of the investment for which the expenses were incurred in 2024	Total CapEx planned to be invested until 2029 (next 5 years) USD	Capex 2024 (RON)	The year of completion of the investment for which the expenses were incurred in 2024	Total CapEx planned to be invested until 2029 (next 5 years) RON
Rompetrol Rafinare SA						
Manufacture of hydrogen	4,926,525	2024-2026	-	23,533,024	2024-2026	-
Manufacture of organic basic chemicals	8,922,897	2024-2026	6,277,931	42,622,896	2024-2026	28,941,262
Transmission and distribution of electricity	1,692,077	2024-2026	19,746,067	8,082,715	2024-2026	91,029,368
District heating/cooling distribution	275,578	2024-2026	519,760	1,316,381	2024-2026	2,396,094
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	2,607,717	2024-2026	100,000	12,456,542	2024-2026	461,000
Construction, extension and operation of water collection, treatment and supply systems	98,654	2024-2026	8,265,070	471,249	2024-2026	38,101,971
Construction, extension and operation of wastewater collection and treatment	-	-	4,875,644	-	-	22,476,719
Renovation of existing buildings	105,466	2024-2026	150,000	503,789	2024-2026	691,500
TOTAL	18,628,914		39,934,471	88,986,596		184,097,913
Rompetrol Downstream SRL						
Construction, extension and operation of wastewater collection and treatment	31,058	-	860,000	148,358	-	4,108,048
TOTAL	31,058	-	860,000	148,358	-	4,108,048
GRAND TOTAL	18,659,972	-	40,794,471	89,134,954		188,205,961



Amounts in Romanian lei are provided for information purpose basis only and are translated by multiplying the values in USD with the 31 December 2024 closing exchange rate published by Romanian national Bank of **RON 4.7768 = USD 1**. Translation is performed for all primary statements using the closing exchange rate.

Turnover, CAPEX and OPEX for taxonomy

Key Performance Indicators (“KPIs”) include **Turnover KPI**, **CAPEX KPI** and the **OPEX KPI**. For the 2024 reporting period, the KPIs have to be disclosed in relation to our Taxonomy - eligible and aligned and Taxonomy non-eligible economic activities (Art. 10 (2) of the Art. 8 Delegated Act).

Note: Comparative values are not presented due to the fact that this is the first year of reporting at consolidated level for Rompetrol Rafinare SA and its subsidiaries, and the first year for ESRS reporting (see ESRS 2, 7.5 - 96, previous reporting exceptions). For the next reporting periods, the report will include consolidated comparative values as required by the legislation in force.

Section. 1.2.1 (a), (b) from annex I to art. 8 Delegated act

The establishment of KPIs is determined in accordance with Annex I to art. 8 Delegated act and with the Consolidated IFRS Financial Statements of Rompetrol Rafinare SA. We determine taxonomy eligible KPIs in accordance with the legal requirements and describe our accounting policy in this regard as follows:

Turnover KPI

Definition - The share of taxonomy-eligible/aligned economic activities in our total turnover was calculated as the share of **net turnover derived from products and services associated with taxonomy-eligible economic activities** (numerator) divided by **net turnover** (denominator), in each case for the financial year from 01.01.2024 to 31.12.2024.

The turnover KPI referred to in Article 8(2), point (a), of Regulation (EU) 2020/852 was calculated as the part of the net turnover derived from products or services associated with taxonomy-eligible activities (numerator), divided by the net turnover (denominator) as defined in Article 2, point (5), of Directive 2013/34/EU for the financial year 2024. The consolidated turnover used in the KPI calculation excludes intercompany transactions.

The net turnover is disclosed within the section 20, located on page 68 of the **Consolidated Financial Statement** prepared in accordance with IFRS for the financial year ended December 31, 2024, **totaling 3,724,825,212 USD (17,792,745,072 RON at 4.7768 RON/USD)**.

CAPEX KPI

Definition - The CAPEX KPI is defined as the **taxonomy-eligible CAPEX** (numerator) divided by the **total CAPEX (denominator)** for the financial year 2024. CAPEX denominator represents the sum of additions to tangible and intangible assets during the financial year considered before depreciation & amortisation, including rights-of-use assets for year 2024.

Total Capital expenditure can be found in section 26, page 79, with the total value of **186,270,304 USD (889,775,986 RON at 4.7768 RON/USD)**.

OPEX KPI

Definition - OPEX KPI is defined as **taxonomy-eligible OPEX** (numerator) divided **by the total OPEX denominator as specified in the Delegated Act**, for year 2024. Total OPEX consists of non-capitalized direct costs relating to research and development, building renovation measures, short-term rental, maintenance and repairs and any other direct costs related to the daily maintenance of real estate assets, facilities, and equipment.

Total consolidated OPEX for Rompetrol Rafinare SA amounts to 64,854,358 USD (309,796,296 RON at 4.7768 RON/USD).

KPI indicators of Rompetrol

KPI – Turnover (USD)

fiscal year	Year 2024			Substantial Contribution Criteria						DNSH criteria ('Does no significant harm')									
Economic activities (1)	Code (2)	Absolute Turnover (3)	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of total turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		USD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy aligned)																			
Turnover of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0%														%		
Enabling activities		0	%														%	E	
Transitional activities		0	%														%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)																			
Text		USD	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Renovation of existing buildings	7.2 CCM/ CCA	0	0.000%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of hydrogen	3.10 CCM/CCA	0	0.000%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of organic basic chemicals	3.14 CCM/CCA	1,360,467	0.037%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM/CCA	1,417,369	0.038%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Construction, extension and operation of wastewater collection and treatment	5.3 CCM/CCA	2,159,973	0.058%	EL	EL	N/EL	N/EL	N/EL	N/EL										
District heating/cooling distribution	4.15 CCM/CCA	914,035	0.025%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31 CCM/ CCA	0	0.000%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Transmission and distribution of electricity	4.9 CCM/ CCA	2,170,982	0.058%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Remediation of legally non-conforming landfills and abandoned or illegal waste dumps	2.3 PPC	0	0.000%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)		8,022,827	0.215%																
A. Total Turnover (A.1+A.2)		8,022,827	0.215%																
B. TAXONOMY NON ELIGIBLE ACTIVITIES																			
Turnover of taxonomy non eligible activities		3,716,802,385	99.78%																
TOTAL (A+B)		3,724,825,212	100%																

KPI – Turnover (RON)

fiscal year	Year 2024			Substantial Contribution Criteria						DNSH criteria ('Does no significant harm')								Minimum safeguards (17)	Taxonomy aligned proportion of total turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code (2)	Absolute Turnover (3)	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)						
Text		RON	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy aligned)																					
Turnover of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0%														%				
Enabling activities		0	%														%	E			
Transitional activities		0	%														%		T		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)																					
Text		RON	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Renovation of existing buildings	7.2 CCM/CCA	0	0.000%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Manufacture of hydrogen	3.10 CCM/ CCA	0	0.000%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Manufacture of organic basic chemicals	3.14 CCM/ CCA	6,498,681	0.037%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM/CCA	6,770,488	0.038%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Construction, extension and operation of wastewater collection and treatment	5.3 CCM/CCA	10,317,761	0.058%	EL	EL	N/EL	N/EL	N/EL	N/EL												
District heating/cooling distribution	4.15 CCM/ CCA	4,366,162	0.025%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31 CCM/ CCA	0	0.000%	EL		N/EL	N/EL	N/EL	N/EL												
Transmission and distribution of electricity	4.9 CCM/ CCA	10,370,347	0.058%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Remediation of legally non-conforming landfills and abandoned or illegal waste dumps	2.3 PPC	0	0.000%	N/EL	N/EL	N/EL	EL	N/EL	N/EL												
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)		38,323,439	0.215%																	%	
A. Total Turnover (A.1+A.2)		38,323,439	0.215%																	%	
B. TAXONOMY NON ELIGIBLE ACTIVITIES																					
Turnover of taxonomy non eligible activities		17,754,421,633	99.78%																		
TOTAL (A+B)		17,792,745,072	100%																		

Rompetrol Rafinare
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KPI – CAPEX (USD)

fiscal year	Year 2024			Substantial Contribution Criteria						DNSH criteria ('Does no significant harm')											
Economic activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of total CapEx, year N-1 (18)	Category enabling activity (20)	Category transitional activity (21)		
Text		USD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy aligned)																					
CapEx of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0%							Y	Y	Y	Y	Y	Y	Y	%				
Enabling activities		0	0%														%	E			
Transitional activities		0	0%														%		T		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)																					
Text		USD	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Renovation of existing buildings	7.2 CCM/CCA	105,466	0.06%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Manufacture of hydrogen	3.10 CCM/CCA	4,926,525	2.64%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Manufacture of organic basic chemicals	3.14 CCM/CCA	8,922,897	4.79%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM/CCA	98,654	0.05%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Construction, extension and operation of wastewater collection and treatment	5.3 CCM/CCA	31,058	0.02%	EL	EL	N/EL	N/EL	N/EL	N/EL												
District heating/cooling distribution	4.15 CCM/CCA	275,578	0.15%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31 CCM/CCA	2,607,717	1.40%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Transmission and distribution of electricity	4.9 CCM/CCA	1,692,077	0.91%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Remediation of legally non-conforming landfills and abandoned or illegal waste dumps	2.3 PPC	0	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL												
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)		18,659,972																		%	
A. Total CapEx (A.1+A.2)		18,659,972	10.02%																	%	
B. TAXONOMY NON ELIGIBLE ACTIVITIES																					
CapEx of taxonomy non eligible activities		167,610,332	89.98%																		
TOTAL (A+B)		186,270,304	100%																		

KPI – CAPEX (RON)

fiscal year	Year 2024			Substantial Contribution Criteria						DNSH criteria ('Does no significant harm')										
Economic activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of total CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)	
Text		RON	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy aligned)																				
CapEx of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0%							Y	Y	Y	Y	Y	Y	Y				
Enabling activities		0	0%														%	E		
Transitional activities		0	0%														%		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)																				
Text		RON	%	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL											
Renovation of existing buildings	7.2 CCM/CCA	503,789	0.06%	EL	EL	N/EL	N/EL	N/EL	N/EL											
Manufacture of hydrogen	3.10 CCM/CCA	23,533,024	2.64%	EL	EL	N/EL	N/EL	N/EL	N/EL											
Manufacture of organic basic chemicals	3.14 CCM/CCA	42,622,896	4.79%	EL	EL	N/EL	N/EL	N/EL	N/EL											
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM/CCA	471,249	0.05%	EL	EL	N/EL	N/EL	N/EL	N/EL											
Construction, extension and operation of wastewater collection and treatment	5.3 CCM/CCA	148358	0.02%	EL	EL	N/EL	N/EL	N/EL	N/EL											
District heating/cooling distribution	4.15 CCM/CCA	1,316,381	0.15%	EL	EL	N/EL	N/EL	N/EL	N/EL											
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31 CCM/CCA	12,456,542	1.40%	EL	EL	N/EL	N/EL	N/EL	N/EL											
Transmission and distribution of electricity	4.9 CCM/CCA	8,082,715	0.91%	EL	EL	N/EL	N/EL	N/EL	N/EL											
Remediation of legally non-conforming landfills and abandoned or illegal waste dumps	2.3 PPC	0	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL											
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)		89,134,954															%			
A. Total CapEx (A.1+A.2)		89,134,954	10.02%														%			
B. TAXONOMY NON ELIGIBLE ACTIVITIES																				
CapEx of taxonomy non eligible activities		800,641,033	89.98%																	
TOTAL (A+B)		889,775,987	100%																	

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Rompetrol Rafinare
Sustainability Report 2024
KPI – OPEX (USD)



rompetrol

KazMunayGas
International
Group Member

fiscal year	Year 2024			Substantial Contribution Criteria						DNSH criteria ('Does no significant harm')						Minimum safeguards (17)	Taxonomy aligned proportion of total OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx, year (4) 2024	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)				
Text		USD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy aligned)																			
OpEx of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0%														%		
Enabling activities		0	0%	%	%	%	%	%	%								%	E	
Transitional activities		0	0%	%													%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)																			
Text		USD	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Renovation of existing buildings	7.2 CCM/CCA	0	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of hydrogen	3.10 CCM/CCA	1,819,849	2.81%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of organic basic chemicals	3.14 CCM/CCA	294,378	0.45%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM/CCA	1,018,697	1.57%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Construction, extension and operation of wastewater collection and treatment	5.3 CCM/CCA	1,128,432	1.74%	EL	EL	N/EL	N/EL	N/EL	N/EL										
District heating/cooling distribution	CCM/CCA	96,645	0.15%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31 CCM/CCA	1,023,923	1.58%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Transmission and distribution of electricity	4.9 CCM/CCA	1,453,940	2.24%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Remediation of legally non-conforming landfills and abandoned or illegal waste dumps	2.3 PPC	7,619	0.01%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)		6,843,484	10.55%														%		
A. Total OpEx (A.1+A.2)		6,843,484	10.55%														%		
B. TAXONOMY NON ELIGIBLE ACTIVITIES																			
OpEx of taxonomy non eligible activities		58,010,874	89.45%																
TOTAL (A+B)		64,854,358	100.00%																

Rompetrol Rafinare
Sustainability Report 2024
KPI – OPEX (RON)



fiscal year	Year 2024			Substantial Contribution Criteria						DNSH criteria ("Does no significant harm")														
Economic activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx, year (4) 2024	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of total OpEx, year N (18)	Taxonomy aligned proportion of OpEx, year N (19)	Category enabling activity (20)	Category transitional activity (21)				
Text		RON	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%		E	T				
A. TAXONOMY ELIGIBLE ACTIVITIES																								
A.1. Environmentally sustainable activities (Taxonomy aligned)																								
OpEx of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0%														%	%						
Enabling activities		0	0%	%	%	%	%	%	%								%	%	E					
Transitional activities		0	0%	%													%	%		T				
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)																								
Text		RON	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL															
Renovation of existing buildings	7.2 CCM/CCA	0	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL															
Manufacture of hydrogen	3.10 CCM/CCA	8,693,056	2.81%	EL	EL	N/EL	N/EL	N/EL	N/EL															
Manufacture of organic basic chemicals	3.14 CCM/CCA	1,406,184	0.45%	EL	EL	N/EL	N/EL	N/EL	N/EL															
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM/CCA	4,866,114	1.57%	EL	EL	N/EL	N/EL	N/EL	N/EL															
Construction, extension and operation of wastewater collection and treatment	5.3 CCM/CCA	5,390,296	1.74%	EL	EL	N/EL	N/EL	N/EL	N/EL															
District heating/cooling distribution	4.15 CCM/CCA	461,652	0.15%	EL	EL	N/EL	N/EL	N/EL	N/EL															
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31 CCM/CCA	4,891,076	1.58%	EL	EL	N/EL	N/EL	N/EL	N/EL															
Transmission and distribution of electricity	4.9 CCM/CCA	6,945,182	2.24%	EL	EL	N/EL	N/EL	N/EL	N/EL															
Remediation of legally non-conforming landfills and abandoned or illegal waste dumps	2.3 PPC	36,394	0.01%	N/EL	N/EL	N/EL	EL	N/EL	N/EL															
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)		32,689,954	10.55%														%	%						
A. Total OpEx (A.1+A.2)		32,689,954	10.55%																		%	%		
B. TAXONOMY NON ELIGIBLE ACTIVITIES																								
OpEx of taxonomy non eligible activities		277,106,342	89.45%																					
TOTAL (A+B)		309,796,296	100.00%																					

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Activities related to the nuclear and fossil gas sectors

In accordance with Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, which amends Delegated Regulation (EU) 2021/2139 concerning economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 regarding the publication of specific information about these economic activities, information related to the nuclear and fossil gas sectors is presented in the form of a table, **using the models provided in Annex XII of the Regulation.**

Activities carried out

For the reporting entity KMG International, the following activities carried out in the financial year 2023 and the associated KPIs were identified according to the requirements of Delegated Regulation (EU) 2022/1214 – Annex XII.

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

ONGOING ACTIVITIES – Turnover, CAPEX and OPEX

Eligible fossil gas activity - 4.31. Production of thermal energy for heating/cooling from fossil gaseous fuels in an efficient district heating and cooling system

Activity description: There are three steam sources on the Petromidia platform: the COBoiler boiler, the 121 B petrochemical boiler and a flare boiler. The steam produced is used for technological purposes.

ALIGNED ECONOMIC ACTIVITIES

Template 2 Taxonomy-aligned economic activities (denominator)

Template 2 Taxonomy-aligned economic activities (denominator)

KPI – total turnover											
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)				Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (USD)	%	Amount (USD) %	Amount (USD) %	Amount (RON)	%	Amount (RON) ()	%	Amount (RON) ()	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of <i>Turnover</i>	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%		0 RON 0%	
2.	Amount and proportion of other taxonomy-aligned economic activities** not referred to in row 1 above in the denominator <i>Turnover</i>	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%		0 RON 0%	
3.	Total Turnover (denominator)	3,724,825,212 USD 100%		0 USD 0%	0 USD 0%	17,792,745,072 RON 100%		0 RON 0%		0 RON 0%	

KPI – CAPEX											
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)				Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)	CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)		
		Amount (USD)	%	Amount (USD) %	Amount (USD) %	Amount (RON)	%	Amount (RON) %	Amount (RON) %	Amount (RON) %	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CAPEX	0 USD 0%		0 USD 0%		0 USD 0%		0 RON 0%		0 RON 0%	
2.	Amount and proportion of other taxonomy-aligned economic activities not referred to in row 1 above in the denominator of CAPEX	0 USD 0%		0 USD 0%		0 USD 0%		0 RON 0%		0 RON 0%	
3.	Total CAPEX (denominator)	186,270,304 USD 100%		0 USD 0%		0 USD 0%		889,775,986 RON 100%		0 RON 0%	

KPI – OPEX											
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)				Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)	CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)		
		Amount (USD)	%	Amount (USD) %	Amount (USD) %	Amount (RON)	%	Amount (RON) %	Amount (RON) %	Amount (RON)	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OPEX	0 USD 0%		0 USD 0%		0 USD 0%		0 RON 0%		0 RON 0%	
2.	Amount and proportion of other taxonomy-aligned economic activities not referred to in row 1 above in the denominator of OPEX	0 USD 0%		0 USD 0%		0 USD 0%		0 RON 0%		0 RON 0%	
3.	Total OPEX (denominator)	64,854,358 USD 100%		0 USD 0%		0 USD 0%		309,796,296 RON 100%		0 RON 0%	

Template 3 Taxonomy-aligned economic activities (numerator)

KPI – total turnover											
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)				Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (USD)	%	Amount (USD) %	Amount (USD) %	Amount (RON)	%	Amount (RON) (RON)	%	Amount (RON) (RON)	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of <i>Turnover</i>	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%		0 RON 0%	
2.	Amount and proportion of other taxonomy-aligned economic activities** not referred to in row 1 above in the denominator <i>Turnover</i>	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%		0 RON 0%	
3.	Total <i>Turnover (numerator)</i>	0 USD	0%	0 0%	0 USD 0%	0 RON 0%		0 RON 0%		0 RON 0%	

KPI – CAPEX											
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)				Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)	CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)		
		Amount (USD)	%	Amount (USD) %	Amount (USD) %	Amount (RON)	%	Amount (RON) %	Amount (RON) %	Amount (RON) %	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CAPEX	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%	0 RON 0%	0 RON 0%	
2.	Amount and proportion of other taxonomy-aligned economic activities not referred to in row 1 above in the denominator of CAPEX	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%	0 RON 0%	0 RON 0%	
3.	Total CAPEX (numerator)	0 USD	0%	0 USD 0%	0 USD 0%	0 RON 00%		0 RON 0%	0 RON 0%	0 RON 0%	

KPI – OPEX											
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)				Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)	CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)		
		Amount (USD)	%	Amount (USD) %	Amount (USD) %	Amount (RON)	%	Amount (RON) %	Amount (RON) %	Amount (RON) %	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OPEX	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%	0 RON 0%	0 RON 0%	
2.	Amount and proportion of other taxonomy-aligned economic activities not referred to in row 1 above in the denominator of OPEX	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%	0 RON 0%	0 RON 0%	
3.	Total OPEX (denominator)	0 USD	0%	0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%	0 RON 0%	0 RON 0%	

9 ECONOMIC ACTIVITIES ELIGIBLE BUT NOT ALIGNED

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

KPI – total turnover											
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)				Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)	CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)		
		Amount (USD)	%	Amount (USD) %	Amount (USD) %	Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
1.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%	0 RON 0%		
2.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in row 1 above in the denominator of turnover	0 USD 0%		0 USD 0%	0 USD 0%	0 RON 0%		0 RON 0%	0 RON 0%		
3.	Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of turnover	8,022,827 USD	0.215%	8,022,827 USD 0.215%	0 USD 0%	38,323,439 RON	0.215%	38,323,439 RON 0.215%	0 RON 0%		

KPI – CAPEX											
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)				Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)	CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)		
		Amount (USD)	%	Amount (USD) %	Amount (USD) %	Amount (RON)	%	Amount (RON) %	Amount (RON) %	Amount (RON) %	Amount (RON) %
1.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CAPEX	2,607,617 USD 1.41%		2,607,617 USD 1.41%	0 USD 0%	12,456,542 RON		12,456,542 RON %	0 RON 0%		
2.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in row 1 above in the denominator of CAPEX	16,052,355 USD 8.61%		16,052,355 USD 8.61%	0 USD 0%	76,678,412 RON		76,678,412 RON	0 RON 0%		
3.	Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of CAPEX	18,659,972 USD	10.02%	18,659,972 USD 10.02%	0 USD 0%	89,134,954 RON		89,134,954 RON	0 RON 0%		

KPI – OPEX											
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)				Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)	CCM + CCA		Climate change mitigation (CCM)	Climate change adaptation (CCA)		
		Amount (USD)	%	Amount (USD) %	Amount (USD) %	Amount (RON)	%	Amount (RON)	%	Amount (RON)	%
1.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OPEX	1,023,923 USD 1.58%		1,023,923 USD 1.58%	0 USD 0%	4,891,076 RON		4,891,076 RON		0 RON 0%	
2.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in row 1 above in the denominator of OPEX	5,819,561 USD 8.97%		5,819,561 USD 8.97%	0 USD 0%	31,666,031 RON		31,666,031 RON		0 RON 0%	
3.	Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of OPEX	6,843,484 USD	10.55%	6,843,484 USD 10.55%	0 USD 0%	32,689,954 RON		32,689,954 RON		0 RON	

10 NON-ELIGIBLE ECONOMIC ACTIVITIES

Template 5 Taxonomy non-eligible economic activities

KPI – turnover				
Row	Economic activities	Amount (USD)	Amount (RON)	Percent
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover	0 USD	0 RON	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover	0 USD	0 RON	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover	0 USD	0 RON	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover	0 USD	0 RON	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover	0 USD	0 RON	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover	0 USD	0 RON	0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of turnover	3,716,802,385.27 USD	17,755,801,055 RON	99.79%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the turnover	3,716,802,385.27 USD	0 RON	99.79%

KPI – CAPEX				
Row	Economic activities	Amount (USD)	Amount (RON)	Percent
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CAPEX	0 USD	0 RON	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CAPEX	0 USD	0 RON	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CAPEX	0 USD	0 RON	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CAPEX	0 USD	0 RON	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CAPEX	0 USD	0 RON	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CAPEX	0 USD	0 RON	0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of CAPEX	167,610,332 USD	800,641,032 RON	89.98%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of CAPEX	167,610,332 USD	800,641,032 RON	89.98%

KPI – OPEX				
Row	Economic activities	Amount (USD)	Amount (RON)	Percent
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OPEX	0 USD	0 RON	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OPEX	0 USD	0 RON	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OPEX	0 USD	0 RON	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OPEX	0 USD	0 RON	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OPEX	0 USD	0 RON	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OPEX	0 USD	0 RON	0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of OPEX	58,010,874 USD	277,106,342 RON	89.45%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of OPEX	58,010,874 USD	277,106,342 RON	89.45%

**Note:**

The Board of Directors Annual Consolidated Report was prepared based on the audited consolidated financial statements.

The functional currency, as basis for preparing the financial statements, is USD. RON currency is used as currency for presenting the informations in USD, according to the International Financial Reporting Standards. All the RON information were obtained by multiplying the USD values with the exchange rate USD/RON = 4.7768 as of 31 December 2024.

BOARD OF DIRECTORS:

Chairman of the Board of Directors
Yedil Utekov

Member of the Board of Directors
Tamila Mikulich

Member of the Board of Directors
Erik Sagiyeu

Member of the Board of Directors
Constantin Saragea

Member of the Board of Directors
Nicolae Bogdan Codruț Stănescu

Member of the Board of Directors
Bogdan-Cătălin Steriopol

Member of the Board of Directors
Adrian Tohănean

Executive management:

General Manager
Florian-Daniel Pop

Finance Manager
Alexandru Stavarache



**Shape the future
with confidence**

Ernst & Young Assurance Services SRL
Bucharest Tower Center Building, 21st Floor
15-17 Ion Mihalache Blvd., District 1
011171 Bucharest, Romania

Tel: +40 21 402 4000
Fax: +40 21 310 7193
office@ro.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Rompetrol Rafinare S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rompetrol Rafinare S.A. (the Company) and its subsidiaries (together referred to as "the Group") with official head office in 215 Navodari Boulevard, Administrative Pavilion, 907500 – Navodari, Romania identified by sole fiscal registration number RO1860712, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Description of each key audit matter and our procedures performed to address the matter

Key audit matter	How our audit addressed the key audit matter
<i>Impairment testing of goodwill, property, plant and equipment and right of use assets</i>	
Disclosures on the impairment testing for goodwill, property, plant and equipment and right of use assets are included in Note 2 f) and 2 l), Note 4, Note 5, Note 6 and Note 7, to the consolidated financial statements.	
Property, plant and equipment of USD 892 million, right of use assets of USD 277 million and goodwill of USD 83 million at 31 December 2024 are significant to our audit because of the magnitude of the carrying amounts in the statement of financial position as of 31 December 2024. Under the International Financial Reporting Standards, the Group is required to test the carrying amount of goodwill for impairment at least annually and when there are indicators of impairment. Also the Group is required to assess, at least at each reporting date, whether indicators for potential impairment or reversal of previously recorded impairment exist for their property, plant and equipment, and right of use assets at the level of each cash generating unit (CGU) and, if they exist, an impairment test is required. The assessment of whether there is an indication that an asset may be impaired requires significant judgement, as it involves consideration of various sources of information, including factors related to the economic environment and industry specific factors. The impairment test exercise is complex, requires significant management judgments and is based on unobservable market data and assumptions that are affected by expected future market conditions, including the acceleration of the pace	We evaluated the triggering events analysis and the test of impairment performed by management in respect to goodwill, property, plant and equipment and right of use assets as of 31 December 2024. Specifically, our audit work included, but was not limited to the following procedures: ▪ we considered whether the impairment testing prepared by an external expert covered all significant cash generating units/individual assets for which impairment indicators existed at the end of the reporting period; ▪ we compared the future short and long-term oil and gas prices and product margins used in the Group's budgets for consensus with analyst's forecasts;; ▪ we assessed the historical accuracy of management's budgets and forecasts by comparing them to actual performance in prior years; ▪ we assessed the considerations used by the Group for decarbonization and transition to lower carbon economy and economy system;

Key audit matter	How our audit addressed the key audit matter
of transition to a lower carbon economy and energy system. As of 31 December 2024, the management has performed a triggering events analysis and performed separate impairment testing in respect of the two CGUs identified (Refinery and Downstream) for goodwill, property, plant and equipment and right of use assets. 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. In light of the judgements and estimates used by management in the determination of future cash flow projections used in the impairment testing as well as uncertainties regarding current and future economic environment, the impairment test for goodwill, property, plant and equipment and right of use assets is considered a key audit matter.	▪ we involved our internal valuation specialists to assist us in evaluating the key assumptions and the methodologies used by the Group for the impairment testing of goodwill, property, plant and equipment and right of use assets. Our evaluation was focused on the discount rate estimate, on the sensitivity analysis of the CGUs' recoverable amounts to changes in the significant assumptions, as well as on the key assumptions applied in the estimates of future cash flows for the respective CGUs (such as expected sale prices, production/sales volumes, operating profit, discount rate, growth rate, working capital changes, impact of additional taxes as per local legislation, etc.) by analyzing their consistency with the general and industry-specific economic environment, relevant available market information and the business plans of the Group; ▪ we checked the mathematical accuracy of the management's cash flow models for determining the fair value less cost of disposal and its conformity with the requirements of the International Financial Reporting Standards; ▪ we evaluated of the competence, capabilities and objectivity of management's external valuator. Furthermore, we assessed the adequacy of the Group's disclosures in respect of impairment testing of goodwill, property, plant and equipment, right of use assets in the notes to the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<i>Completeness and measurement of provisions for litigations</i>	
Disclosures about litigations are included in Note 29 and Note 30 to the consolidated financial statements.	
The Group is involved in various and significant litigations, including in relation to regulatory and / or governmental proceedings as well as investigations by tax and other authorities which are disclosed in Note 29 and Note 30 to the consolidated financial statements. This area is significant to our audit due to the inherent uncertainties over the final outcome of these litigations, complexity of the cases and the significant judgement applied by the management in estimating the final outcome of such assessments and exposures (i.e. whether a liability should be recognized or a contingency should be disclosed and whether the potential outflows can be reliably estimated). Due to the significance and complexity of these litigations, and adverse outcomes that could potentially significantly impact the Group's reported financial performance and financial position, we considered this as a key audit matter.	Our audit procedures included, among others, obtaining legal confirmations from the Group's external lawyers advising on these matters and also supporting documentation from the Group's internal legal counsel regarding the status of these litigations. We have inspected the minutes of the Board of Directors' meetings and held periodic meetings with management to discuss and understand the developments in legal proceedings and the management assumptions and judgement in respect of these matters. We assessed whether the opinions of external lawyers and internal legal counsel are consistent with the assumptions and estimates applied by management regarding recognition and measurement of provisions or measurement and disclosure of contingent liabilities in respect of these matters, based on the facts and circumstances available. We assessed the competence, objectivity and independence of external lawyers. Our internal specialists were involved, where appropriate, to assist us to analyze the legal cases and the assumptions made by management. We further evaluated the adequacy of disclosures regarding provisions recognized and contingencies resulting from legal proceedings in the notes to the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<i>Completeness and measurement of environmental provisions</i>	
Disclosures about environmental provision are included in Note 2 f) and 2 m), Note 19 and Note 31 to the consolidated financial statements.	
As at 31 December 2024, the Group has environmental provision of USD 94 million out of which USD 89 million is related to the provision for the rehabilitation of Vega lagoons as presented in Note 19 to the financial statements. The assessment for environmental provision related to Vega lagoons is significant to our audit due to the magnitude of the amounts involved and the subjective judgments of Group's management in making these estimates, which is impacted by extension of the timeline for the finalization of the rehabilitation works, current environmental and regulatory requirements, the nature of the activities and costs incorporated for the provision estimate. In light of the judgements and estimates used by management in the determination of environmental obligation and inherent complexity in estimating future environmental remediation costs, this is considered a key audit matter.	We evaluated the management's assessment for the environmental obligation. Specifically, our audit work included, but was not limited to the following procedures: ▪ we assessed main assumptions considered for the computation of provision, such as quantities, prices per activity and updated timeline for the rehabilitation plan; ▪ we checked the accuracy of historical remediation provisions by comparing to actual expenditure. We used this knowledge to challenge management's current cost estimations for the remediation works; ▪ we inspected the underlying documentation for management's determination of future required activities, their timing, and associated cost estimations and comparing them to the nature and quantum of costs included in the provision balance as of 31 December 2024; ▪ we checked the mathematical accuracy of the management's assessment for the environmental provision and its compliance with the requirements of the International Financial Reporting Standards; ▪ we involved our internal valuation specialists to assist us in evaluating the discount rate used for the computation of the provision. Furthermore, we assessed the adequacy of the Group's disclosures about environmental risks and obligations and related provision in the notes to the consolidated financial statements.

Other information

The other information comprises the Annual report of the Board of Directors of Rompetrol Rafinare SA on the consolidated financial statements as well as Remuneration Report, but does not include the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of audit work for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Consolidated Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Annual report of the Board of Directors on the Consolidated financial statements and Remuneration Report, we have read these reports and report that:

- a) in the Annual report of the Board of Directors on the Consolidated financial statements we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying consolidated financial statements as at December 31, 2024;
- b) the Annual report of the Board of Directors on the Consolidated financial statements, except the consolidated sustainability report which is subject to a separate assurance reporting, includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, Annex 1 articles 15 – 19 and 26-27;
- c) based on our knowledge and understanding concerning the Group and its environment gained during our audit of the financial statements as at December 31, 2024, we have not identified information included in the Annual report of the Board of Directors on the Consolidated financial statements, except the consolidated sustainability report which is subject to a separate assurance reporting, that contains a material misstatement of fact.
- d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

Declaration on the Report on corporate income tax information for the year 2023

For the financial year ended December 31, 2023, the Company had an obligation, under articles 60²-60⁶ from Annex 1 of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, to publish a Report on corporate income tax information. The Company published this report in accordance with the requirements of article 60¹⁰ of the Ministry of Public Finance Order no. 2844/2016 with all subsequent amendments.

Our audit opinion on the financial statements does not cover the Report on corporate income tax information for the year ended December 31, 2023 and we do not express any form of assurance conclusion thereon.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Group by the General Meeting of Shareholders on 26 April 2024 to audit the consolidated financial statements for the financial year end December 31, 2024. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 17 years covering the financial periods end December 31, 2008 till December 31, 2024.

Consistency with Additional Report to the Audit Committee

Our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on the same date as the issue date of this report.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Group and we remain independent from the Group in conducting the audit.

In addition to statutory audit services and services disclosed in the annual report and in the financial statements, no other services which were provided by us to the Company, and its controlled undertakings.

Report on the compliance of the electronic format of the consolidated financial statements, included in the annual consolidated report with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the electronic format of the consolidated financial statements of Rompetrol Rafinare SA (the Company) and its subsidiaries (together referred to as “the Group”) for the year ended 31 December 2024, included in the attached electronic file „549300QBL587DDXVXW29-2024-12-31-en.zip “(identified with the key 8611a5283e3594e9cddb5ff0db6529eef9871354072956c0a24c30fe7d0fd43a) with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation). Our opinion is expressed only in relation to the electronic format of the consolidated financial statements and does not extend to the other information included in the annual consolidated report.

Description of the subject matter and the applicable criteria

The Management has prepared electronic format of consolidated financial statements of the Group for the year ended 31 December 2024 in accordance and to comply with ESEF Regulation requirements. The requirements for the preparation of the consolidated financial statements in ESEF format are specified in the ESEF Regulation and represent, in our opinion, applicable criteria for us to express an opinion providing reasonable assurance.

Responsibilities of the Management and Those Charged with Governance

The Management of the Group is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the consolidated financial statements in XHTML format. Such responsibility includes the selection and application of appropriate iXBRL tags using the taxonomy specified in the ESEF Regulation, ensuring consistency between the human-readable layer of electronic format of the consolidated financial statements and the audited consolidated financial statements. The responsibility of Group's Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the consolidated financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process for the preparation of consolidated financial statements of the Group, including the application of the ESEF Regulation.

Auditor's Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the consolidated financial statements with the requirements of the ESEF Regulation.

We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the consolidated financial statements of the Group is prepared, in all material respects, in accordance with the applicable criteria, specified above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of the consolidated financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic (XHTML) reporting format of the consolidated financial statements of the Group, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the consolidated financial statements of the Group, including the preparation of the consolidated financial statements of the Group in XHTML format and its tagging in machine readable language (iXBR);
- tested the validity of the applied XHTML format;
- checked whether the human-readable layer of electronic format of the consolidated financial statements (XHTML) corresponds to the audited consolidated financial statements;

- assessed the completeness of the tagging of information in the consolidated financial statements while using the machine-readable language (iXBRL) under the requirements of the ESEF Regulation;
- assessed the appropriateness of the applied iXBRL tags selected from the core taxonomy and the creation of extensions to the elements in the extended taxonomy specified in the ESEF Regulation when there were no suitable elements in the core taxonomy;
- evaluated the anchoring of the taxonomy extensions to the elements in the extended taxonomy specified by the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the compliance of the electronic format of the consolidated financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, in our opinion, the electronic format of the consolidated financial statements of the Group for the year ended 31 December 2024 is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

On behalf of,

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania

Registered in the electronic Public Register under No. FA77



Name of the Auditor/ Partner: Ivanovici Alice Andreea
Registered in the electronic Public Register under No. AF3617

Bucharest, Romania
29 March 2025

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Firma de audit: ERNST & YOUNG ASSURANCE SERVICES S.R.L.
Registrul Public Electronic: FA77

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar: Ivanovici Alice Andreea
Registrul Public Electronic: AF3617



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Ernst & Young Assurance Services SRL
Bucharest Tower Center Building, 22nd Floor
15-17 Ion Mihalache Blvd., Sector 1
011171 Bucharest, Romania

Tel: +40 21 402 4000
Fax: +40 21 310 7193
office@ro.ey.com
ey.com

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2024

To the Shareholders of Rompetrol Rafinare SA

Limited assurance conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Report included in the Sustainability Section of the Annual Report of the Board of Directors of Rompetrol Rafinare SA on the Consolidated Financial Statements, as at 31 December 2024 and for the period 1 January 2024 – 31 December 2024, prepared by Rompetrol Rafinare SA ("the Entity") and its subsidiaries (together „the Group”), with official head office in 215 Navodari Boulevard, Administrative Pavilion, 907500 – Navodari, Romania identified by sole fiscal registration number RO1860712.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Report of the Group as at 31 December 2024 and for the period 1 January 2024 – 31 December 2024 is not prepared, in all material respects, in accordance with the applicable statutory sustainability reporting framework foreseen in MF Order 2844/2016, Chapter 7¹, sections 7^{1.3}, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Consolidated sustainability report (the “Process”) is in accordance with the description set out in Chapter 1 General Information Presentation, subsection 1.5 ESRS 2 IRO-1 Materiality analysis and results according to the concept of double materiality of the Consolidated Sustainability Report and
- compliance of the taxonomy disclosures detailed in the Environmental Section, subsection Appendix - Report according to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council ("Taxonomy Regulation"), of the Consolidated sustainability report with the applicable reporting requirements of Article 8 of Regulation (EU) 2020/852 (the “Taxonomy Regulations”).

Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information”.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are further described in the Auditor's Responsibilities section of our report.

We are independent of the Group in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are relevant to our assurance engagement of the Consolidated sustainability report in Romania, including Law 162/2017 with subsequent amendments ("The Law"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters – comparative information

Our assurance engagement does not extend to information in respect of earlier periods.

Responsibilities for the consolidated sustainability report

The Board of Directors of the Company is responsible for designing, implementing and maintaining a process to identify the information reported in the Consolidated Sustainability Report in accordance with the ESRS and for disclosing this process in Chapter 1 General Information Presentation, subsection 1.5 ESRS 2 IRO-1 Materiality analysis and results according to the concept of double materiality of the Consolidated Sustainability Report.

This responsibility include:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.

The Board of Directors of the Company is further responsible for the preparation of the Consolidated Sustainability report, in accordance with the applicable statutory sustainability reporting framework foreseen in MF Order 2844/2016, Chapter 7¹, sections 7¹.3, including:

- compliance with the European Standards for Reporting on Sustainability;
- preparing the taxonomy disclosures of the Consolidated Sustainability Report, in the Environmental Section, subsection *Appendix - Report according to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council ("Taxonomy Regulation")*, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation"); and
- designing, implementing and maintaining such internal controls that are necessary to enable the preparation of the Consolidated sustainability report that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the Consolidated Sustainability Report

In reporting a forward-looking information in accordance with European Standards for Reporting on Sustainability, the Board of Directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Report, the Board of Directors of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Auditor's Responsibilities (for the limited assurance engagement)

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Report, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in Chapter 1 General Information Presentation, subsection 1.5 ESRS 2 IRO-1 Materiality analysis and results according to the concept of double materiality of the Consolidated Sustainability Report.

Our other responsibilities in respect of the Consolidated Sustainability Report include:

- Obtaining an understanding of the Group's control environment, processes, and information systems relevant to the preparation of the Consolidated Sustainability Report but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Report where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Report.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Report.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - o performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - o Inspecting/Examining the Group's internal documentation of its Process; and



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5

- Evaluated whether the evidence obtained from our procedures about the Process of the Group was consistent with the description of the Process set out in Chapter 1 General Information Presentation, subsection 1.5 ESRS 2 IRO-1 Materiality analysis and results according to the concept of double materiality of the Consolidated Sustainability Report.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Report, we have:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Report;
- Evaluated whether material information identified through the Process to identify the information reported in the Consolidated Sustainability Report is included in the Consolidated Sustainability Report;
- Evaluated whether the structure and the presentation of the Sustainability Report is in accordance with the European Standards for Reporting on Sustainability;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Report;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Report;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and evaluated the regulatory compliance with *of Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulations")* of the information provided in the Sustainability Report

On behalf of,

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania

Registered in the electronic Public Register under No. FA77

Name of the Auditor/ Partner: Ivanovici Alice Andreea
Registered in the electronic Public Register under No. AF3617

Bucharest, Romania
29 March 2025

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Activității de Audit Statutar (ASPAAS)
Firma de audit: ERNST & YOUNG ASSURANCE SERVICES S.R.L.
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Auditor financiar: Ivanovici Alice Andreea
Registrul Public Electronic: AF3617

ROMPETROL RAFINARE SA

CONSOLIDATED FINANCIAL STATEMENTS

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

31 DECEMBER 2024

ROMPETROL RAFINARE SA
CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with

International Financial Reporting Standards as endorsed by the European Union (EU)
as at 31 December 2024

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ROMPETROL RAFINARE SA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

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

	Notes	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 RON (supplementary info – see Note 2(e))	December 31, 2023 RON
Intangible assets	3	17,333,185	27,415,224	82,797,158	130,957,042
Goodwill	4	82,871,706	82,871,706	395,861,565	395,861,565
Property, plant and equipment	5	891,996,177	877,540,150	4,260,887,338	4,191,833,789
Right of use Assets	7	276,551,758	259,327,666	1,321,032,438	1,238,756,395
Long-term receivable		7,838,702	12,448,780	37,443,912	59,465,332
Deferred tax asset	15	21,306,903	12,828,037	101,778,814	61,276,967
Total non current assets		1,297,898,431	1,272,431,563	6,199,801,225	6,078,151,090
Inventories, net	9	428,898,189	416,671,058	2,048,760,869	1,990,354,310
Trade and other receivables	10	518,697,141	630,160,187	2,477,712,503	3,010,149,181
Cash and cash equivalents	11	94,030,970	155,955,200	449,167,137	744,966,799
Total current assets		1,041,626,300	1,202,786,445	4,975,640,509	5,745,470,290
TOTAL ASSETS		2,339,524,731	2,475,218,008	11,175,441,734	11,823,621,380
Share capital	12	881,102,250	881,102,250	4,208,849,228	4,208,849,228
Share premium	12	74,050,518	74,050,518	353,724,514	353,724,514
Revaluation reserve, net	12	178,928,234	225,635,669	854,704,387	1,077,816,463
Other reserves	12	(10,257,415)	(9,598,285)	(48,997,620)	(45,849,088)
Other reserves - Hybrid loan	12	1,059,285,995	1,059,285,995	5,059,997,341	5,059,997,341
Effect of transfers with equity holders	12	(596,832,659)	(596,832,659)	(2,850,950,246)	(2,850,950,246)
Accumulated losses		(1,320,145,740)	(1,124,346,139)	(6,306,072,170)	(5,370,776,637)
Current year result		(68,989,028)	(242,507,037)	(329,546,789)	(1,158,407,614)
Equity attributable to equity holders of the parent		197,142,155	266,790,312	941,708,645	1,274,403,961
Non-Controlling interest		19,787,092	19,547,754	94,518,981	93,375,711
Total equity		216,929,247	286,338,066	1,036,227,626	1,367,779,672
Long-term borrowings from banks	13	275,900,000	265,900,000	1,317,919,120	1,270,151,120
Obligations under lease agreements	14	268,112,687	262,011,550	1,280,720,683	1,251,576,772
Deferred tax liabilities	15	16,176,318	19,272,484	77,271,036	92,060,802
Provisions	19	110,055,666	116,060,824	525,713,905	554,399,344
Other non-current liabilities		152,917	438,964	730,454	2,096,843
Total non-current liabilities		670,397,588	663,683,822	3,202,355,198	3,170,284,881
Trade and other payables	16	1,326,932,258	1,361,853,389	6,338,490,011	6,505,301,269
Contract liabilities	17	62,467,369	76,372,127	298,394,128	364,814,376
Derivative financial instruments	32.5	4,519,724	251,864	21,589,818	1,203,104
Obligations under lease agreements	14	9,797,590	8,366,145	46,801,128	39,963,402
Short-term borrowings from banks	18	45,838,959	42,856,586	218,963,539	204,717,340
Income tax payable		2,641,996	35,496,009	12,620,286	169,557,336
Total current liabilities		1,452,197,896	1,525,196,120	6,936,858,910	7,285,556,827
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,339,524,731	2,475,218,008	11,175,441,734	11,823,621,380

The consolidated financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN - DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

ROMPETROL RAFINARE SA
CONSOLIDATED INCOME STATEMENT
for the period ended 31 December 2024

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

	Notes	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2023</u> USD	<u>December 31,</u> <u>2024</u> RON	<u>December 31,</u> <u>2023</u> RON
				(supplementary info – see Note 2(e))	
Revenues from contracts with customers	20	3,724,825,212	4,210,768,482	17,792,745,072	20,113,998,886
Cost of sales	21	(3,357,819,820)	(3,853,049,266)	(16,039,633,716)	(18,405,245,734)
Gross profit		<u>367,005,392</u>	<u>357,719,216</u>	<u>1,753,111,356</u>	<u>1,708,753,152</u>
Selling, general and administrative expenses, including logistic costs	22	(315,970,523)	(289,711,524)	(1,509,327,994)	(1,383,894,008)
Other operating income	23	47,634,419	65,638,041	227,540,093	313,539,794
Other operating expenses	23	(78,523,565)	(287,546,216)	(375,091,365)	(1,373,550,765)
Operating (loss) / profit		<u>20,145,723</u>	<u>(153,900,483)</u>	<u>96,232,090</u>	<u>(735,151,827)</u>
Finance cost	24	(146,034,233)	(148,229,216)	(697,576,324)	(708,061,319)
Finance income	24	51,232,278	68,551,312	244,726,346	327,455,907
Foreign exchange (loss) /gain, net	24	6,146,480	(7,471,720)	29,360,505	(35,690,912)
(Loss)/Profit before income tax		<u>(68,509,752)</u>	<u>(241,050,107)</u>	<u>(327,257,383)</u>	<u>(1,151,448,151)</u>
Income tax credit/(charge)	25	(239,937)	536,987	(1,146,131)	2,565,080
(Loss)/Profit for the year		<u>(68,749,689)</u>	<u>(240,513,120)</u>	<u>(328,403,514)</u>	<u>(1,148,883,071)</u>
<i>Attributable to:</i>					
Equity holders of the parent		(68,989,028)	(242,507,037)	(329,546,789)	(1,158,407,614)
Non-Controlling interests		239,339	1,993,917	1,143,275	9,524,543
Earnings per share (US cents/share)					
Basic	28	(0.260)	(0.913)	(1.242)	(4.361)

The consolidated financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN - DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

ROMPETROL RAFINARE SA
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
for the period ended 31 December 2024

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

	Notes	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2023</u> USD	<u>December 31,</u> <u>2024</u> RON (supplementary info – see Note 2(e))	<u>December 31,</u> <u>2023</u> RON
(Loss)/Profit for the year		<u>(68,749,689)</u>	<u>(240,513,120)</u>	<u>(328,403,514)</u>	<u>(1,148,883,071)</u>
Other comprehensive income					
<i>Other comprehensive income to be reclassified to income statement in subsequent periods (net of tax):</i>					
Net gain/(loss) on cash flow hedges	32.5	(2,020,954)	1,859,854	(9,653,693)	8,884,151
Net other comprehensive income to be reclassified to income/(loss) statement in subsequent periods		<u>(2,020,954)</u>	<u>1,859,854</u>	<u>(9,653,693)</u>	<u>8,884,151</u>
<i>Other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax):</i>					
Actuarial gains / (losses) on defined benefit pension plans		1,361,824	(2,164,198)	6,505,161	(10,337,942)
Revaluation of lands, buildings and equipment category in property plant and equipment		-	(17,885,408)	-	(85,435,018)
Deferred income tax related to revaluation, recognized in equity		-	2,861,665	-	13,669,602
Net other comprehensive income/(loss) not to be reclassified to income statement in subsequent periods		<u>1,361,824</u>	<u>(17,187,941)</u>	<u>6,505,161</u>	<u>(82,103,358)</u>
Total other comprehensive income/ (loss) for the year, net of tax		<u>(659,130)</u>	<u>(15,328,087)</u>	<u>(3,148,532)</u>	<u>(73,219,207)</u>
Total comprehensive result for the year, net of tax		<u>(69,408,819)</u>	<u>(255,841,207)</u>	<u>(331,552,046)</u>	<u>(1,222,102,278)</u>
<i>Attributable to:</i>					
Equity holders of the parent		(69,648,158)	(258,556,851)	(332,695,321)	(1,235,074,366)
Non-Controlling interests		239,339	2,715,644	1,143,275	12,972,088
Total comprehensive result for the year		<u>(69,408,819)</u>	<u>(255,841,207)</u>	<u>(331,552,046)</u>	<u>(1,222,102,278)</u>

The consolidated financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN - DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

ROMPETROL RAFINARE SA
CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 31 December 2024

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

	Notes	<u>December 31, 2024</u> USD	<u>December 31, 2023</u> USD	<u>December 31, 2024</u> RON (supplementary info – see Note 2(e))	<u>December 31, 2023</u> RON
(Loss)/Profit before income tax		<u>(68,509,752)</u>	<u>(241,050,107)</u>	<u>(327,257,383)</u>	<u>(1,151,448,151)</u>
<i>Adjustments for:</i>					
Depreciation and amortization of property, plant and equipment and intangibles assets	3,5	134,079,406	123,517,297	640,470,507	590,017,424
Depreciation of right-of-use assets	7	17,561,799	11,888,864	83,889,201	56,790,726
Provisions for receivables and inventories (incl write-off)	23	304,159	594,395	1,452,907	2,839,306
Impairment for property, plant and equipment (incl write-off)	23	4,553,913	(6,160,703)	21,753,132	(29,428,446)
Adjustments for revaluation increase (decrease), property, plant and equipment	23	-	226,744,607	-	1,083,113,639
Provision for environmental and other liabilities	19	(3,690,684)	1,032,435	(17,629,659)	4,931,736
Retirement benefit provisions	19	419,828	973,667	2,005,434	4,651,013
Late payment interest	24	2,254,600	4,354,904	10,769,773	20,802,505
Other financial income	24	(3,542,779)	(725,106)	(16,923,147)	(3,463,686)
Unwinding of discount leasing	24	21,467,077	12,896,848	102,543,933	61,605,664
Unwinding of discount environmental provision	24	(1,372,477)	1,974,581	(6,556,048)	9,432,179
Interest income	24	(47,689,499)	(67,826,206)	(227,803,199)	(323,992,221)
Interest expense and bank charges		115,522,915	122,747,931	551,829,860	586,342,317
Adjustments for gain loss on disposals of property, plant and equipment	23	(373,306)	(218,524)	(1,783,208)	(1,043,845)
Unrealised foreign exchange (gain)/loss	24	<u>(17,804,238)</u>	<u>2,935,084</u>	<u>(85,047,284)</u>	<u>14,020,309</u>
Cash flows from operations before working capital changes		<u>153,180,962</u>	<u>193,679,967</u>	<u>731,714,819</u>	<u>925,170,469</u>
<i>Net working capital changes:</i>					
Receivables and prepayments		52,140,735	14,002,361	249,065,863	66,886,478
Inventories		(13,756,189)	(80,672,274)	(65,710,564)	(385,355,318)
Adjustments for increase (decrease) in trade and other payables and adjustments for increase (decrease) in contract liabilities		<u>(87,767,106)</u>	<u>159,642,941</u>	<u>(419,245,911)</u>	<u>762,582,396</u>
Change in working capital		<u>(49,382,560)</u>	<u>92,973,028</u>	<u>(235,890,612)</u>	<u>444,113,556</u>
Income tax paid		<u>(34,013,483)</u>	<u>(128,237,501)</u>	<u>(162,475,606)</u>	<u>(612,564,895)</u>
Net cash inflow from operating activities		<u>69,784,919</u>	<u>158,415,494</u>	<u>333,348,601</u>	<u>756,719,130</u>
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(150,934,364)	(59,257,779)	(720,983,269)	(283,062,558)
Purchase of intangible assets	3	(546,756)	(377,836)	(2,611,744)	(1,804,847)
Proceeds from sale of property, plant and equipment		(258,098)	1,238,371	(1,232,883)	5,915,451
Net cash (outflow) from investing activities		<u>(151,739,218)</u>	<u>(58,397,244)</u>	<u>(724,827,896)</u>	<u>(278,951,954)</u>
Cash flows from financing activities					
Cash flows from (used in) cash pooling, classified as financing activities	10,16	107,106,590	(108,913,964)	511,626,759	(520,260,223)
Long - term loans received from banks	18	10,000,000	306,770,363	47,768,000	1,465,380,670
Long - term loans repaid to banks	18	-	(40,870,363)	-	(195,229,550)
Proceeds from current borrowings from banks	18	101,395,809	318,263,981	484,347,500	1,520,283,384
Repayments of current borrowings from banks	18	(98,222,719)	(361,887,933)	(469,190,284)	(1,728,666,278)
Lease repayments	14	(31,939,431)	(20,019,855)	(152,568,274)	(95,630,843)
Interest and bank charges paid, net		<u>(68,310,180)</u>	<u>(54,378,494)</u>	<u>(326,304,068)</u>	<u>(259,755,190)</u>
Net cash inflow (outflow) from financing activities		<u>20,030,069</u>	<u>38,963,735</u>	<u>95,679,633</u>	<u>186,121,970</u>
Net increase (decrease) in cash and cash equivalents		<u>(61,924,230)</u>	<u>138,981,985</u>	<u>(295,799,662)</u>	<u>663,889,146</u>
Cash and cash equivalents at the beginning of the year		<u>155,955,200</u>	<u>16,973,215</u>	<u>744,966,799</u>	<u>81,077,653</u>
Cash and cash equivalents at the end of the year		<u>94,030,970</u>	<u>155,955,200</u>	<u>449,167,137</u>	<u>744,966,799</u>

The consolidated financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN - DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

ROMPETROL RAFINARE SA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2024

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

Amount in USD

	<u>Share capital</u>	<u>Share premium</u>	<u>Accumulated losses</u>	<u>Revaluation reserves</u>	<u>Deferred income tax related to revaluation, recognised in equity</u>	<u>Effect of transfers with equity holders</u>	<u>Other reserves</u>	<u>Equity attributable to equity holders of the parent</u>	<u>Non-Controlling interest</u>	<u>Total equity</u>
31 December 2022	<u>881,102,250</u>	<u>74,050,518</u>	<u>(1,158,063,347)</u>	<u>321,550,886</u>	<u>(51,797,932)</u>	<u>(596,832,659)</u>	<u>1,049,992,054</u>	<u>520,001,771</u>	<u>16,782,749</u>	<u>536,784,519</u>
Net loss for 2023	-	-	(242,507,037)	-	-	-	-	(242,507,037)	1,993,917	(240,513,120)
Actuarial gains / (losses) on defined benefit pension plans	-	-	-	-	-	-	(2,164,198)	(2,164,198)	-	(2,164,198)
Hedging reserves	-	-	-	-	-	-	1,859,854	1,859,854	-	1,859,854
Revaluation deficit	-	-	-	(18,744,607)	-	-	-	(18,744,607)	859,199	(17,885,408)
Deferred tax related to revaluation deficit	-	-	-	-	2,999,137	-	-	2,999,137	(137,472)	2,861,665
Total other comprehensive income	≡	≡	≡	<u>(18,744,607)</u>	<u>2,999,137</u>	≡	<u>(304,344)</u>	<u>(16,049,814)</u>	<u>721,727</u>	<u>(15,328,087)</u>
Total comprehensive income	≡	≡	<u>(242,507,037)</u>	<u>(18,744,607)</u>	<u>2,999,137</u>	≡	<u>(304,344)</u>	<u>(258,556,851)</u>	<u>2,715,644</u>	<u>(255,841,207)</u>
Transfer of realized revaluation reserve to Retained Earnings	-	-	33,717,208	(33,717,208)	-	-	-	-	-	-
Deferred tax related to realized revaluation reserve transferred to Retained Earnings	-	-	-	-	5,345,393	-	-	5,345,393	49,361	5,394,754
December 31, 2023	<u>881,102,250</u>	<u>74,050,518</u>	<u>(1,366,853,176)</u>	<u>269,089,071</u>	<u>(43,453,402)</u>	<u>(596,832,659)</u>	<u>1,049,687,710</u>	<u>266,790,312</u>	<u>19,547,754</u>	<u>286,338,066</u>
31 December 2023	<u>881,102,250</u>	<u>74,050,518</u>	<u>(1,366,853,176)</u>	<u>269,089,071</u>	<u>(43,453,402)</u>	<u>(596,832,659)</u>	<u>1,049,687,710</u>	<u>266,790,312</u>	<u>19,547,754</u>	<u>286,338,066</u>
Net loss for 2024	-	-	(68,989,028)	-	-	-	-	(68,989,028)	239,339	(68,749,689)
Hedging reserves	-	-	-	-	-	-	(2,020,954)	(2,020,954)	-	(2,020,954)
Actuarial gains / (losses) on defined benefit pension plans	-	-	-	-	-	-	1,361,824	1,361,824	-	1,361,824
Total other comprehensive income	≡	≡	≡	≡	≡	≡	<u>(659,130)</u>	<u>(659,130)</u>	≡	<u>(659,130)</u>
Total comprehensive income	≡	≡	<u>(68,989,028)</u>	≡	≡	≡	<u>(659,130)</u>	<u>(69,648,158)</u>	<u>239,339</u>	<u>(69,408,819)</u>
Transfer of realized revaluation reserve to Retained Earnings	-	-	55,493,893	(55,493,893)	-	-	-	-	-	-
Deferred tax related to realized revaluation reserve transferred to Retained Earnings	-	-	(8,786,457)	-	8,786,457	-	-	-	-	-
31 December 2024	<u>881,102,250</u>	<u>74,050,518</u>	<u>(1,389,134,768)</u>	<u>213,595,179</u>	<u>(34,666,945)</u>	<u>(596,832,659)</u>	<u>1,049,028,580</u>	<u>197,142,155</u>	<u>19,787,092</u>	<u>216,929,247</u>

The consolidated financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN - DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

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

ROMPETROL RAFINARE SA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2024

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

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

	<u>Share capital</u>	<u>Share premium</u>	<u>Accumulated losses</u>	<u>Revaluation reserves</u>	<u>Deferred income tax related to revaluation, recognised in equity</u>	<u>Effect of transfers with equity holders</u>	<u>Other reserves</u>	<u>Equity attributable to equity holders of the parent</u>	<u>Non-Controlling interest</u>	<u>Total equity</u>
31 December 2022	<u>4,208,849,228</u>	<u>353,724,514</u>	<u>(5,531,836,996)</u>	<u>1,535,984,272</u>	<u>(247,428,362)</u>	<u>(2,850,950,246)</u>	<u>5,015,602,044</u>	<u>2,483,944,454</u>	<u>80,167,835</u>	<u>2,564,112,289</u>
Net loss for 2023	-	-	(1,158,407,614)	-	-	-	-	(1,158,407,614)	9,524,543	(1,148,883,071)
Actuarial gains / (losses) on defined benefit pension plans	-	-	-	-	-	-	(10,337,942)	(10,337,942)	-	(10,337,942)
Hedging reserves	-	-	-	-	-	-	8,884,151	8,884,151	-	8,884,151
Revaluation deficit	-	-	-	(89,539,239)	-	-	-	(89,539,239)	4,104,221	(85,435,018)
Deferred tax related to revaluation deficit	-	-	-	-	14,326,278	-	-	14,326,278	(656,676)	13,669,602
Total other comprehensive income	=	=	=	<u>(89,539,239)</u>	<u>14,326,278</u>	=	<u>(1,453,791)</u>	<u>(76,666,752)</u>	<u>3,447,545</u>	<u>(73,219,207)</u>
Total comprehensive income	=	=	<u>(1,158,407,614)</u>	<u>(89,539,239)</u>	<u>14,326,278</u>	=	<u>(1,453,791)</u>	<u>(1,235,074,366)</u>	<u>12,972,088</u>	<u>(1,222,102,278)</u>
Transfer of realized revaluation reserve to Retained Earnings	-	-	161,060,359	(161,060,359)	-	-	-	-	-	-
Deferred tax related to realized revaluation reserve transferred to Retained Earnings	-	-	-	-	25,533,873	-	-	25,533,873	235,788	25,769,661
December 31, 2023	<u>4,208,849,228</u>	<u>353,724,514</u>	<u>(6,529,184,251)</u>	<u>1,285,384,674</u>	<u>(207,568,211)</u>	<u>(2,850,950,246)</u>	<u>5,014,148,253</u>	<u>1,274,403,961</u>	<u>93,375,711</u>	<u>1,367,779,672</u>
31 December 2023	<u>4,208,849,228</u>	<u>353,724,514</u>	<u>(6,529,184,251)</u>	<u>1,285,384,674</u>	<u>(207,568,211)</u>	<u>(2,850,950,246)</u>	<u>5,014,148,253</u>	<u>1,274,403,961</u>	<u>93,375,711</u>	<u>1,367,779,672</u>
Net loss for 2024	-	-	(329,546,789)	-	-	-	-	(329,546,789)	1,143,275	(328,403,514)
Hedging reserves	-	-	-	-	-	-	(9,653,693)	(9,653,693)	-	(9,653,693)
Actuarial gains / (losses) on defined benefit pension plans	-	-	-	-	-	-	6,505,161	6,505,161	-	6,505,161
Total other comprehensive income	=	=	=	=	=	=	<u>(3,148,532)</u>	<u>(3,148,532)</u>	=	<u>(3,148,532)</u>
Total comprehensive income	=	=	<u>(329,546,789)</u>	=	=	=	<u>(3,148,532)</u>	<u>(332,695,321)</u>	<u>1,143,275</u>	<u>(331,552,046)</u>
Transfer of realized revaluation reserve to Retained Earnings	-	-	265,083,229	(265,083,229)	-	-	-	-	-	-
Deferred tax related to realized revaluation reserve transferred to Retained Earnings	-	-	(41,971,148)	-	41,971,148	-	-	-	-	-
31 December 2024	<u>4,208,849,228</u>	<u>353,724,514</u>	<u>(6,635,618,959)</u>	<u>1,020,301,450</u>	<u>(165,597,063)</u>	<u>(2,850,950,246)</u>	<u>5,010,999,721</u>	<u>941,708,645</u>	<u>94,518,981</u>	<u>1,036,227,626</u>

The consolidated financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN - DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

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

ROMPETROL RAFINARE SA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 December 2024

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

1. GENERAL

Romp petrol Rafinare SA (hereinafter referred to as “the Parent Company” or “the Company” or “the Parent” or “RRC”) is a company incorporated under Romanian law. The Parent Company operates Petromidia and Vega refineries. Petromidia refinery, located on the Black Sea coast, processes imported crude oil and produces E.U. standard motor fuels, other petroleum products and certain petrochemicals. Petromidia refinery was designed and built during 1975 - 1977 and was further modernized in the early 1990's and from 2005 to 2012. Vega refinery is located in Ploiesti and is one of the oldest refineries in Romania. Vega Refinery is a niche refinery specialized in the production of solvents, hexane and bitumen (being the only Romanian producer).

Romp petrol Rafinare SA and its subsidiaries (hereinafter referred to as “the Group”) are involved in refining of oil, production of petrochemicals and downstream activities, and have all production facilities located in Romania (see Note 8). The number of employees of the Group at the end of December 2024 and December 2023 was 1,917 and 1,930 respectively.

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of preparation and statement of compliance

These consolidated financial statements as of 31 December 2024 have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

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

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

b) Going concern

The financial statements of the Group are prepared on a going concern basis. As of 31 December 2024 and 31 December 2023 the Group reported net assets including non-controlling interest, of USD 216.9 million and 286.3 million respectively. For the year ended 31 December 2024, the Group recorded losses in amount of USD 69 million (2023: loss of USD 242.5 million) and net current liabilities of USD 410.6 million (2023: net current liabilities of USD 322.4 million). The loss incurred during 2024 was comprised of operational profit USD 20.1 million (2023: operational loss USD 153.9 million) and financial losses of USD 88.7 million (2023: USD 87.1 million). The operating profit recorded during 2024 is triggered by the refining activity specificity, characterized by a significant volatility and low level of refinery margins recorded in the current year. Also, a negative impact on the Group net result was triggered by the general turnaround, which began on 8th March lasted for two months. This turnaround is a significant event that occurs once every four years and is crucial for our operations. During this period, were conducted comprehensive maintenance, inspections, and upgrades across various units of the refinery to ensure optimal performance and safety standards. It involves shutting down certain operations temporarily to carry out these activities efficiently.

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

ROMPETROL RAFINARE SA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 December 2024

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

On 10 March 2025, the Group received a letter of support from its main shareholder, KMG International NV, valid for the next 12 months from date of approval of financial statements. The support letter covers intercompany liabilities of USD 1,220 million and also intercompany receivables of USD 352 million, adjusted net current position after excluding intercompany balance being net current assets of USD 458 million as of 31 December 2024 (2023: USD 502 million). Management believes that the support from KMG International NV and banks is sufficient to enable the Group to continue its operations and settle its obligations in the ordinary course of business without substantial disposal of assets, externally forced, reversing of its operations or similar actions.

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

Considering the Group's budget for 2025, its medium-term development strategy, which assumes that Group will continue its activity in the predictable future by increased refinery margins and operating profits and will pay all its liabilities in the normal course of business, Group's Management considers that the preparation of the financial statements on a going concern basis is appropriate.

c) Changes in accounting policies

New and amended standards and interpretations

• **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied within twelve months after the reporting period.

Management assessed that amendments have no material impact on the Group's accounting estimates and related disclosures included in the consolidated financial statements.

• **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. Under the amendments, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. The amendments apply retrospectively to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.

Management assessed that amendments have no material impact on the Group's accounting estimates and related disclosures included in the consolidated financial statements.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

• **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

Management assessed that amendments have no material impact on the Group's accounting estimates and related disclosures included in the consolidated financial statements.

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

The Group has not early adopted the following standards/interpretations:

d.1) Standards/amendments that are not yet effective, and they have been endorsed by the European Union.

• **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

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

d.2) Standards/amendments that are not yet effective, and they have not yet been endorsed by the European Union

• **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU. Management is in process of assessing the impact at Group level from application of these amendments.

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments have not yet been endorsed by the EU. Management is in process of assessing the impact at Group level from application of these amendments.

- **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. The standard has not yet been endorsed by the EU. Management is in process of assessing the impact at Group level from application of these amendments.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The standard has not yet been endorsed by the EU. Management is in process of assessing the impact at Group level from application of these amendments.

- **Annual Improvements to IFRS Accounting Standards – Volume 11**

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards. The standard has not been endorsed by the EU. Management is in process of assessing the impact at Group level from application of these amendments.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

• **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged 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 (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management is in process of assessing the impact at Group level from application of these amendments.

e) Foreign currency translation

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

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

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

Each entity within the Group translates its foreign currency transactions and balances into its functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of transaction. Exchange rate differences arising on the settlement of monetary assets and liabilities or on reporting them at rates different from those at which they were initially recorded during the period or reported in the previous financial statements, are recognized in the income statement in the period they arise.

Monetary assets and liabilities

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

Non-monetary assets and liabilities

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

Consolidated statement of income

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Other matters

Romanian lei translation for information purposes basis

Amounts in Romanian lei for both 2024 and 2023 are provided for information purpose basis only and are translated by multiplying the values in USD with the 31 December 2024 closing exchange rate published by Romanian national Bank of RON 4.7768 = USD 1. Translation is performed for all primary statements using the closing exchange rate.

f) Significant accounting judgments, estimates and assumptions

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

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

The matters presented below are considered to be the most important in understanding the judgments that are involved in preparing these consolidated financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

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

- Revaluation of property, plant and equipment

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

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

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- Impairment of Goodwill on acquisitions

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

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

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

- Impairment of non- financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the carrying amounts for major property, plant and equipment and right of use assets are tested for impairment. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is higher of fair value less costs to sell, and value in use determined as the amount of estimated discounted future cash flows. Impairments, except those related to goodwill, are reversed as applicable to the extent that the events or circumstances that triggered the original impairment have changed.

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

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

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

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- Provision for environmental liability

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

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

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

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

- Deferred tax assets

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

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

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

Further details on deferred tax assets and for those losses carried forward for which deferred tax assets has not been recognized are provided in Notes 15 and 25.

- Carrying value of trade and other receivables

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

- Provision for litigations

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

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

g) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries as at 31 December 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

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

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

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

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

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Business combinations and goodwill

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

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

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

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

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

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

i) Financial instruments

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

i. Financial assets

Initial recognition and measurement

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

Subsequent measurement

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

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

Financial assets at fair value through profit or loss

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

This category includes derivative instruments for which the Group does not apply hedge accounting. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

Financial assets at fair value through OCI

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

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

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

Derecognition

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

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

Or

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

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

Impairment of financial assets

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

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

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

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

ii. Financial liabilities

Initial recognition and measurement

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss;
- Loans and borrowings at amortized cost.

Derecognition

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

iii. Offsetting of financial instruments

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

j) Property, plant and equipment

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

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

Following the change in the accounting policy regarding property, plant and equipment from historic cost model to revaluation method, also the economic remaining useful life of the property, plant and equipment was revised as at 31 December 2021. The depreciation of property, plant and equipment based on the revaluated remaining useful life applies starting 1 January 2022. The economic remaining useful life of property, plant and equipment as it was updated as at 31 December 2023 is still applicable as of 31 December 2024. The change from cost to revaluation provide a transparent and up to date picture of the value of the Group assets.

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

k) Intangible assets

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

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

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

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

l) Impairment of non-financial assets

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

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

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Goodwill

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

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

m) Provisions

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

Provisions are not recognized for future operating losses.

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

Additional comments on the following specific liabilities are:

- *Environmental provisions*

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

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

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

n) Leases

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i. Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The most significant category in right-of-used-assets refers to gas station buildings and equipment, land (on which the gas station is located) or rent for road utilization (for access to the gas station), for which the depreciation period is the lease contract term, from 25 up to 30 years.

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

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

ii. Lease liabilities

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

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

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

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

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

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

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Inventories

Inventories of raw material, petroleum products, including work-in-process are stated at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, minus the costs of completion, marketing and distribution. Cost comprises the acquisition cost and other costs that have been incurred in bringing the inventories to their present location and condition. The cost method used by the Group is Weighted Average Cost ('WAC').

p) Trade receivables

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

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

q) Cash and cash equivalents

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

r) Revenue from contracts with customers

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

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

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

(i) Variable consideration

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(ii) Volume rebates

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

(iii) Significant financing component

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

s) Interest bearing loans and borrowings

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

t) Borrowings costs

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

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

u) Retirement benefit costs

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

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

The 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 6.8% (2023: 6.9%) for Romanian subsidiaries with an expected rate of long-term salary increase 3.6% (2023: 3.8%). Also, attrition rate was considered calculated on each company as average number of employees leaving the company in the last 3 years divided by opening number of staff. Retirement age for men 65 years old and for women 63 years old.

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

v) Taxes

- *Current income tax*

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

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

- *Deferred tax*

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

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

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

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

The group applies the mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules. (Note 25 e)).

- *Sales and acquisition tax*

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

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

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

w) Dividends

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

x) Foreign Currency Transactions

The Group translates its foreign currency transactions and balances into functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of transaction. Exchange rate differences arising on the settlement of monetary assets and liabilities or on reporting them at rates different from those at which they were initially recorded during the period or reported in the previous financial statements are recognized in the consolidated income statement in the period they arise.

y) Derivative Financial Instruments

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

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

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

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

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

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

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

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

Hedge effective is assessed based on:

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

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

Cash Flow Hedge

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

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Cash flow hedge is accounted as following:

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

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss (see Note 32.5).

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

z) Emission Rights

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

The liability component is measured at the amount that it is expected to cost the entity to settle the obligation after considering the free allocation. The Group measures the provision as the expected cost of the shortfall in number of CO2 allowances, meaning the amount of emissions exceeding the free allocation, at their market price at the reporting date.

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

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

aa) Fair value measurement

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

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

- In the principal market for the asset or liability;

Or

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

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

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

ab) Current versus non-current classification

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

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

Or

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

All other assets are classified as non-current.

A liability is current when:

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

Or

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

The Group classifies all other liabilities as non-current.

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

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2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

ac) Contingencies

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

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

3. INTANGIBLE ASSETS

Amounts in USD

	<u>Software</u>	<u>Other</u>	<u>Intangibles in progress</u>	<u>Total</u>
Cost				
Opening balance as of January 1, 2023	<u>41,886,412</u>	<u>44,627,231</u>	<u>1,879,761</u>	<u>88,393,404</u>
Additions	1,092	22,805,891	357,418	23,164,401
Transfers from CIP	289,907	469,283	(759,190)	-
Disposals	(10,769)	-	-	(10,769)
Transfers and reclassifications	262,543	(242,750)	(112,083)	(92,290)
Closing balance as of December 31, 2023	<u>42,429,185</u>	<u>67,659,655</u>	<u>1,365,906</u>	<u>111,454,746</u>
Additions	-	323,559	223,197	546,756
Transfers from CIP	166,319	45,532	(211,851)	-
Disposals	-	(9,026,993)	-	(9,026,993)
Transfers and reclassifications	-	19,205	3,325	22,530
Closing balance as of December 31, 2024	<u>42,595,504</u>	<u>59,020,958</u>	<u>1,380,577</u>	<u>102,997,039</u>
Accumulated amortization				
Opening balance as of January 1, 2023	<u>(39,127,192)</u>	<u>(41,798,949)</u>	<u>(523,380)</u>	<u>(81,449,521)</u>
Charge for the year	(1,452,082)	(1,148,688)	-	(2,600,770)
Accumulated amortization of disposals	10,769	-	-	10,769
Reclassification between categories*	(935,518)	935,518	-	-
Closing balance as of December 31, 2023	<u>(41,504,023)</u>	<u>(42,012,119)</u>	<u>(523,380)</u>	<u>(84,039,522)</u>
Charge for the year	(623,888)	(1,000,444)	-	(1,624,332)
Closing balance as of December 31, 2024	<u>(42,127,911)</u>	<u>(43,012,563)</u>	<u>(523,380)</u>	<u>(85,663,854)</u>
Net book value				
As of December 31, 2023	<u>925,162</u>	<u>25,647,536</u>	<u>842,526</u>	<u>27,415,224</u>
As of December 31, 2024	<u>467,593</u>	<u>16,008,395</u>	<u>857,197</u>	<u>17,333,185</u>

During 2023 Rompetrol Rafinare acquired a number of 251,000 CO2 allowances amounting USD 22.8 million, representing the estimated quantity of CO2 allowances needed to comply with the quota for 2023, however actual emissions for 2023 were lower by 97,438 CO2 allowances considering the new refinery flow without MHC unit in function affected by the incident. As of 31 December 2023, acquisitions of CO2 allowances made during the year were accounted for as intangible assets, while the deficit of 97,438 CO2 allowances corresponding to USD 9 million were accounted for liability (Note 16), in line with the accounting policy detailed in Note 2 z).

In September 2024 Rompetrol Rafinare met its obligation to the Romanian authority by complying with the 2023 quota, resulting in a disposal of USD 9 million.

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

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3. INTANGIBLE ASSETS (continued)

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

	<u>Software</u>	<u>Other</u>	<u>Intangibles in progress</u>	<u>Total</u>
Cost				
Opening balance as of January 1, 2023	<u>200,083,013</u>	<u>213,175,357</u>	<u>8,979,242</u>	<u>422,237,612</u>
Additions	5,216	108,939,180	1,707,314	110,651,710
Transfers from CIP	1,384,828	2,241,671	(3,626,499)	-
Disposals	(51,441)	-	-	(51,441)
Transfers and reclassifications	<u>1,254,115</u>	<u>(1,159,568)</u>	<u>(535,398)</u>	<u>(440,851)</u>
Closing balance as of December 31, 2023	<u>202,675,731</u>	<u>323,196,640</u>	<u>6,524,659</u>	<u>532,397,030</u>
Additions	-	1,545,577	1,066,167	2,611,744
Transfers from CIP	794,473	217,497	(1,011,970)	-
Disposals	-	(43,120,140)	-	(43,120,140)
Transfers and reclassifications	-	<u>91,738</u>	<u>15,883</u>	<u>107,621</u>
Closing balance as of December 31, 2024	<u>203,470,204</u>	<u>281,931,312</u>	<u>6,594,739</u>	<u>491,996,255</u>
Accumulated amortization				
Opening balance as of January 1, 2023	<u>(186,902,771)</u>	<u>(199,665,220)</u>	<u>(2,500,082)</u>	<u>(389,068,073)</u>
Charge for the year	(6,936,305)	(5,487,051)	-	(12,423,356)
Accumulated amortization of disposals	51,441	-	-	51,441
Reclassification between categories*	(4,468,782)	4,468,782	-	-
Closing balance as of December 31, 2023	<u>(198,256,417)</u>	<u>(200,683,489)</u>	<u>(2,500,082)</u>	<u>(401,439,988)</u>
Charge for the year	(2,980,188)	(4,778,921)	-	(7,759,109)
Closing balance as of December 31, 2024	<u>(201,236,605)</u>	<u>(205,462,410)</u>	<u>(2,500,082)</u>	<u>(409,199,097)</u>
Net book value				
As of December 31, 2023	<u>4,419,314</u>	<u>122,513,151</u>	<u>4,024,577</u>	<u>130,957,042</u>
As of December 31, 2024	<u>2,233,599</u>	<u>76,468,902</u>	<u>4,094,657</u>	<u>82,797,158</u>

4. GOODWILL

The carrying value of goodwill as of 31 December 2024 and 31 December 2023 was USD 82,871,706 (RON: 395,861,565).

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

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

Impairment test

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

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5. PROPERTY, PLANT AND EQUIPMENT

Amounts in USD

	<u>Land</u>	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Vehicles and others</u>	<u>Construction in progress</u>	<u>Total</u>
Cost						
As of January 1, 2023	<u>91,780,532</u>	<u>571,065,298</u>	<u>725,869,830</u>	<u>31,400,426</u>	<u>98,768,789</u>	<u>1,518,884,876</u>
Acquisitions	-	699,448	424,384	358,261	57,775,686	59,257,779
Transfers from CIP	-	9,656,741	28,299,275	5,015,489	(42,971,505)	-
Revaluation adjustment	(15,459,101)	(30,154,161)	(205,036,758)	6,020,003	-	(244,630,017)
Disposals	(46,177)	(803,904)	(1,406,857)	(1,071,538)	91,083	(3,237,393)
Elimination of accumulated depreciation against the gross carrying amount of the revalued assets	-	(181,749,195)	(220,973,629)	(15,251,768)	-	(417,974,592)
Transfers and reclassifications*	<u>9,903,032</u>	<u>(9,903,032)</u>	-	<u>(19,792)</u>	<u>109,316</u>	<u>89,524</u>
As of December 31, 2023	<u>86,178,286</u>	<u>358,811,195</u>	<u>327,176,245</u>	<u>26,451,081</u>	<u>113,773,369</u>	<u>912,390,176</u>
Additions	-	3,800	644,084	1,043,224	149,243,256	150,934,364
Transfers from CIP	-	7,544,444	156,175,293	3,369,904	(167,089,641)	-
Disposals	-	(33,036)	(104,064)	(99,521)	621,918	385,297
Transfers and reclassifications*	-	-	-	<u>(390,643)</u>	<u>(81,548)</u>	<u>(472,191)</u>
As of December 31, 2024	<u>86,178,286</u>	<u>366,326,403</u>	<u>483,891,558</u>	<u>30,374,045</u>	<u>96,467,354</u>	<u>1,063,237,646</u>
Accumulated depreciation & Impairment						
As of January 1, 2023	<u>8,594,735</u>	<u>(156,484,183)</u>	<u>(150,189,163)</u>	<u>(10,009,387)</u>	<u>(32,198,343)</u>	<u>(340,286,340)</u>
Charge for the year	-	(37,141,762)	(77,664,022)	(6,110,743)	-	(120,916,527)
Accumulated depreciation of disposals	-	78,151	1,145,600	744,301	-	1,968,052
Impairment	-	3,203,864	5,733,956	124,061	(2,651,683)	6,410,198
Elimination of accumulated depreciation against the gross carrying amount of the revalued assets	-	181,749,195	220,973,629	15,251,768	-	417,974,592
Transfers and reclassifications*	<u>(8,594,735)</u>	<u>8,594,735</u>	-	-	-	-
As of December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,850,026)</u>	<u>(34,850,026)</u>
Charge for the year	(991,110)	(38,984,461)	(78,037,105)	(14,442,398)	-	(132,455,074)
Accumulated depreciation of disposals	-	15,207	69,272	59,496	-	143,975
Impairment	-	(3,189,347)	(1,262,435)	-	-	(4,451,782)
Transfers and reclassifications*	-	-	-	371,438	-	371,438
As of December 31, 2024	<u>(991,110)</u>	<u>(42,158,601)</u>	<u>(79,230,268)</u>	<u>(14,011,464)</u>	<u>(34,850,026)</u>	<u>(171,241,469)</u>
Net book value as of December 31, 2023	<u>86,178,286</u>	<u>358,811,195</u>	<u>327,176,245</u>	<u>26,451,081</u>	<u>78,923,343</u>	<u>877,540,150</u>
Net book value as of December 31, 2024	<u>85,187,176</u>	<u>324,167,802</u>	<u>404,661,290</u>	<u>16,362,581</u>	<u>61,617,328</u>	<u>891,996,177</u>

*) Includes, transfer from property, plant and equipment to inventories and intangibles and other adjustments in amount of USD 0.47 million (2023: USD 89 thousand).

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	<u>Land</u>	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Vehicles and others</u>	<u>Construction in progress</u>	<u>Total</u>
Cost						
As of January 1, 2023	<u>438,417,245</u>	<u>2,727,864,715</u>	<u>3,467,335,004</u>	<u>149,993,555</u>	<u>471,798,751</u>	<u>7,255,409,270</u>
Acquisitions	-	3,341,123	2,027,197	1,711,341	275,982,897	283,062,558
Transfers from CIP	-	46,128,320	135,179,977	23,957,988	(205,266,285)	-
Revaluation adjustment	(73,845,034)	(144,040,396)	(979,419,586)	28,756,350	-	(1,168,548,666)
Disposals	(220,578)	(3,840,089)	(6,720,275)	(5,118,523)	435,085	(15,464,380)
Elimination of accumulated depreciation against the gross carrying amount of the revalued assets	-	(868,179,555)	(1,055,546,831)	(72,854,645)	-	(1,996,581,031)
Transfers and reclassifications*	<u>47,304,803</u>	<u>(47,304,803)</u>	-	<u>(94,542)</u>	<u>522,181</u>	<u>427,639</u>
As of December 31, 2023	<u>411,656,436</u>	<u>1,713,969,315</u>	<u>1,562,855,486</u>	<u>126,351,524</u>	<u>543,472,629</u>	<u>4,358,305,390</u>
Additions	-	18,152	3,076,660	4,983,272	712,905,185	720,983,269
Transfers from CIP	-	36,038,300	746,018,140	16,097,357	(798,153,797)	-
Disposals	-	(157,806)	(497,093)	(475,392)	2,970,778	1,840,487
Transfers and reclassifications*	-	-	-	<u>(1,866,023)</u>	<u>(389,538)</u>	<u>(2,255,561)</u>
As of December 31, 2024	<u>411,656,436</u>	<u>1,749,867,961</u>	<u>2,311,453,193</u>	<u>145,090,738</u>	<u>460,805,257</u>	<u>5,078,873,585</u>
Accumulated depreciation & Impairment						
As of January 1, 2023	<u>41,055,330</u>	<u>(747,493,645)</u>	<u>(717,423,594)</u>	<u>(47,812,840)</u>	<u>(153,805,045)</u>	<u>(1,625,479,794)</u>
Charge for the year	-	(177,418,770)	(370,985,500)	(29,189,797)	-	(577,594,067)
Accumulated depreciation of disposals	-	373,312	5,472,302	3,555,377	-	9,400,991
Impairment	-	15,304,218	27,389,961	592,615	(12,666,556)	30,620,238
Elimination of accumulated depreciation against the gross carrying amount of the revalued assets	-	868,179,555	1,055,546,831	72,854,645	-	1,996,581,031
Transfers and reclassifications*	<u>(41,055,330)</u>	<u>41,055,330</u>	-	-	-	-
As of December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(166,471,601)</u>	<u>(166,471,601)</u>
Charge for the year	(4,734,334)	(186,220,973)	(372,767,643)	(68,988,447)	-	(632,711,397)
Accumulated depreciation of disposals	-	72,641	330,898	284,200	-	687,739
Impairment	-	(15,234,873)	(6,030,400)	-	-	(21,265,273)
Transfers and reclassifications*	-	-	-	1,774,285	-	1,774,285
As of December 31, 2024	<u>(4,734,334)</u>	<u>(201,383,205)</u>	<u>(378,467,145)</u>	<u>(66,929,962)</u>	<u>(166,471,601)</u>	<u>(817,986,247)</u>
Net book value as of December 31, 2023	<u>411,656,436</u>	<u>1,713,969,315</u>	<u>1,562,855,486</u>	<u>126,351,524</u>	<u>377,001,028</u>	<u>4,191,833,789</u>
Net book value as of December 31, 2024	<u>406,922,102</u>	<u>1,548,484,756</u>	<u>1,932,986,048</u>	<u>78,160,776</u>	<u>294,333,656</u>	<u>4,260,887,338</u>

*) Includes, transfer from property plant and equipment to inventories and intangible assets and other adjustments in amount of RON 2.3 million (2023: RON 0.43 million).

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

- *Construction in progress*

The below tables detail main significant acquisitions for construction in progress and main projects remaining in contraction in progress at year end for both 2024 and 2023:

Construction in progress as at 31 December 2024

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

Construction in progress as at 31 December 2023

Amount in USD	Additions during the year	Balance as at 31 December
Romp petrol Rafinare SA out of which:	51,799,817	62,858,013
Refinery MHC unit restart - Incident June 2023	19,734,879	19,734,879
Refinery Catalyst Replacement	7,026,122	10,403,693
Expire authorization ISCIR	5,606,881	5,591,770
Tank rehabilitation	4,207,137	964,479
Acquisition and install of 2 new Reactors -125-DHT	3,982,755	3,987,522
Replace subassembly of reformer heater 352-H201	3,407,551	3,407,551
Replace cut/drilling system DCU unit	263,675	1,130,713
Replacement of PEM strategic equipment (rotors)	166,197	4,499,611
Other projects	6,250,949	11,520,003
Vega projects	1,153,671	1,617,792
	3,387,865	7,401,536
Romp petrol Downstream SRL out of which		
Construction of new stations RBI, Cuves, Doex, STB, acquisition Fill & GO devices, capital maintenance, acquisitions of new equipment	2,755,017	6,124,823
Other projects	632,848	1,276,713
Rom oil SA out of which	2,275,266	4,654,316
Modernization for administrative offices	2,275,266	4,654,316

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

- *Disposals*

In 2024 Rompetrol Rafinare S.A. disposed the Old Hydrogen Plant – Line I as part of Install of two 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 nil (zero), therefore no expenses with disposal of assets were recorded.

- *Borrowing costs capitalized*

As of December 31, 2024, capital projects (mainly the general turnaround performed every 4 years) are financed from Groups' operating cash flow as well as general borrowings from banks, however capital projects do not meet the definition of a qualifying asset under IAS 23 considering that it is not a long period of time to make the "qualifying asset" ready for use. Therefore, no borrowing cost capitalized under IAS 23 as of 31 December 2024 (31 December 2023: nil).

- *Specific impairment*

During 2024, no ethylene was processed as the LDPE plant remained shut down due to unfavourable petrochemical market conditions for LDPE products. Additionally, in prior periods, no long-term contract for ethylene supply was concluded under beneficial conditions, taking into account market volatility, in order to cover costs through favourable margins. As a result, the company has assessed the recoverability of the related fixed assets and recognized an impairment provision in amount of USD 4.5 million as of December 31, 2024, in line with applicable accounting standards.

The Group performs an annual assessment for all entities, based on specific asset considerations, as applicable, to identify whether carrying amounts for property, plant and equipment differ significantly as compared to their fair value as of reporting date taking into consideration expectations on future market conditions. As differences were anticipated, the Group proceeded to perform a revaluation of property plant and equipment that also embedded an economic obsolescence test as detailed below in Note 5. Subsequently, impairment tests have been performed by the Group for the carrying value of goodwill, property plant and equipment and right of use assets as of 31 December 2024 on the cash generating units ("CGUs") listed below in Note 6.

- *Revaluation of Property, plant and equipment*

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

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2023, a new revaluation process was conducted, the fair values for property, plant and equipment are based on valuations performed by PricewaterhouseCoopers Management Consultants S.R.L., an accredited independent appraiser with experience on similar valuation exercises. Fair value of the properties was determined using net replacement cost approach for majority of assets, but also the market approach was applied for a number of assets like land and residential buildings. The valuation of equipment was performed by the appraiser based on net replacement cost method and subsequently the items were tested for economic obsolescence. A net revaluation deficit of property plant and equipment of USD 17.88 million was recognized in OCI and a net revaluation loss of USD 227 million was recognized in profit or loss as of 31 December 2023.

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

Description of key inputs used for valuation used for Property, plant and equipment

Asset	Valuation technique	Significant unobservable input	Range (weighted average)
Petromidia Refinery	Net replacement cost	Projected crude oil processing capacity of the refinery The unit cost of an atmospheric distillation for a heavy crude oil refinery, assuming "ISBL" costs – Inside Battery Limit and "overnight" costs (excluding off-site, financing or other costs);	5,320K tons/year (110K bbl/day) 35.7 USD/ton
Vega Refinery	Net replacement cost	Average processing capacity of the refinery The unit cost of an atmospheric distillation for a heavy crude oil refinery, assuming "ISBL" costs – Inside Battery Limit and "overnight" costs (excluding off-site, financing or other costs); The Nelson complexity factor	500K tons/year (11K bbl/day) 70 USD / ton Vacuum distillation plant 2.0 n-Hexan 1.5 Rectification 1.0
Rompotrol Downstream	Net replacement cost	Tank - cost capacity method Underground construction related to tank – cost capacity method Pipelines and technological network – acquisition cost adjusted with CET index / inflation rate	18,499 USD – 30,719 USD 15,808 USD – 35,638 USD 899 USD/sqm – 1,565 USD/sqm
Rompotrol Gas	Net replacement cost	GPL and water tanks – cost capacity method	USD 174 thousand – USD 454 thousand
RomOil	Net replacement cost	Tank – cost capacity method Special construction (i.e. platforms) – replacement cost estimated based on IROVAL catalogue	337 USD for tanks with capacity of 1,000 cubic meter – 952 USD for tanks with capacity of 5,000 cubic meter 126 USD/sqm

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

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

The gross replacement cost for special buildings and constructions, for which technical information was available, was estimated on the basis of technical characteristics, using catalogs for appropriate construction costs and adjustments.

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

As part of the revaluation process carried out as of December 31, 2023, an economic obsolescence test as performed for the revalued property, plant and equipment of the Group. The value in use was estimated based on the approved 5-year Business Plan (2024-2028) prepared by the Group's management. The results of the economic obsolescence test are incorporated in the revaluation exercise.

The economic obsolescence test covering Refinery and Petrochemicals CGUs had impact at the level of Rompetrol Rafinare leading to recognition of revaluation deficit and revaluation loss, while in case of the other entities from the group that represent Downstream CGU, it was concluded that the fair value estimated based on cost is below recoverable amount as determined through the economic obsolescence test.

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

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 0.65% (2023: negative growth rate 1.5%). The capitalization rate used for residual values is 11.9% (2023: 13.1%). Discount rate applied to cash flow projections is 11.2% (2023: 11.6%).

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 0.65% (2023: negative growth rate 1.5%). The capitalization rate used for residual values is 11.9% (2023: 13.1%). The discount rate applied to cash flow projections is 11.2% (2023: 11.6%).

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

- Volumes;
- Contribution margin;
- Cost of capital;
- Perpetuity Growth rate;
- New taxes.

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

Volumes

Over the projected period, the quantity of diesel is expected to weight on average 46% of total quantity of products sold by Petromidia Refinery, whereas the weight of gasoline is expected to remain constant at about 25% of total quantity of products sold.

According to the new regulation, diesel and gasoline products will incorporate biodiesel 6.8%, respectively 8% bioethanol for gasoline. Moreover, gasoline and diesel will contain a value 1% of second-generation biocomponents during the forecast period. Jet fuel sold to European airports will include 2% of sustainable aviation fuel (SAF). The decrease in production volume is determined by the general turnaround of Petromidia, planned for 2028 (approximately 55 days).

During 2025-2029, white products yield is expected to remain relatively flat at 86%. The variation in output is determined by the planned shutdown -different no of days in each of the forecast years.

Contribution margin

The main assumptions incorporated within the Operating profit margin are the following: refinery Margin, demand and contribution on retail segments.

The approved business plan used by Management for the explicit period projects higher EBIT for the forecasting period as compared with previous impairment test, reflecting in this way market assumptions (market refining margins, market demand) as per international market agencies.

In 2024, Refinery's actual EBIT was lower due to the volatility of international quotations for crude oil and refined products as well as the operation of Petromidia refinery were shut down for two months due to the general turnaround.

Cracks of key products gasoline and diesel were assumed at the average of all main external forecasters such as, Wood Mackenzie, Platts and Kpler. However, the cracks of diesel are expected to be above the base case scenario of Kpler forecast, whereas quotations for gasoline are below the Kpler and Platts forecasts.

Brent quotation used in the business plan are as average between Kpler base case, Wood Mackenzie and Platts forecasts for the period 2025 – 2029.

Perpetuity Growth rate

The perpetuity growth rate (the period after the explicit forecast period) was estimated as the annual growth rate during 2029-2051 for market refinery margins estimated by Platts-PIRA and Wood Mackenzie available as at valuation date 31 December 2024. Considering the long-term perspective of the oil & gas sector as per the market reports provided by well-known research agencies related to the market refining margins / oil products demand, the long-term growth rate was estimated at an annual negative average of 0.65%.

Cost of capital

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the industry. The weighted average cost of capital of 11.2% used reflects the capital recovery rates expected of shareholders and creditors, weighted according to their contribution to invested capital.

New taxes

As per Law no 296/2023, the companies in the oil & gas sector with turnover of more than EUR 50m will have to pay an additional 0.5% turnover tax to the corporate income tax for 2024-2025 and the maximum value between 1% turnover tax and corporate income tax from 2026 onwards.

Other key considerations

It became a constant preoccupation for KMGI Group that it has to adapt its strategy to the rising climate change concern and energy transition effects. Global focus on climate change has created a risk environment very dynamic and volatile as a result of actions of various actors at global, local or business

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

level. As a result of changing behavior of our clients to reduce emissions it might expect a decline in demand and a negative impact in fossil fuels prices with a potential negative effect on earnings or future investment. Physical effects of climate change might also affect operations.

Pressure of regulators both on climate and sustainability side has added on the need of urgent actions therefore a **Decarbonization Strategy** with clear directions has been developed in which we are seeking to find economically viable solutions to reduce emissions. A climate risk framework including policies and regulations, as well as inclusion of sustainability aspects in current risk management system are directions which KMGI Group wants to strengthen in the future.

The Group constantly monitors the latest government legislation in relation to climate-related matters. The Group 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.

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

Sensitivity analysis

As part of the economic obsolescence test, a sensitivity analysis was performed for the value in use 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 (%)	VIU (k USD)	VIU variation (%)
Volumes	Base case	0%	100.0%	655,097	-
	Worst case	(1%)	99%	599,652	(8.5%)
	Best case	1%	101%	710,543	8.5%
Contribution margin	Base case	0%	100.0%	655,097	-
	Worst case	(2%)	98.0%	586,280	(10.5%)
	Best case	2%	102.0%	723,915	10.5%
Cost of capital	Base case	0%	11.2%	655,097	-
	Worst case	0.8%	12.2%	586,810	(10.4%)
	Best case	(0.8%)	10.2%	736,102	12.4%
Perpetuity growth rate	Base case	0%	(0.7) %	655,097	-
	Worst case	(1.5%)	(2.2) %	597,177	(8.8%)
	Best case	1.5%	0.8%	729,806	11.4%

If property, plant and equipment would be measured using the cost model, carrying value would be higher as compared fair value measured through revaluation, therefore an impairment assessment would be required as of 31 December 2024.

mill USD

	<u>Land</u>	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Vehicles and others</u>	<u>Total</u>
At December 31, 2023					
Cost	69.2	773.3	1,484.3	144.8	2,471.5
Accumulated depreciation and impairment	(2.0)	(353.3)	(1,083.3)	(128.5)	(1,567.1)
Net carrying amount	67.2	419.9	401.0	16.3	904.4
At December 31, 2024					
Cost	69.2	771.7	1,633.5	146.4	2,620.7
Accumulated depreciation and impairment	(2.0)	(376.5)	(1,143.0)	(132.8)	(1,654.3)
Net carrying amount	67.2	395.2	490.5	13.6	966.4

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

- *Pledged property, plant and equipment*

As at December 31, 2024 the Group has pledged property, plant and equipment with a carrying value of USD 306.8 million (31 December 2023: USD 352.4 million) net, for securing banking facilities granted to Group entities.

In 2010, ANAF imposed a precautionary asset freeze on all fixed assets, investments, and equity as well as on the shares of Rompetrol Rafinare SA, totalling RON 1.59 billion, in favour of the Romanian state (represented by ANAF) – see details under Note 29 Distress assets – Hybrid Conversion. A second-rank guarantee was also set in favour of KMG International N.V. Despite the 2014 Memorandum of Understanding mandating the removal of these measures, further legal actions in 2016 led to new seizures over the same assets. Over time, court decisions gradually lifted these restrictions, culminating in the Supreme Court's final ruling in 2025, confirming that ANAF must cancel the enforcement order and release all precautionary seizures. ANAF already started the appropriate formalities to lift the seizure from refinery units and further Management will assess the potential implications derived from this as stated in the Memorandum of Understanding concluded with the Romanian State (Note 30).

6. IMPAIRMENT TEST

At the level of KMG I Group impairment test was performed as of 31 December 2024 and 2023. Management assessed the financial performance of the Refining, Downstream and Petrochemicals CGU and the future market conditions, including the acceleration of the pace of transition to a lower carbon economy and energy system, and concluded that there are no indicators for impairment as of 31 December 2024.

Impairment tests have been performed by the Group for the carrying value of goodwill, property plant and equipment and right of use assets as of 31 December 2024 on the cash generating units ("CGUs") Refining, Petrochemicals and Downstream Romania. Based on the impairment tests performed, no impairment has been identified in addition to the effect of revaluation of property, plant and equipment already reflected in the carrying amounts as detailed at Note 5.

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

The recoverable amount of Downstream Romania unit has also been determined based on the fair value less costs to sell using financial budgets approved by senior management covering a five-year period and same assumptions as for Refining unit. The discount rate applied to cash flow projections is 11.2% (2023: 11.6%) and the long-term growth rate used in perpetuity is of 0.7% (2023: 0.4%). The capitalization rate used for residual values is 10.5% (2023: 11.2%).

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

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

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

- Volumes

Total volumes of petroleum products, mainly for the retail segment are supported by the completion of 22 new stations in 2026. The retail segment share in total sold volume is estimated to drop from 72% in 2024 to 59% in 2029, while the wholesale channel is expected to increase from 28% in 2024 to 41% in 2029.

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6. IMPAIRMENT TEST (continued)

- Gross margin

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

- Cost of capital

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the industry. The weighted average cost of capital of 11.2% used reflects the capital recovery rates expected of shareholders and creditors, weighted according to their contribution to invested capital.

- Perpetuity growth rate

The perpetuity growth rate (the period after the explicit forecast period) was estimated at 0.7% for the CGU Downstream, taking into account an annual average market demand during 2030 – 2051, according to market studies (Wood Mackenzie, Platts as at October 2024).

- New taxes

As per Law no 296/2023, the companies in the oil & gas sector with turnover of more than EUR 50m will have to pay an additional 0.5% turnover tax to the corporate income tax for 2024-2025 and the maximum value between 1% turnover tax and corporate income tax from 2026 onwards.

Sensitivity analysis

Key drivers	Scenario	Key drivers variance (%)	Key drivers value (%)	FVLCOD (k USD)	FVLCOD variation (%)
Volumes	Base case	0%	100.0%	472,388	-
	Worst case	(2%)	98%	430,676	(8.8%)
	Best case	2%	102%	514,101	8.8%
Gross margin	Base case	0%	100.0%	472,388	-
	Worst case	(2%)	98.0%	417,667	(11.6%)
	Best case	2%	102.0%	527,110	11.6%
Cost of capital	Base case	0%	11.2%	472,388	-
	Worst case	1%	12.2%	432,741	(8.4%)
	Best case	(1%)	10.2%	519,810	10.0%
Perpetuity growth rate	Base case	0%	0.7 %	472,388	-
	Worst case	(1.5%)	(0.8) %	428,461	(9.3%)
	Best case	1.5%	2.2%	530,901	12.4%

7. RIGHT OF USE ASSETS

Amounts in USD

	<u>Land, buildings and special constructions</u>	<u>Plant and equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost:				
As of January 1, 2023	148,295,772	591,867	1,870,763	150,758,402
Additions	144,578,004	-	48,402	144,626,406
Disposals	(34,034)	-	(29,288)	(63,322)
Re-measurement	<u>1,665,264</u>	<u>23,491</u>	<u>159,540</u>	<u>1,848,295</u>
As of December 31, 2023	<u>294,505,006</u>	<u>615,358</u>	<u>2,049,417</u>	<u>297,169,781</u>
Additions	31,525,317	-	305,333	31,830,650
Disposals	-	-	(54,659)	(54,659)
Re-measurement	<u>2,656,648</u>	<u>187,133</u>	<u>114,753</u>	<u>2,958,534</u>
As of December 31, 2024	<u>328,686,971</u>	<u>802,491</u>	<u>2,414,844</u>	<u>331,904,306</u>
Depreciation and Impairment:				
As of January 1, 2023	(24,319,374)	(454,326)	(1,215,465)	(25,989,165)
Depreciation	(11,361,004)	(114,203)	(413,657)	(11,888,864)
Accumulated depreciation of disposals	34,023	-	1,891	35,914
As of December 31, 2023	<u>(35,646,355)</u>	<u>(568,529)</u>	<u>(1,627,231)</u>	<u>(37,842,115)</u>
Depreciation	(16,980,315)	(107,092)	(474,392)	(17,561,799)
Accumulated depreciation of disposals	-	-	51,366	51,366
As of December 31, 2024	<u>(52,626,670)</u>	<u>(675,621)</u>	<u>(2,050,257)</u>	<u>(55,352,548)</u>
Net Book value at December 31, 2023	<u>258,858,651</u>	<u>46,829</u>	<u>422,186</u>	<u>259,327,666</u>
Net Book value at December 31, 2024	<u>276,060,301</u>	<u>126,870</u>	<u>364,587</u>	<u>276,551,758</u>

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7. RIGHT OF USE ASSETS (continued)

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

	<u>Land, buildings and special constructions</u>	<u>Plant and equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost:				
As of January 1, 2023	708,379,244	2,827,230	8,936,261	720,142,735
Additions	690,620,210	-	231,207	690,851,417
Disposals	(162,574)	-	(139,903)	(302,477)
Re-measurement	<u>7,954,633</u>	<u>112,212</u>	<u>762,091</u>	<u>8,828,936</u>
As of December 31, 2023	<u>1,406,791,513</u>	<u>2,939,442</u>	<u>9,789,656</u>	<u>1,419,520,611</u>
Additions	150,590,134	-	1,458,515	152,048,649
Disposals	-	-	(261,095)	(261,095)
Re-measurement	<u>12,690,276</u>	<u>893,897</u>	<u>548,152</u>	<u>14,132,325</u>
As of December 31, 2024	<u>1,570,071,923</u>	<u>3,833,339</u>	<u>11,535,228</u>	<u>1,585,440,490</u>
Depreciation and Impairment:				
As of January 1, 2023	(116,168,786)	(2,170,224)	(5,806,033)	(124,145,043)
Depreciation	(54,269,245)	(545,525)	(1,975,957)	(56,790,727)
Accumulated depreciation of disposals	162,521	-	9,033	171,554
As of December 31, 2023	<u>(170,275,510)</u>	<u>(2,715,749)</u>	<u>(7,772,957)</u>	<u>(180,764,216)</u>
Depreciation	(81,111,568)	(511,557)	(2,266,076)	(83,889,201)
Accumulated depreciation of disposals	-	-	245,365	245,365
As of December 31, 2024	<u>(251,387,078)</u>	<u>(3,227,306)</u>	<u>(9,793,668)</u>	<u>(264,408,052)</u>
Net Book value at December 31, 2023	<u>1,236,516,003</u>	<u>223,693</u>	<u>2,016,699</u>	<u>1,238,756,395</u>
Net Book value at December 31, 2024	<u>1,318,684,845</u>	<u>606,033</u>	<u>1,741,560</u>	<u>1,321,032,438</u>

Rompotrol Downstream SRL won a public auction by CNAIR, securing a service concession to build and operate 12 gas stations on the A1 highway. Construction was subcontracted to KMG Rompotrol Development, which leases the stations to Rompotrol Downstream for 18 years. By early 2024, 12 stations were operational as part of a 2019 framework agreement to develop 66 stations over five years. The A1 stations follow a new "Hei" brand concept with three service lines: Hei & Gourmet (restaurant), Hei & Go (shop), and Hei & Coffee (café). More stations are planned under a new concession agreement. In August 2024, Rompotrol Downstream secured a 20-year concession for four stations on the A2 Bucharest-Constanța highway, reinforcing its presence on this strategic route. The investment focuses on modern infrastructure, including fuel stations, parking, retail, and EV charging. Previously, Rompotrol operated these sites under a different concession. The new contracts, signed in October 2024, ensure continued operations and expansion.

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

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

Land, buildings and special construction category includes mainly:

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

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7. RIGHT OF USE ASSETS (continued)

	Net book value at December 31, 2024	Net book value at December 31, 2023
USD		
Rent agreements for gas stations	263,735,584	245,473,872
Rental of administrative buildings	1,177,207	1,703,246
Rent for usage of maritime port	11,129,152	11,663,178
Depots rent	<u>18,358</u>	<u>18,355</u>
Total	276,060,301	258,858,651

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

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

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

8. INVESTMENTS

Investments in Consolidated Subsidiaries

Details of the Group consolidated subsidiaries at 31 December 2024 and 31 December 2023 are as follows:

Company name	Country of incorporation	Range of activity	Effective ownership 31 December 2024 %	Control 31 December 2024 %	Effective ownership 31 December 2023 %	Control 31 December 2023 %
Rompetrol Downstream SRL	Romania	Retail Trade of Fuels and Lubricants	100	100	100	100
Rom Oil SA	Romania	Wholesale of Fuels; fuel storage	100	100	100	100
Rompetrol Logistics SRL	Romania	Logistics operations	66.19	100	66.19	100
Rompetrol Petrochemicals SRL	Romania	Petrochemicals	100	100	100	100
Rompetrol Quality Control SRL	Romania	Quality Control Services	100	100	100	100
Rompetrol Gas SRL	Romania	LPG Sales	66.19	100	66.19	100

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

- *Disposals through sales of subsidiaries and liquidations*

During 2024 and 2023, there was no disposal of companies.

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9. INVENTORIES, NET

The inventories balance in 2024 and 2023 is provided below:

	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2023</u> USD	<u>December</u> <u>31, 2024</u> RON	<u>December</u> <u>31, 2023</u> RON
			(supplementary info – see Note 2(e))	
Crude oil and other feedstock materials (at lower of cost and net realisable value)	150,133,605	185,604,494	717,158,204	886,595,547
Petroleum and petrochemical products (at lower of cost and net realisable value)	200,945,134	143,938,958	959,874,716	687,567,615
Work in progress (at cost)	44,295,019	56,972,518	211,588,447	272,146,324
Spare parts (at cost less inventories write-down)	4,805,610	4,745,210	22,955,438	22,666,919
Consumables and other raw materials (at cost less inventories write-down)	4,949,218	5,432,882	23,641,425	25,951,791
Merchandises (at cost less inventories write-down)	21,731,629	18,180,089	103,807,645	86,842,649
Other inventories (at cost less inventories write-down)	<u>2,037,974</u>	<u>1,796,907</u>	<u>9,734,994</u>	<u>8,583,465</u>
	<u>428,898,189</u>	<u>416,671,058</u>	<u>2,048,760,869</u>	<u>1,990,354,310</u>

Movements in inventories reserve:

	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2023</u> USD	<u>December 31,</u> <u>2024</u> RON	<u>December 31,</u> <u>2023</u> RON
			(supplementary info – see Note 2(e))	
Reserve as of January 1	(36,494,551)	(38,665,890)	(174,327,171)	(184,699,223)
Accrued provision	(28,200,277)	(35,430,394)	(134,707,083)	(169,243,906)
Reversal of provision	26,917,834	37,601,733	128,581,109	179,615,958
Reserve as of Dec 31	<u>(37,776,994)</u>	<u>(36,494,551)</u>	<u>(180,453,145)</u>	<u>(174,327,171)</u>

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

As of December 31, 2024, there was no material difference in crude oil stock levels compared to December 31, 2023. The quantity in stock was approximately 50kt lower than a standard crude oil vessel (~80kt). Regarding crude oil prices, the year-on-year variation was minimal, with average quotations in 2024 being only 2% lower than in 2023. This was despite market fluctuations throughout the year, which did not result in a substantial overall impact on the annual average price.

The variance in petroleum product inventories relates to Rompetrol Downstream SRL, amounting to USD 39.7 million. This variation is mainly attributable to fluctuations in sales volumes and the pricing strategy applied during the respective periods.

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

The Group has pledged inventories in gross amount of USD 422 million (2023: USD 410 million) to secure banking facilities.

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10. TRADE AND OTHER RECEIVABLES

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

	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2023</u> USD	<u>December</u> <u>31, 2024</u> RON	<u>December</u> <u>31, 2023</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
Trade receivables	201,085,725	215,398,520	960,546,290	1,028,915,649
Advances to suppliers	6,284,921	17,421,914	30,021,811	83,220,999
Sundry debtors	71,685,667	84,475,319	342,428,094	403,521,704
VAT to be recovered	213,846	81,942	1,021,500	391,421
Cash pooling receivables	241,283,081	296,644,802	1,152,561,021	1,417,012,890
Fuel subsidy	15,739	22,628,786	75,182	108,093,185
Other receivables	38,229,231	38,420,002	182,613,391	183,524,666
Provision for expected credit losses related to trade receivables and provision for sundry debtors and other receivables	<u>(40,101,069)</u>	<u>(44,911,098)</u>	<u>(191,554,786)</u>	<u>(214,531,333)</u>
	<u>518,697,141</u>	<u>630,160,187</u>	<u>2,477,712,503</u>	<u>3,010,149,181</u>

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

In 2024 the fuel subsidy in relation to 0.25 RON/liter fuel subvention according to Government Emergency Ordinance OUG 106 that was applicable in 2021, was offset with Rompetrol Downstream tax liabilities and an amount of USD 0.02 million remained to be settled.

Included in Sundry debtors as of December 31, 2024 is an amount of USD 5.6 million (2023: USD 5.6 million) for principal liabilities and related penalties paid to ANAF following General Tax Inspection Report covering 2011 - 2015 period; the amount is fully provided as at December 31, 2022. In 2023 the fiscal provision recognized in 2022 in amount of USD 5.4 million was reclassified to "Provision for expected credit losses related to trade receivables and provision for sundry debtors and other receivables" from "Fiscal provision" under "Other provisions" category, considering its nature.

Included in Sundry debtors category is an amount of USD 65.5 million (2023: USD 64.1 million) relating to Rompetrol Petrochemicals SRL receivables against KMG International N.V. ("KMGI") as a result of Rompetrol Petrochemicals SRL assignment of receivables to KMGI starting with November 2017 for Rompetrol Rafinare SA debts (see Note 12). Following the contract agreement in place Rompetrol Petrochemicals SRL charges interest for late payment from KMGI. As of 31 December 2024, the interest receivable is in amount of USD 6 million.

Also included in Sundry debtors as of December 31, 2024 is an amount of USD 5.6 million (2023: USD 5.6 million) for principal liabilities and related penalties paid to ANAF following General Tax Inspection Report covering 2011 - 2015 period; the amount is fully provided.

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10. TRADE AND OTHER RECEIVABLES (continued)

In 2024, out of the total amount of USD 6.3 million (2023: 17.4 million) representing advances to suppliers, USD 4.4 million (2023: 13.9 million) are in respect of services related to Rompetrol Rafinare and USD 2.3 million (2023: 2.6 million) are in respect of investment projects related to the construction of new stations, rebranding process, advance for utilities and petroleum product related to Rompetrol Downstream and USD 0.5 million related to Romoil.

Cash pooling receivables refers to: Rompetrol Downstream USD 167.6 million (2023: USD 173.7 million), Rompetrol Rafinare USD 7.3 million (2023: USD 45.8 million), Rompetrol Gas USD 34.7 million (2023: USD 47.8 million), Rompetrol Quality Control USD 4.9 million (2023: USD 1.7 million), Rompetrol Logistics USD 5.3 million (2023: USD 6.3 million) and Rompetrol Petrochemicals USD 21.5 million (2023: USD 21.5 million).

Also, in other receivables an amount of USD 14.9 million (2023: USD 24.73 million) refers to excise receivables in Rompetrol Rafinare.

	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2023</u> USD	<u>December</u> <u>31, 2024</u> RON	<u>December</u> <u>31, 2023</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
Sundry debtors	71,685,667	84,475,319	342,428,094	403,521,704
Other receivables	38,229,231	38,420,002	182,613,391	183,524,666
Provision for expected credit losses related to sundry debtors and other receivables	(7,615,048)	(7,968,192)	(36,375,561)	(38,062,460)

Out of the total amount of other receivables and sundry debtors of USD 109.9 million (2023: USD 122.9 million) an amount of USD 7.6 million (2023: USD 8 million) is provisioned.

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

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

	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2023</u> USD	<u>December</u> <u>31, 2024</u> RON	<u>December</u> <u>31, 2023</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
Balance at the beginning of the year	(44,911,098)	(36,144,539)	(214,531,333)	(172,655,234)
Charge for the year	(5,315,407)	(2,649,824)	(25,390,636)	(12,657,679)
Utilised	3,076,062	172,032	14,693,733	821,762
Unused amounts reversed	4,621,330	795,849	22,075,169	3,801,612
Reclassification between categories trade and other receivables and other provisions	-	(5,424,701)	-	(25,912,712)
Exchange rate differences	2,428,044	(1,659,915)	11,598,281	(7,929,082)
Balance at the end of the year	(40,101,069)	(44,911,098)	(191,554,786)	(214,531,333)

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10. TRADE AND OTHER RECEIVABLES (continued)

31-Dec-24
USD

	Trade receivables						
	Days past due						
	Current	<30 days	30-60 days	61-90 days	90-120 days	>120 days	Total
Expected credit loss rate	1.56%	1.21%		0.90%	3.53%	6.19%	94.21%
Estimated total gross carrying amount at default	124,074,945	30,777,832		9,252,689	3,933,640	1,340,689	201,085,725
Expected credit loss	1,938,592	371,709		83,453	138,834	82,939	32,486,021

31-Dec-24
RON

	Trade receivables						
	Days past due						
	Current	<30 days	30-60 days	61-90 days	90-120 days	>120 days	Total
Expected credit loss rate	1.56%	1.21%		0.90%	3.53%	6.19%	94.21%
Estimated total gross carrying amount at default	592,681,197	147,019,548		44,198,245	18,790,212	6,404,203	960,546,290
Expected credit loss	9,260,266	1,775,580		398,638	663,182	396,183	155,179,225

31-Dec-23
USD

	Trade receivables						
	Days past due						
	Current	<30 days	30-60 days	61-90 days	90-120 days	>120 days	Total
Expected credit loss rate	0.90%	0.75%		38.66%	28.95%	161.81%	70.99%
Estimated total gross carrying amount at default	144,493,851	20,092,666		560,527	1,500,114	249,918	215,398,520
Expected credit loss	1,304,982	150,772		216,708	434,342	404,396	36,942,906

31-Dec-23
RON

	Trade receivables						
	Days past due						
	Current	<30 days	30-60 days	61-90 days	90-120 days	>120 days	Total
Expected credit loss rate	0.90%	0.75%		38.66%	28.95%	161.81%	70.99%
Estimated total gross carrying amount at default	690,218,227	95,978,647		2,677,525	7,165,745	1,193,808	1,028,915,649
Expected credit loss	6,233,638	720,208		1,035,171	2,074,765	1,931,719	176,468,873

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10. TRADE AND OTHER RECEIVABLES (continued)

As at 31 December 2024 a recoverability analysis was performed for trade receivables balance that resulted in an amount of USD 32.5 million (2023: USD 36.9 million) being impaired. See below the movements in the provision for impairment of trade receivables.

	<u>Individually assessed for impairment</u>	<u>Collectively assessed for impairment</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
At 1 January 2023	28,113,563	5,713,148	33,826,711
Charge for the year	979,505	1,707,357	2,686,862
Utilised	2,950	(175,103)	(172,153)
Unused amounts reversed	(781,968)	(13,881)	(795,849)
Exchange rate differences	<u>1,085,051</u>	<u>312,284</u>	<u>1,397,335</u>
At 31 December 2023	<u>29,399,101</u>	<u>7,543,805</u>	<u>36,942,906</u>
Charge for the year	710,187	4,532,858	5,243,045
Utilised	(598,245)	(2,477,911)	(3,076,156)
Unused amounts reversed	(3,483,631)	(1,137,699)	(4,621,330)
Exchange rate differences	<u>(1,253,412)</u>	<u>(749,032)</u>	<u>(2,002,444)</u>
At 31 December 2024	<u>24,774,000</u>	<u>7,712,021</u>	<u>32,486,021</u>

(supplementary info – see Note 2(e))

	<u>Individually assessed for impairment</u>	<u>Collectively assessed for impairment</u>	<u>Total</u>
	<u>RON</u>	<u>RON</u>	<u>RON</u>
At 1 January 2023	134,292,868	27,290,565	161,583,433
Charge for the year	4,678,899	8,155,703	12,834,602
Utilised	14,092	(836,432)	(822,340)
Unused amounts reversed	(3,735,305)	(66,307)	(3,801,612)
Exchange rate differences	<u>5,183,072</u>	<u>1,491,718</u>	<u>6,674,790</u>
At 31 December 2023	<u>140,433,626</u>	<u>36,035,247</u>	<u>176,468,873</u>
Charge for the year	3,392,421	21,652,556	25,044,977
Utilised	(2,857,697)	(11,836,485)	(14,694,182)
Unused amounts reversed	(16,640,609)	(5,434,561)	(22,075,170)
Exchange rate differences	<u>(5,987,296)</u>	<u>(3,577,976)</u>	<u>(9,565,272)</u>
At 31 December 2024	<u>118,340,444</u>	<u>36,838,781</u>	<u>155,179,225</u>

Trade receivables totaling USD 116 million as at 31 December 2024 and USD 123.4 million as at 31 December 2023 are pledged to obtain credit facilities (see Notes 13 and 18).

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11. CASH AND CASH EQUIVALENTS

	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 RON	December 31, 2023 RON
			<i>(supplementary info – see Note 2(e))</i>	
Cash at bank	90,202,334	149,073,317	430,878,509	712,093,420
Cash on hand	3,292,329	4,909,759	15,726,797	23,452,937
Cash equivalents	<u>536,307</u>	<u>1,972,124</u>	<u>2,561,831</u>	<u>9,420,442</u>
	<u>94,030,970</u>	<u>155,955,200</u>	<u>449,167,137</u>	<u>744,966,799</u>

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

12. EQUITY

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

Shareholders	Ownership	Amount per statutory documents [RON]	Amount under IFRS [USD]	Amount under IFRS [RON]
KMG International N.V.	48.11%	1,277,857,773	423,929,605	2,025,026,936
Romanian State represented by the Ministry of Energy	44.70%	1,187,087,758	393,816,632	1,881,183,287
Rompetrol Financial Group S.R.L.	6.47%	171,851,155	57,011,660	272,333,296
Rompetrol Well Services S.A.	0.05%	1,323,486	439,067	2,097,334
Others (not State or KMGI Group)	0.67%	17,800,400	5,905,287	28,208,375
Total	100%	<u>2,655,920,573</u>	<u>881,102,250</u>	<u>4,208,849,228</u>

Shareholders' structure as at 31 December 2023 was as follows:

Shareholders	Ownership	Amount per statutory documents [RON]	Amount under IFRS [USD]	Amount under IFRS [RON]
KMG International N.V.	48.11%	1,277,857,773	423,929,605	2,025,026,936
Romanian State represented by the Ministry of Energy	44.70%	1,187,087,758	393,816,632	1,881,183,287
Rompetrol Financial Group S.R.L.	6.47%	171,851,155	57,011,660	272,333,296
Rompetrol Well Services S.A.	0.05%	1,323,486	439,067	2,097,334
Others (not State or KMGI Group)	0.67%	17,800,400	5,905,287	28,208,375
Total	100%	<u>2,655,920,573</u>	<u>881,102,250</u>	<u>4,208,849,228</u>

Share premium and effect of transfers with equity holders

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

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

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12. EQUITY (continued)

Hybrid Loan

In 2012, USD 800 million of the total outstanding balance of the loan payable to KMG International NV was converted into an unsecured hybrid loan, repayable after 51 years. During 2013, an additional USD 200 million were converted (USD 150 million related to Rompetrol Rafinare and USD 50 million to Rompetrol Downstream), the hybrid loan amounting to USD 1,000 million. The loan is subordinated to any present and future liability of the companies. At maturity the loan can be repaid in cash or fully or partially converted into shares at the option of the issuer. The interest rate for this loan is 15% of the aggregate amount of the company's annual EBIT (operational profit), and it is computed and becomes payable if the below conditions are met cumulatively:

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

In 2017, an additional USD 72.2 million related to Rompetrol Rafinare SA were converted to hybrid loan repayable after 51 years. As of 31 December 2017, the total value of the hybrid loan is amounting USD 1,072 million. The additional loan is subordinated to any present and future liability of the companies. At maturity the loan can be repaid in cash or fully or partially converted into shares. The interest rate for this loan is 2% of the aggregate amount of the company's annual EBIT (operational profit), and it is computed and becomes payable if the below conditions are met cumulatively:

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

Also, in 2017 management carried out an assessment on the potential hybrid loan interest liability and recorded an amount of USD 14.6 million, based on the projected profitability of the business for the upcoming period. This liability was updated in 2018 to USD 17 million and no change in the interest assessment resulted for 2019. On annual basis, a reassessment of the future interest is performed with direct impact in the current year result.

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

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

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

Revaluation reserve

As of 31 December 2023, the balance of the revaluation reserves is affected by revaluation deficit of USD 17.8 million following the revaluation process carried out at the end of 2023 for property, plant and equipment. The above impact is partially offset by the transfer in retained earnings of the difference between depreciation based on revalued carrying amount and depreciation based on the initial cost of assets in the buildings category. The revaluation surplus included in the revaluation reserve is capitalized by the transfer in retained earnings as a result of the use of the asset or disposal. Thus, as of 31 December 2024, the revaluation surplus transferred to retained earnings was USD 55.5 million (2023: USD 33.7 million).

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13. LONG-TERM BORROWINGS FROM BANKS

	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2023</u> USD	<u>December</u> <u>31, 2024</u> RON	<u>December</u> <u>31, 2023</u> RON
			(supplementary info – see Note 2(e))	
BCR, ING Bank, Raiffeisen Bank, UniCredit Bank, Alpha Bank, Garanti Bank and OTP Bank	275,900,000	265,900,000	1,317,919,120	1,270,151,120
Rompotrol Rafinare: General corporate purposes and working capital facility of USD 551,800,000 with possibility to increase up to USD 600,000,000 considering an accordion clause of USD 68,200,000. The facility consists of two parts: (I) USD 275,9 million committed line and the maturity date is April 13, 2026 with an option of adding another 2 years until 2028 and (II) USD 275,9 million uncommitted line for a period of 1 year, with yearly possibility of prolongation. The facility is secured by: inventories, receivables, depots, gas stations and current accounts.				
Total	<u>275,900,000</u>	<u>265,900,000</u>	<u>1,317,919,120</u>	<u>1,270,151,120</u>
	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2023</u> USD	<u>December</u> <u>31, 2024</u> RON	<u>December</u> <u>31, 2023</u> RON
			(supplementary info – see Note 2(e))	
One year or less - principal	108,640	299,357	518,952	1,429,969
Between two and five years	<u>275,900,000</u>	<u>265,900,000</u>	<u>1,317,919,120</u>	<u>1,270,151,120</u>
Total	<u>276,008,640</u>	<u>266,199,357</u>	<u>1,318,438,072</u>	<u>1,271,581,089</u>

The variation of long-term borrowings from banks resulted from the additional USD 10 million from working capital syndicated loan facility, in respect of Intesa Sanpaolo Bank, with maturity of April 2026.

At the level of KMG International, loan covenants are tested every 6 months, at half-year and at year end. For both 2024 and 2023, there were no instances of non-compliance.

The loans bearing guarantees are secured with pledges on property plant and equipment of 306.8 million (31 December 2023: USD 352.4 million), inventories of USD 422.9 million (2023: USD 410 million) and trade receivables of USD: 116.1 million (2023: USD 123.4 million).

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14. OBLIGATIONS UNDER LEASE AGREEMENTS

	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2023</u> USD	<u>December 31,</u> <u>2024</u> RON	<u>December 31,</u> <u>2023</u> RON
			(supplementary info – see Note 2(e))	
As at 1 January	270,377,695	125,006,748	1,291,540,174	597,132,234
Additions	31,830,651	144,626,336	152,048,654	690,851,082
Re-measurement	2,955,200	1,848,295	14,116,399	8,828,936
Payments	(31,939,431)	(20,019,855)	(152,568,274)	(95,630,843)
Interest accrued	21,467,077	12,896,849	102,543,933	61,605,668
Exchange rate impact	(16,780,915)	6,046,720	(80,159,075)	28,883,972
Other changes	-	(27,398)	-	(130,875)
As at 31 December	<u>277,910,277</u>	<u>270,377,695</u>	<u>1,327,521,811</u>	<u>1,291,540,174</u>
Non-current	268,112,687	262,011,550	1,280,720,683	1,251,576,772
Current	9,797,590	8,366,145	46,801,128	39,963,402

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

The Group had total cash outflows for leases of USD 32 million in 2023 (of 20 million USD in 2023).

The following amounts were recognized in profit or loss:

	<u>December 31,</u> <u>2024</u> USD	<u>December</u> <u>31, 2023</u> USD	<u>December</u> <u>31, 2024</u> RON	<u>December</u> <u>31, 2023</u> RON
Recognised in profit or loss			(supplementary info – see Note 2(e))	
Depreciation expense of right-of-use assets	17,561,458	11,888,864	83,887,573	56,790,726
Interest expense on lease liabilities	21,467,077	12,896,849	102,543,933	61,605,668
Variable lease payments (included in selling and distribution)	<u>8,445,245</u>	<u>7,406,353</u>	<u>40,341,246</u>	<u>35,378,667</u>
Total amount recognised in profit or loss	<u>47,473,780</u>	<u>32,192,066</u>	<u>226,772,752</u>	<u>153,775,061</u>

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

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Fixed payments</u>	<u>Variable payments</u>	<u>Fixed payments</u>	<u>Variable payments</u>
Fixed rent	31,939,431	-	20,019,855	-
Variable rent with minimum payment	-	8,445,245	-	7,406,353
Total	<u>31,939,431</u>	<u>8,445,245</u>	<u>20,019,855</u>	<u>7,406,353</u>

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15. DEFERRED TAX ASSETS AND LIABILITIES

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

	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2023</u> USD	<u>December 31,</u> <u>2024</u> RON (supplementary info – see Note 2(e))	<u>December 31,</u> <u>2023</u> RON
Deferred tax assets	(21,306,903)	(12,828,037)	(101,778,814)	(61,276,967)
Deferred tax liabilities	<u>16,176,318</u>	<u>19,272,484</u>	<u>77,271,036</u>	<u>92,060,802</u>
Deferred tax (asset) / liability, net	<u>(5,130,585)</u>	<u>6,444,447</u>	<u>(24,507,778)</u>	<u>30,783,835</u>

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

USD

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

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

<u>2024</u>	<u>Opening</u> <u>balance</u>	<u>Charged /</u> <u>(Credited)</u> <u>to income</u>	<u>Charged /</u> <u>(Credited)</u> <u>to equity</u>	<u>Closing</u> <u>balance</u>
Temporary differences				
Intangible assets	235,200	-	-	235,200
Property, plant and equipment	669,252,963	(369,758,297)	-	299,494,666
Inventories	394,654	-	-	394,654
Provisions	(477,480,659)	24,185,717	-	(453,294,942)
Other	<u>(3,167)</u>	-	-	<u>(3,167)</u>
Total temporary differences (asset)/liability	<u>192,398,991</u>	<u>(345,572,580)</u>	=	<u>(153,173,589)</u>
Deferred tax effect				
Intangible assets	37,632	-	-	37,632
Property, plant and equipment	107,080,469	(59,161,327)	-	47,919,142
Inventories	63,145	-	-	63,145
Provisions	(76,396,905)	3,869,714	-	(72,527,191)
Other	<u>(506)</u>	-	-	<u>(506)</u>
Deferred tax (asset)/liability recognized	<u>30,783,835</u>	<u>(55,291,613)</u>	=	<u>(24,507,778)</u>

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15. DEFERRED TAX ASSETS AND LIABILITIES (continued)

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

USD

Deferred tax (asset)/liability recognized	<u>Opening balance</u>	<u>Charged / (Credited) to income</u>	<u>Charged / (Credited) to equity</u>	<u>Closing balance</u>
Rompetrol Rafinare S.A.	(12,828,045)	(8,478,857)	-	(21,306,902)
Rompetrol Downstream S.R.L.	10,981,510	(2,301,375)	-	8,680,135
Rom Oil S.A.	5,890,917	(500,893)	-	5,390,024
Rompetrol Gas S.R.L.	950,225	(220,772)	-	729,453
Rompetrol Logistics S.R.L.	1,380,294	(53,007)	-	1,327,287
Rompetrol Quality Control S.R.L.	69,546	(20,128)	-	49,418
Deferred tax (asset)/liability recognized	<u>6,444,447</u>	<u>(11,575,032)</u>	=	<u>(5,130,585)</u>

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

Deferred tax (asset)/liability recognized	<u>Opening balance</u>	<u>Charged / (Credited) to income</u>	<u>Charged / (Credited) to equity</u>	<u>Closing balance</u>
Rompetrol Rafinare S.A.	(61,277,004)	(40,501,804)	-	(101,778,808)
Rompetrol Downstream S.R.L.	52,456,477	(10,993,208)	-	41,463,269
Rom Oil S.A.	28,139,732	(2,392,666)	-	25,747,066
Rompetrol Gas S.R.L.	4,539,035	(1,054,584)	-	3,484,451
Rompetrol Logistics S.R.L.	6,593,388	(253,204)	-	6,340,184
Rompetrol Quality Control S.R.L.	332,207	(96,147)	-	236,060
Deferred tax (asset)/liability recognized	<u>30,783,835</u>	<u>(55,291,613)</u>	=	<u>(24,507,778)</u>

USD

2023	<u>Opening balance</u>	<u>Charged / (Credited) to income</u>	<u>Charged / (Credited) to equity</u>	<u>Closing balance</u>
Temporary differences				
Intangible assets	49,238	-	-	49,238
Property, plant and equipment	452,881,112	(261,173,619)	(51,602,619)	140,104,874
Inventories	82,619	-	-	82,619
Provisions	(97,071,769)	(2,886,500)	-	(99,958,269)
Other	(663)	-	-	(663)
Total temporary differences (asset)/liability	<u>355,940,538</u>	<u>(264,060,119)</u>	<u>(51,602,619)</u>	<u>40,277,800</u>
Deferred tax effect				
Intangible assets	7,878	-	-	7,878
Property, plant and equipment	72,460,978	(41,787,779)	(8,256,419)	22,416,780
Inventories	13,219	-	-	13,219
Provisions	(15,531,483)	(461,840)	-	(15,993,323)
Other	(106)	-	-	(106)
Deferred tax (asset)/liability recognized	<u>56,950,487</u>	<u>(42,249,619)</u>	<u>(8,256,419)</u>	<u>6,444,447</u>

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15. DEFERRED TAX ASSETS AND LIABILITIES (continued)

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

	Opening balance	Charged / (Credited) to income	Charged / (Credited) to equity	Closing balance
2023				
Temporary differences				
Intangible assets	235,200	-	-	235,200
Property, plant and equipment	2,163,322,496	(1,247,574,143)	(246,495,390)	669,252,963
Inventories	394,654	-	-	394,654
Provisions	(463,692,426)	(13,788,233)	-	(477,480,659)
Other	(3,167)	-	-	(3,167)
Total temporary differences (asset)/liability	1,700,256,757	(1,261,362,376)	(246,495,390)	192,398,991
Deferred tax effect				
Intangible assets	37,632	-	-	37,632
Property, plant and equipment	346,131,600	(199,611,869)	(39,439,262)	107,080,469
Inventories	63,145	-	-	63,145
Provisions	(74,190,788)	(2,206,117)	-	(76,396,905)
Other	(506)	-	-	(506)
Deferred tax (asset)/liability recognized	272,041,083	(201,817,986)	(39,439,262)	30,783,835

The Group recognized deferred tax asset for the provision related to Vega and Vadu Environmental projects for which reassessment of the provisions as of 31 December 2024 (Note 19), lead to a decrease of USD 0.8 million (2023 increase of USD 0.5 million) in the related deferred tax asset. In 2023 an increase of USD 36 million of deferred tax asset was recognized for revaluation losses charged to P&L following the revaluation process concluded at the end of the year. The related deferred tax asset was recorded considering Management's assessment on the ability of the Group to generate taxable profits in the future.

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

The Group has USD 114.12 million (2023: USD 122.87 million) of tax losses carried forward, for which no deferred tax asset was recognized as of 31 December 2024 (2023: nil) considering the historical fiscal results recorded.

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

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

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

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16. TRADE AND OTHER PAYABLES

	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2023</u> USD	<u>December 31,</u> <u>2024</u> RON	<u>December 31,</u> <u>2023</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
Trade payables	879,849,096	964,445,294	4,202,863,163	4,606,962,280
Excise taxes	1,541	698	7,361	3,334
Special fund tax for oil products	5,769,818	6,130,311	27,561,267	29,283,270
VAT payable	34,808,808	37,161,013	166,274,714	177,510,727
Other taxes payable	9,840,949	(3,403)	47,008,245	(16,255)
Employees and social obligations	7,919,698	11,466,191	37,830,813	54,771,701
Cash pooling payables	382,009,994	330,265,125	1,824,785,339	1,577,610,449
Other liabilities	6,732,354	12,388,160	32,159,109	59,175,763
Total	<u>1,326,932,258</u>	<u>1,361,853,389</u>	<u>6,338,490,011</u>	<u>6,505,301,269</u>

The Group entered into a cash pooling contract for optimizing cash, with KMG Rompetrol SRL (“Master Company”). The amounts in balance as of 31 December 2024 are for the following companies: Rompetrol Rafinare S.A. USD 368.4 million (2023: USD 314.4 million) and Romoil USD 13.6 million (2023: USD 14.2 million).

Also, in other liabilities short term guarantees are included for Rompetrol Downstream SRL, in amount of USD 6.43 million (2023: USD 6.68 million).

Trade payables line include payable in relation to KazMunayGas Trading AG in amount of USD 745.7 million as of 31 December 2024 (2023: USD 794.8 million) which represents the liability for the acquisition of crude oil. For outstanding trade payables, late payment interest is computed and paid by the Group to KazMunayGas Trading AG (Note 24).

Acquisitions of crude oil are financed through a series of credit facilities obtained by KazMunayGas Trading AG from different financial institutions. According to the agreements, credit facilities are due in a period up to 210 days from withdrawn date and different interest rates are applied.

Further, according to the agreement concluded between Rompetrol Rafinare SA and KazMunayGas Trading AG, interest rate is calculated differently depending on the financing institution, as well as penalties in case payments are not made by Rompetrol Rafinare according to the agreed payments terms (Note 24).

17. CONTRACT LIABILITIES

	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2023</u> USD	<u>December 31,</u> <u>2024</u> RON	<u>December 31,</u> <u>2023</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
Short-term advances from wholesale customers	18,136,962	22,527,821	86,636,640	107,610,895
Short-term advances from other customers	35,586,608	45,881,624	169,990,109	219,167,342
Deferred revenues	<u>8,743,799</u>	<u>7,962,682</u>	<u>41,767,379</u>	<u>38,036,139</u>
Total short-term advances	<u>62,467,369</u>	<u>76,372,127</u>	<u>298,394,128</u>	<u>364,814,376</u>

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

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18. SHORT-TERM BORROWINGS FROM BANKS

DEBT SHORT-TERM	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2023</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>RON</u> <i>(supplementary info – see Note 2(e))</i>	<u>December 31,</u> <u>2023</u> <u>RON</u>
Banca Transilvania Romp petrol Rafinare S.A.: Two revolving credit ceiling on short term credit facility, one up to EUR 30 million and the second up to EUR 27.96 million, for issue of letters of credit and letters of guarantee. Maturity date is July 27, 2025. Drawings in USD/EUR/RON.	34,231,073	34,559,797	163,514,989	165,085,238
BCR, ING Bank, Raiffeisen Bank, UniCredit Bank, Alpha Bank, Garanti Bank and OTP Bank Romp petrol Rafinare: General corporate purposes and working capital facility of USD 551,800,000 with possibility to increase up to USD 600,000,000 considering an accordion clause of USD 68,200,000. The facility consists of two parts: (I) USD 275,9 million committed line and the maturity date is April 13, 2026 with an option of adding another 2 years until 2028 and (II) USD 275,9 million uncommitted line for a period of 1 year, with yearly possibility of prolongation. The facility is secured by: inventories, receivables, depots, gas stations and current accounts.	11,499,246	7,997,432	54,929,598	38,202,133
Current portion of long-term debt	108,640	299,357	518,952	1,429,969
	45,838,959	42,856,586	218,963,539	204,717,340

At the level of KMG International, loan covenants are tested every 6 months, at half-year and at year end. For both 2024 and 2023, the loan covenants were respected.

The loans bearing guarantees are secured with pledges on property plant and equipment of 306.8 million (31 December 2023: USD 352.4 million), inventories of USD 422.9 million (2023: USD 410 million) and trade receivables of USD: 116.1 million (2023: USD 123.4 million).

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18. SHORT-TERM BORROWINGS FROM BANKS (continued)

The movement in loans is presented below:

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

	<u>At 1 January</u>				<u>Exchange</u>	<u>December 31,</u>
RON (supplementary info – see Note 2(e))	<u>2024</u>	<u>Drawings</u>	<u>Repayment</u>	<u>Interest accrual</u>	<u>rate</u>	<u>2024</u>
					<u>impact</u>	
Long-term borrowings from banks (Note 13)	1,270,151,120	47,768,000	-	-	-	1,317,919,120
Short-term borrowings from banks	203,287,371	484,347,500	(469,269,851)	-	79,567	218,444,587
Interest Long-term borrowings banks (Note 13)	-	-	(105,646,465)	105,646,465	-	-
Interest Short-term borrowings from banks	1,429,969	-	(13,286,889)	12,375,872	-	518,952
Total	<u>1,474,868,460</u>	<u>532,115,500</u>	<u>(588,203,205)</u>	<u>118,022,337</u>	<u>79,567</u>	<u>1,536,882,659</u>

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18. SHORT-TERM BORROWINGS FROM BANKS (continued)

	<u>At 1 January</u> <u>2023</u>	<u>Drawings</u>	<u>Repayment</u>	<u>Interest accrual</u>	<u>Exchange</u> <u>rate</u> <u>impact</u>	<u>At 31 December</u> <u>2023</u>
USD						
Long-term borrowings from banks (Note 13)	-	306,770,363	(40,870,363)	-	-	265,900,000
Short-term borrowings from banks	86,181,181	318,263,981	(362,254,496)	-	366,563	42,557,229
Interest Long-term borrowings banks (Note 13)	-	-	(14,591,803)	14,591,803	-	-
Interest Short-term borrowings from banks	29,737	-	(5,359,390)	5,629,010	-	299,357
Total	<u>86,210,918</u>	<u>625,034,344</u>	<u>(423,076,052)</u>	<u>20,220,813</u>	<u>366,563</u>	<u>308,756,586</u>

	<u>At 1 January</u> <u>2023</u>	<u>Drawings</u>	<u>Repayment</u>	<u>Interest accrual</u>	<u>Exchange</u> <u>rate</u> <u>impact</u>	<u>At 31 December</u> <u>2023</u>
RON (supplementary info – see Note 2(e))						
Long-term borrowings from banks (Note 13)	-	1,465,380,670	(195,229,550)	-	-	1,270,151,120
Short-term borrowings from banks	411,670,265	1,520,283,384	(1,730,417,276)	-	1,750,998	203,287,371
Interest Long-term borrowings banks (Note 13)	-	-	(69,702,125)	69,702,125	-	-
Interest Short-term borrowings from banks	142,048	-	(25,600,734)	26,888,655	-	1,429,969
Total	<u>411,812,313</u>	<u>2,985,664,054</u>	<u>(2,020,949,685)</u>	<u>96,590,780</u>	<u>1,750,998</u>	<u>1,474,868,460</u>

During 2023, the Group reimbursed in full the previous syndicated loan and entered into a new senior facilities agreement obtained at KMG International Group level (detailed also in note 13). Under the terms of the new contract, KMG International Group secured up USD 600 million revolving facility, comprising two components out of which: USD 275.9 million are committed over 3 years period with an option of adding another 2 years period (extended maturity by April 2028), and USD 275.9 million as overdraft over one-year period, being an uncommitted facility.

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19. PROVISIONS

Provisions comprise the following:

	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2023</u> USD	<u>December 31, 2024</u> RON	<u>December 31,</u> <u>2023</u> RON
Non-current provisions	110,055,666	116,060,824	525,713,905	554,399,344
Total Provisions	<u>110,055,666</u>	<u>116,060,824</u>	<u>525,713,905</u>	<u>554,399,344</u>

(supplementary info – see Note 2(e))

The movement in provisions is presented below:

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

RON (supplementary info – see Note 2(e))	<u>At 1 January</u> <u>2024</u>	<u>Charged to equity</u>	<u>Changes during</u> <u>the year</u>	<u>Utilised</u>	<u>Unwinding</u> <u>of discount</u>	<u>At 31 December</u> <u>2024</u>
Provision for retirement benefit	<u>72,232,782</u>	<u>(6,505,161)</u>	<u>10,510,809</u>	<u>(8,505,374)</u>	-	<u>67,733,056</u>
Environmental provisions	<u>477,816,020</u>	-	<u>(15,525,598)</u>	<u>(2,104,061)</u>	<u>(6,556,054)</u>	<u>453,630,307</u>
Other provisions	<u>4,350,542</u>	-	-	-	-	<u>4,350,542</u>
Total	<u>554,399,344</u>	<u>(6,505,161)</u>	<u>(5,014,789)</u>	<u>(10,609,435)</u>	<u>(6,556,054)</u>	<u>525,713,905</u>

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19. PROVISIONS (continued)

	<u>At 1 January 2023</u>	<u>Charged to equity</u>	<u>Arising during the year</u>	<u>Utilised</u>	<u>Unwinding of discount</u>	<u>Reclassification between balance sheet items</u>	<u>At 31 December 2023</u>
USD							
Provision for retirement benefit	11,983,718	2,164,198	2,253,128	(1,279,460)	-	-	15,121,584
Environmental provisions	97,141,972	-	1,367,789	(455,867)	1,974,581	-	100,028,475
Other provisions	6,214,953	-	120,513	-	-	(5,424,701)	910,765
Total	<u>115,340,643</u>	<u>2,164,198</u>	<u>3,741,430</u>	<u>(1,735,327)</u>	<u>1,974,581</u>	<u>(5,424,701)</u>	<u>116,060,824</u>
	<u>At 1 January 2023</u>	<u>Charged to equity</u>	<u>Arising during the year</u>	<u>Utilised</u>	<u>Unwinding of discount</u>	<u>Reclassification between balance sheet items</u>	<u>At 31 December 2023</u>
RON (supplementary info – see Note 2(e))							
Provision for retirement benefit	57,243,824	10,337,941	10,762,742	(6,111,725)	-	-	72,232,782
Environmental provisions	464,027,772	-	6,533,654	(2,177,585)	9,432,179	-	477,816,020
Other provisions	29,687,587	-	575,666	-	-	(25,912,711)	4,350,542
Total	<u>550,959,183</u>	<u>10,337,941</u>	<u>17,872,062</u>	<u>(8,289,310)</u>	<u>9,432,179</u>	<u>(25,912,711)</u>	<u>554,399,344</u>

Environmental provision

Vega lagoons

As of 31 December 2024, the Group recognized an environmental provision of USD 89.28 million (2023: USD 94.32 million) based on reassessment of the site restoration provision. Reassessment was performed considering the following change in assumptions as compared with the previous period:

- updated prices for rehabilitation work related to lagoons 16, 19 - 20, 7 - 12, 13 - 15 considering the contract in place for lagoons 19-20. The updated prices use as reference basis the lump sum as per contract in place which was allocated at activity level; Moreover, tariffs are indexed on an annual basis with a market factor increase, representing the forecasted inflation rate as per Romanian National Statistics Institute for the period 2025 – 2028 only if the inflation rate increase is equal to or exceeds 3% in accordance with the contract in place;
- Quantities of acid tars and contaminated soil used for the estimation of costs are the quantities as per Environmental Permit issued on 14 Jan 2021 to which an increase of 30% was considered given that according to the Environmental Permit, volumes after treatment can be higher with 30%;
- updated contingency based on the additional increase in quantities of contaminated soil to 40% except lagoons 19-20 (for which a contract is in place) and the effect of the infringement procedure against Romania in respect of non-compliance with European environmental obligations for deposit of waste;
- updated variable indicators over the project timeline (i.e. exchange rate, discount rate, inflation rate) as following: exchange rate changed from 4.4958 RON/USD to 4.7768 RON/USD, increased discount rate from 6.19% used for the provision assessment as of 31 December 2023 to 6.81% as of 31 December 2024 and updated inflation rate prevision as per Romanian National Institute of Statistics;
- extended timeline for the rehabilitation plan until the end of 2028.

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19. PROVISIONS (continued)

The results of the reassessment lead to a net decrease of provision by USD 5.04 million (2023: USD 2.2 million increase), being mainly triggered by updated computation due to change in assumptions and a positive foreign exchange effect of USD 5.58 million together with the unwinding of discount positive effect of USD 1.18 million (2023: USD 2.32 million negative effect).

Vadu cassettes

During the previous period, the Group conducted due diligence procedures according to Law 74/2019 for the biological waste storage area resulting from IAZ no.1 ("Vadu cassettes"), a process ongoing in compliance with EPA Constanta. Technical project was submitted to the authority at the establish deadline. Also, the procedure in order to obtain Environmental agreement is ongoing, the Group submitted necessary documentation, but additional information / clarifications were requested by EPA Constanta, within a new established deadline. Management determined a constructive obligation for parent company rehabilitation of the cassettes, prompting an assessment as of December 31, 2021, resulting in a provision computation.

At the end of 2024, the environmental provision was reassessed to reflect updated assumptions (discount rate, exchange rate). The reassessment resulted in a revised provision, though the impact was not material, with a net positive effect of thousand 23 USD, against the value recognized in 2023, USD 5.6 million.

Retirement benefit provision

Under the collective labor agreements that certain of the Group's entities have in force, employees are entitled to specific retirement benefits that are payable upon retirement, if the employees are employed with Group entities at the date of their retirement. The level of benefits provided depends on the member's length of service, the employees is entitled to a fix amount per each year of service. A corresponding provision has been recognized based on: the specific benefits provided in the updated Collective Labor Agreement signed in 2022; the number of employees working within the relevant Group entities; and actuarial assumptions on future liabilities. For the computation an actuarial valuation is involved making various assumptions that may differ from actual developments in the future. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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 6.8% (2023: 6.9%) for Romanian subsidiaries with an expected rate of long-term salary increase 3.6% (2023: 3.8%). 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.

Amounts recognized in the salaries, interest expenses in respect of this obligation are as follows:

	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2023</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>	<u>December 31,</u> <u>2023</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Interest on obligation	952,784	1,047,304	4,551,259	5,002,762
Service cost	1,247,603	1,205,824	5,959,550	5,759,980
Costs related to benefits granted	<u>(1,780,559)</u>	<u>(1,279,460)</u>	<u>(8,505,374)</u>	<u>(6,111,725)</u>
Total	<u>419,828</u>	<u>973,668</u>	<u>2,005,435</u>	<u>4,651,017</u>

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19. PROVISIONS (continued)

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

	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2023</u> USD	<u>December</u> <u>31, 2024</u> RON (supplementary info – see Note 2(e))	<u>December</u> <u>31, 2023</u> RON
Opening balance	15,121,584	11,983,718	72,232,782	57,243,824
Amounts recognized in income statement	419,828	973,668	2,005,434	4,651,017
Actuarial losses / (gains) recorded in the year (amounts recognized in "Other comprehensive income")	(1,361,824)	2,164,198	(6,505,160)	10,337,941
Closing balance	<u>14,179,588</u>	<u>15,121,584</u>	<u>67,733,056</u>	<u>72,232,782</u>

Actuarial gains refer to change in assumption in amount of USD 1.4 million (2023: loss of USD 2.2 million) (using a discount rate of 6.8% (2023: 6.9%), with an expected rate of long-term salary increase of 3.6% (2023: 3.8%)), the charge for the year is included in the staff costs in the income statement for 2024, amounting to USD 0.4 million (2023: USD 1 million).

It is estimated that there are no significant liabilities relating to the provisions that will arise in the twelve months to 31 December 2025.

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

	<u>Impact on defined benefit obligation</u>	
	<u>2024</u>	<u>2023</u>
	USD million	USD million
Discount rate assumptions:		
1% increase	(1.3)	(2.21)
1% decrease	1.5	0.51
	<u>2024</u>	<u>2023</u>
	USD million	USD million
Salary sensitivity assumption:		
1% increase	1.55	0.59
1% decrease	(1.36)	(2.29)
	<u>2024</u>	<u>2023</u>
	USD million	USD million
Longevity sensitivity assumption:		
1% increase	0.36	0.86

The other variables (exchange rate, mortality rate and turnover) had no significant impact in 2024.

Other provisions

In 2023 the ANAF provision was reclassified to "Provision for expected credit losses related to trade receivables and provision for sundry debtors and other receivables".

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20. REVENUES FROM CONTRACTS WITH CUSTOMERS

2024

USD	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products production	4,167,603,132	-	-	348,386,857	4,515,989,989
Less sales taxes from petroleum products production	(1,001,421,643)	-	-	933,328,727	(68,092,916)
Net revenues from petroleum products production	<u>3,166,181,489</u>	-	-	<u>1,281,715,584</u>	<u>4,447,897,073</u>
Gross revenues from petroleum products trading	-	-	2,912,591,291	(2,854,125,342)	58,465,949
Less sales taxes petroleum products trading	-	-	(940,057,650)	2,267,714	(937,789,936)
Less commercial discounts petroleum products trading	-	-	(199,240,592)	2,980,186	(196,260,406)
Net revenues from petroleum products trading	-	-	<u>1,773,293,049</u>	<u>(2,848,877,442)</u>	<u>(1,075,584,393)</u>
Revenues from petrochemicals production	-	71,973,572	-	-	71,973,572
Revenues from petrochemicals trading	-	5,060	-	-	5,060
Revenues from merchandise sales	17,308,686	-	240,503,217	-	257,811,903
Revenues from utilities sold	4,689,661	-	-	(150,012)	4,539,649
Revenues from transportation fees	-	-	2,832,897	-	2,832,897
Revenues from rents and other services	<u>3,971,398</u>	-	<u>23,176,642</u>	<u>(11,798,589)</u>	<u>15,349,451</u>
Total Net Revenues	<u>3,192,151,234</u>	<u>71,978,632</u>	<u>2,039,805,805</u>	<u>(1,579,110,459)</u>	<u>3,724,825,212</u>

RON (supplementary info – see Note 2(e))	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products production	19,907,806,641	-	-	1,664,174,339	21,571,980,980
Less sales taxes from petroleum products production	(4,783,590,904)	-	-	4,458,324,663	(325,266,241)
Net revenues from petroleum products production	<u>15,124,215,737</u>	-	-	<u>6,122,499,002</u>	<u>21,246,714,739</u>
Gross revenues from petroleum products trading	-	-	13,912,866,079	(13,633,585,934)	279,280,145
Less sales taxes petroleum products trading	-	-	(4,490,467,383)	10,832,416	(4,479,634,967)
Less commercial discounts petroleum products trading	-	-	(951,732,460)	14,235,752	(937,496,708)
Net revenues from petroleum products trading	-	-	<u>8,470,666,236</u>	<u>(13,608,517,766)</u>	<u>(5,137,851,530)</u>
Revenues from petrochemicals production	-	343,803,358	-	-	343,803,358
Revenues from petrochemicals trading	-	24,171	-	-	24,171
Revenues from merchandise sales	82,680,131	-	1,148,835,767	-	1,231,515,898
Revenues from utilities sold	22,401,573	-	-	(716,577)	21,684,996
Revenues from transportation fees	-	-	13,532,182	-	13,532,182
Revenues from rents and other services	<u>18,970,574</u>	-	<u>110,710,184</u>	<u>(56,359,500)</u>	<u>73,321,258</u>
Total Net Revenues	<u>15,248,268,015</u>	<u>343,827,529</u>	<u>9,743,744,369</u>	<u>(7,543,094,841)</u>	<u>17,792,745,072</u>

In 2024 the decrease of revenues compared with 2023 was triggered by the refinery planned general turnaround in place since 8th of March 2024, for a period of approximately 2 months corroborated with the volatile market environment, Gasoline quotations decreased by 6% and Diesel quotations decreased by 9% in 2024 vs 2023.

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

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20. REVENUES FROM CONTRACTS WITH CUSTOMERS (continued)

2023

USD	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products production	4,515,685,394	-	-	393,940,769	4,909,626,163
Less sales taxes from petroleum products production	(909,188,775)	-	-	866,274,059	(42,914,716)
Net revenues from petroleum products production	<u>3,606,496,619</u>	-	-	<u>1,260,214,828</u>	<u>4,866,711,447</u>
Gross revenues from petroleum products trading	-	-	3,219,440,480	(3,163,581,863)	55,858,617
Less sales taxes petroleum products trading	-	-	(873,217,378)	1,745,711	(871,471,667)
Less commercial discounts petroleum products trading	-	-	(207,604,720)	2,532,596	(205,072,124)
Net revenues from petroleum products trading	-	-	<u>2,138,618,382</u>	<u>(3,159,303,556)</u>	<u>(1,020,685,174)</u>
Revenues from petrochemicals production	-	124,438,889	-	-	124,438,889
Revenues from petrochemicals trading	-	10,345	-	-	10,345
Revenues from merchandise sales	438,551	-	214,886,243	(435)	215,324,359
Revenues from utilities sold	6,049,442	-	-	(189,364)	5,860,078
Revenues from transportation fees	-	-	3,537,474	-	3,537,474
Revenues from rents and other services	3,827,602	-	23,686,432	(11,942,970)	15,571,064
Total Net Revenues	<u>3,616,812,214</u>	<u>124,449,234</u>	<u>2,380,728,531</u>	<u>(1,911,221,497)</u>	<u>4,210,768,482</u>
RON (supplementary info – see Note 2(e))	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products production	21,570,525,990	-	-	1,881,776,265	23,452,302,255
Less sales taxes from petroleum products production	(4,343,012,940)	-	-	4,138,017,925	(204,995,015)
Net revenues from petroleum products production	<u>17,227,513,050</u>	-	-	<u>6,019,794,190</u>	<u>23,247,307,240</u>
Gross revenues from petroleum products trading	-	-	15,378,623,285	(15,111,797,843)	266,825,442
Less sales taxes petroleum products trading	-	-	(4,171,184,771)	8,338,912	(4,162,845,859)
Less commercial discounts petroleum products trading	-	-	(991,686,226)	12,097,705	(979,588,521)
Net revenues from petroleum products trading	-	-	<u>10,215,752,288</u>	<u>(15,091,361,226)</u>	<u>(4,875,608,938)</u>
Revenues from petrochemicals production	-	594,419,685	-	-	594,419,685
Revenues from petrochemicals trading	-	49,416	-	-	49,416
Revenues from merchandise sales	2,094,870	-	1,026,468,606	(2,078)	1,028,561,398
Revenues from utilities sold	28,896,975	-	-	(904,554)	27,992,421
Revenues from transportation fees	-	-	16,897,806	-	16,897,806
Revenues from rents and other services	18,283,690	-	113,145,347	(57,049,179)	74,379,858
Total Net Revenues	<u>17,276,788,585</u>	<u>594,469,101</u>	<u>11,372,264,047</u>	<u>(9,129,522,847)</u>	<u>20,113,998,886</u>

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

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21. COST OF SALES

	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2023</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>	<u>December 31,</u> <u>2023</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Crude oil and other raw materials	2,862,039,721	3,261,802,739	13,671,391,339	15,580,979,322
Consumables and other materials	8,909,958	13,064,331	42,561,087	62,405,696
Utilities	138,102,969	196,306,912	659,690,262	937,718,857
Staff costs	40,503,403	47,344,079	193,476,655	226,153,197
Transportation	220,815	214,006	1,054,789	1,022,264
Maintenance and repairs	29,469,010	32,286,433	140,767,567	154,225,833
Insurance	3,994,731	2,693,333	19,082,031	12,865,513
Environmental expenses	3,151,668	10,764,755	15,054,888	51,421,082
Other	9,264,679	11,117,874	44,255,519	53,107,861
Total	3,095,656,954	3,575,594,462	14,787,334,137	17,079,899,625
Depreciation and amortization	76,017,025	85,375,426	363,118,125	407,821,335
Total	3,171,673,979	3,660,969,888	15,150,452,262	17,487,720,960
Plus: Change in inventories	(30,541,804)	(34,103,622)	(145,892,089)	(162,906,182)
Less: Own production of property, plant & equipment	(5,114,624)	(821,184)	(24,431,536)	(3,922,632)
Cost of petroleum products trading	51,634,368	49,798,631	246,647,049	237,878,101
Cost of petrochemicals trading	9,586	9,329	45,790	44,563
Cost of merchandise sold	207,811,821	173,322,824	992,675,507	827,928,466
Cost of utilities resold	3,902,640	4,015,199	18,642,131	19,179,803
Realized (gains)/losses on derivatives	(41,556,146)	(141,799)	(198,505,398)	(677,345)
Total	<u>3,357,819,820</u>	<u>3,853,049,266</u>	<u>16,039,633,716</u>	<u>18,405,245,734</u>

In 2024 crude oil costs are lower compared with the prior year given the following:

- decline attributed to weakening global demand, particularly from China, concerns over economic growth, rising oil inventories, and increasing supply from OPEC+ and the U.S., which outweighed the impact of geopolitical tensions and supply disruptions.
- total throughput for Petromidia refinery was 4.62 million tons, lower by 8% as compared with the same period from last year. The decrease was affected by operation of Petromidia refinery without the Mild Hydrocracking unit (MHC) in Q1 2024, due to a technical incident that occurred on 21st of June 2023 and also following the planned general turnaround of the refinery in 2024, that happens once every four years, which triggered a decrease of quantities processed. As a result, the net effect of 2024 crude oil and other raw materials against 2023 is in amount of approximately USD 400 million (of which USD 260 million resulting from lower quantity lower (8%) and USD 140 million resulting from price variance (5%)).
- The above stated factors led also to lower costs for main categories of costs, especially for utilities consumption which was affected on one hand by the decreased production as stated above, and on the other hand by a positive effect of USD 32,7 million following lower tariffs (main categories power by 35% and natural gas by 18%)

The decrease in depreciation compared to the prior year can be attributed to certain portions of our property, plant, and equipment reaching the end of their useful lives. Following the revaluation process conducted in 2023, the useful life of assets was revised, particularly in cases where technological equipment will be further utilized.

Higher cost of merchandise in 2024 was mainly for Rompetrol Downstream SRL by USD 17.8 million against prior year, in respect of dry channel acquisitions following the increase in the number of CODO stations during 2023 with a full effect of increase in 2024. Also, for Rompetrol Rafinare SA the cost of merchandise increased by USD 17.2 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.

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21. COST OF SALES (continued)

Romp petrol Rafinare has the obligation to comply with the CO2 emission rights quota. Thus, Refinery CO2 emissions are offset with EUA certificates. In 2024 the actual emissions have not exceeded the certificates (see also note 9 for additional details) and in this respect no acquisitions were made during the year; for 2023 the amount recorded was USD 9.8 million, of which USD 8 million in Cost of sales and USD 1.8 million in General and Administrative expenses – Note 22.

During 2024 the positive Realized hedging impact of USD +41.55 million resulted mainly from Rompetrol Rafinare cracks hedging program (USD +32.59 million). An additional positive impact resulted from inventory hedging program, USD +3.44 million from Rompetrol Rafinare and USD +4.7 million from Rompetrol Downstream. In comparison, in 2023 the positive Realized impact of only USD +0.14 million was coming from small Rompetrol Downstream hedging volumes, mainly from auctions hedging program which protects against market price increase.

The variance as compared with the similar period from last year is triggered by the following:

- positive result of USD +3.44 million generated by Refinery hedging activities recorded during 2024 which were primarily focused on mitigating price decrease risks associated with Base Operating Stocks (BOS) on the ICE Exchange Market using Futures contracts. The ICE Brent Front quotation decreased from 86.9 to 74.5\$/bbl. (-14.2%) between 22nd April (the restart date of hedging program) – 31st December 2024, generating positive Realized Paper impact. This impact is recorded as fair value through P&L.
- another hedging program using Over-the-Counter (OTC) Swap instruments to protect the Rompetrol Rafinare diesel, gasoline, jet and naphtha cracks against depreciation had a positive Realized Paper impact of USD +32.59 million. Rompetrol Rafinare managed to hedge overall 1.213 KT (diesel, gasoline, jet, naphtha cracks) for May-Dec 2024 at a hedge level of 163\$/MT, while the realized market price for this period was 135.1\$/MT. This means a Realized Paper gain of +27.9\$/MT x 1.213 KT because the market price decreased vs the hedge level. This impact is recorded as cash flow through P&L.
- gain of USD +5.53 million recorded in 2024 triggered by the hedge around benchmark stocks for gasoline and diesel stocks in Downstream depots & auctions (USD +4.7 million) and forex hedging (USD +0.83 million). These are considered fair value through P&L.

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

	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 RON	December 31, 2023 RON
			<i>(supplementary info – see Note 2(e))</i>	
Staff costs	39,575,817	33,859,401	189,045,763	161,739,587
Utilities	10,842,372	10,139,995	51,791,843	48,436,728
Transportation	82,379,600	82,926,823	393,510,872	396,124,847
Professional and consulting fees	29,335,506	39,450,691	140,129,845	188,448,061
Royalties and rents	8,521,265	12,481,063	40,704,379	59,619,542
Consumables	672,369	245,204	3,211,772	1,171,290
Marketing	1,678,549	2,656,421	8,018,093	12,689,192
Taxes	2,954,209	2,988,888	14,111,666	14,277,320
Communications	720,997	658,616	3,444,058	3,146,077
Insurance	2,658,348	1,898,406	12,698,397	9,068,306
IT services	9,031,842	9,421,157	43,143,303	45,002,983
Environmental expenses	87,600	970,238	418,448	4,634,633
Maintenance and repairs	17,183,700	13,977,551	82,083,098	66,767,966
Other expenses	34,704,169	28,006,335	165,774,874	133,780,661
Costs before depreciation	240,346,343	239,680,789	1,148,086,411	1,144,907,193
Depreciation and amortisation	75,624,180	50,030,735	361,241,583	238,986,815
Total	315,970,523	289,711,524	1,509,327,994	1,383,894,008

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22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES, INCLUDING LOGISTIC COSTS
(continued)

The increase in depreciation and amortization expenses in 2024 is primarily driven by a couple of factors:

- 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) – USD 7 million;
- in Rompetrol Downstream SRL the leasing contracts initiated in 2023 had prorated depreciation based on their start date. In 2024, these contracts incurred full-year depreciation, leading to higher expenses, USD 3.3 million;
- impact of the revaluation process carried out at the end of 2023 modified the depreciation spread across various assets, affecting the depreciation charges recorded in 2024, USD 15 million mainly for marketing segment.

23. OTHER OPERATING INCOME / (EXPENSES), NET

	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2023</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>RON</u> <i>(supplementary info – see Note 2(e))</i>	<u>December 31,</u> <u>2023</u> <u>RON</u>
Net gain /(loss) on disposal of assets	373,306	218,524	1,783,208	1,043,845
(Reserve)/reversal for/of impairment of tangible assets, net	(4,451,782)	6,410,198	(21,265,272)	30,620,234
Provision for receivables and write-off, net	1,303,122	(2,720,353)	6,224,753	(12,994,582)
Provision for inventories, net	(1,282,444)	2,171,341	(6,125,978)	10,372,062
Tangible and intangible assets write-off	(102,131)	(249,495)	(487,859)	(1,191,788)
Loss from revaluation of non-current assets	-	(226,744,607)	-	(1,083,113,639)
Inventories write-off	(324,837)	(45,383)	(1,551,681)	(216,786)
Other provisions, net	3,250,209	(1,488,302)	15,525,598	(7,109,321)
Turnover tax	(30,762,468)	-	(146,946,157)	-
Other, net	1,107,879	539,902	5,292,116	2,579,004
Total	<u>(30,889,146)</u>	<u>(221,908,175)</u>	<u>(147,551,272)</u>	<u>(1,060,010,971)</u>

In 2024 Rompetrol Rafinare SA recognized an impairment related to specific equipment in amount of USD 4.5 million (for LDPE unit) also detailed in Note 5.

In 2024, a specific turnover tax has been introduced in addition to the profit tax for legal entities that conduct activities in the oil and natural gas sectors and that registered turnover over EUR 50 million in the previous year (Rompetrol Rafinare, Rompetrol Downstream, Rompetrol Gas) amounting to USD 30.8 million.

The related contribution is calculated and paid quarterly. The contribution for the fourth quarter of 2024 is due by 25th of June 2025.

In 2023, following the voluntary change of accounting policy, adopted in the previous periods (2017 and 2021), a revaluation exercise was carried out for property, plant and equipment. Considering this, a loss from revaluation was recorded in amount of USD 226,8 million, being related to items for which the revalued amount was lower than the carrying amount and no previous revaluation reserve recorded or revaluation reserve previously recorded was lower.

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

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24. FINANCE COST, FINANCE INCOME AND FOREIGN EXCHANGE

	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2023</u> USD	<u>December 31,</u> <u>2024</u> RON	<u>December 31,</u> <u>2023</u> RON
			(supplementary info – see Note 2(e))	
Finance cost				
Late payment interest	(2,254,600)	(4,354,904)	(10,769,773)	(20,802,505)
Interest expense	(69,001,575)	(77,502,291)	(329,606,724)	(370,212,944)
Unwinding of discount - lease	(21,467,077)	(12,896,849)	(102,543,933)	(61,605,668)
Unwinding of discount - environmental provision	1,372,477	(1,974,580)	6,556,048	(9,432,174)
Other financial expense	(54,683,458)	(51,500,592)	(261,211,942)	(246,008,028)
Total	<u>(146,034,233)</u>	<u>(148,229,216)</u>	<u>(697,576,324)</u>	<u>(708,061,319)</u>
Finance income				
Interest income	47,689,499	67,826,206	227,803,199	323,992,221
Other financial income	3,542,779	725,106	16,923,147	3,463,686
Total	<u>51,232,278</u>	<u>68,551,312</u>	<u>244,726,346</u>	<u>327,455,907</u>
Finance income/(cost) net	<u>(94,801,955)</u>	<u>(79,677,904)</u>	<u>(452,849,978)</u>	<u>(380,605,412)</u>
Unrealized net foreign exchange (losses)/gains	17,804,238	(2,935,084)	85,047,284	(14,020,309)
Realized net foreign exchange (losses)/gains	(11,657,758)	(4,536,636)	(55,686,779)	(21,670,603)
Foreign exchange gain/(loss), net	<u>6,146,480</u>	<u>(7,471,720)</u>	<u>29,360,505</u>	<u>(35,690,912)</u>
Total	<u>(88,655,475)</u>	<u>(87,149,624)</u>	<u>(423,489,473)</u>	<u>(416,296,324)</u>

In 2024 out of the total of USD 54.7 million (2023: USD 51.5 million) representing other financial expenses an amount of approximately USD 44.2 million (2023: USD 42.9 million) represents late payment interest owed to KMG Trading for financing.

25. INCOME TAX

a. The current income tax rate in 2024 was 16%, the same as in 2023.

	<u>December 31,</u> <u>2024</u> USD	<u>December</u> <u>31, 2023</u> USD	<u>December 31,</u> <u>2024</u> RON	<u>December</u> <u>31, 2023</u> RON
			(supplementary info – see Note 2(e))	
Tax expense comprises:				
Current tax expense	(11,069,621)	(9,717,702)	(52,877,366)	(46,419,519)
Deferred tax credit relating to the origination and reversal of temporary differences	11,575,032	5,970,482	55,291,613	28,519,798
Deferred income tax related to revaluation, recognised in Profit and loss	-	36,279,137	-	173,298,182
Solidarity tax	(745,348)	(31,994,930)	(3,560,378)	(152,833,381)
Total tax (expense)/income	<u>(239,937)</u>	<u>536,987</u>	<u>(1,146,131)</u>	<u>2,565,080</u>

The net effect of deferred tax in 2024 was in amount of USD 11.6 million (2023: USD 42.2 million).

As of 31 December 2024, the Group had the following total unused fiscal losses:

<u>Entity</u>	<u>Carried forward fiscal losses 2024</u> USD million	<u>Recognised</u> <u>Deferred Tax Asset 2024</u>	<u>Carry forward fiscal losses 2023</u> USD million	<u>Recognised</u> <u>Deferred Tax Asset 2023</u>
Rompotrol Rafinare SA	113.54	-	120.89	-
Rompotrol Logistics SRL	0.58	-	1.98	-
As at December 31	<u>114.12</u>	=	<u>122.87</u>	=

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25. INCOME TAX (continued)

The Group has USD 114.12 million (2023: USD 122.87 million) of tax losses carried forward, for which no deferred tax asset was recognized as of 31 December 2024 (2023: nil) on the basis of the assessment made.

Entity	Taxable loss Amount USD million	Taxable loss Amount RON million	Tax loss Expires in
Rompetrol Rafinare SA			
2021	99.25	474.10	2028
2024	14.29	68.25	2031
	113.54	542.35	
Rompetrol Logistics SRL			
2018	0.14	0.67	2025
2019	0.10	0.48	2026
2023	0.34	1.63	2030
	0.58	2.78	
	114.12	545.13	

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

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

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

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

	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2023</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>	<u>December 31,</u> <u>2023</u> <u>RON</u>
			(supplementary info – see Note 2(e))	
Result before tax	(68,509,752)	(241,050,107)	(327,257,383)	(1,151,448,151)
Tax at prevailing tax rate (16%)	(4,648,989)	(9,340,368)	(22,207,291)	(44,617,070)
Effect of losses carried forward for which no DTA was recognized	13,870,866	19,023,074	66,258,353	90,869,420
Effect of statutory items non deductible / (not taxable) for tax purposes	(20,291,498)	(19,400,408)	(96,928,428)	(92,671,869)
Non-deductible expenses	15,918,510	10,116,429	76,039,539	48,324,158
Not - taxable income	(36,210,008)	(29,516,837)	(172,967,967)	(140,996,027)
Effect of temporary differences	11,575,032	42,249,619	55,291,613	201,817,980
Solidarity tax	(745,348)	(31,994,930)	(3,560,378)	(152,833,381)
Income tax (expense) / credit recognised in profit or loss	(239,937)	536,987	(1,146,131)	2,565,080

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25. INCOME TAX (continued)

d) Other taxes – Solidarity contribution

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

e) Pillar Two

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

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules – the Group applied the temporary exception for deferred taxes in respect of Pillar Two Rules at 31 December 2024;

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.

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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 Group can be considered zero. In other words, if the safe harbor regime applies, there is no need for a complex computation of the effective tax rate or an additional national tax (although the multinational group still has certain reporting obligations).

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

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

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

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

The obligations in respect of Pillar Two Rules belongs in principle to the Ultimate Parent Entity (UPE) in Kazakhstan, which should perform an assessment of the potential exposure to Pillar Two income taxes. However, no Pillar Two legislation has been enacted in Kazakhstan for full year 2024.

However, KMGI Group has performed an assessment of each jurisdiction in which the group operates based on 2024 financial information for the constituent entities in the Group.

As per Romanian legislation (Law 431/2023), constituent entities within a Group subject to Pillar Two Rules are liable for QDMTT unless a safe harbor regime applies. An analysis of the safe harbor regimes for 2024 was conducted for the entities of KMGI Group located in the jurisdiction, based on the indicators which will be reported CbCR for the 2024 financial year. Following this analysis, the conclusion is that in Romania, KMGI qualifies for the application of the transitional CbCR safe harbor regime, as it records a jurisdictional loss. According to the OECD Administrative Guidance, 2024 consolidated version, Annex A, Chapter I - Transitional CbCR Safe Harbor Regime, paragraph 22 of the Routine Profits Test, if a jurisdiction reports a loss, this test is automatically considered met.

Therefore, the Romanian jurisdiction did not record an additional tax estimate for Pillar Two purposes in the financial statements for the financial year 2024.

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.

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26. OPERATING SEGMENT INFORMATION

a. Operating Segments

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

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

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26. OPERATING SEGMENT INFORMATION (continued)

2024 Income Statement information

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

<u>RON (supplementary info – see Note 2(e))</u>	Refining	Petrochemicals	Amounts not allocated between Refining & Petrochemicals segments	Marketing	Impact from transactions between segments	Consolidated
Net revenues "external customers"	7,759,262,710	343,827,529	-	9,689,654,833	-	17,792,745,072
Net revenues "Inter segment"	7,489,005,305	-	-	54,089,536	(7,543,094,841)	-
Cost of sales	(14,473,793,059)	(527,462,615)	-	(8,760,177,819)	7,721,799,777	(16,039,633,716)
Gross margin	774,474,956	(183,635,086)	=	983,566,550	178,704,936	1,753,111,356
Selling, general and administrative expenses	(423,302,509)	(76,191,890)	-	(797,087,921)	(212,745,674)	(1,509,327,994)
Other operating income/(expenses), net	(66,864,361)	(23,319,444)	-	(57,029,981)	(337,486)	(147,551,272)
Operating margin (EBIT)	284,308,086	(283,146,420)	=	129,448,648	(34,378,224)	96,232,090
Financial expenses, net	-	-	(416,328,854)	(36,353,063)	(168,061)	(452,849,978)
Net foreign exchange result	-	-	(1,873,915)	31,234,420	-	29,360,505
Profit/(loss) before income tax	284,308,086	(283,146,420)	(418,202,769)	124,330,005	(34,546,285)	(327,257,383)
Income tax	-	-	33,015,168	(34,161,299)	-	(1,146,131)
Net Profit/(Loss)	284,308,086	(283,146,420)	(385,187,601)	90,168,706	(34,546,285)	(328,403,514)
Depreciation and amortization	426,193,739	54,169,476	-	229,094,817	14,901,675	724,359,707

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

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26. OPERATING SEGMENT INFORMATION (continued)

2024 Statement of financial position information

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

<u>RON (supplementary info – see Note 2(e))</u>	<u>Refining & Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Total non current assets	6,596,875,954	2,529,480,872	(2,926,555,601)	6,199,801,225
Total current assets	3,289,111,039	2,373,580,217	(687,050,747)	4,975,640,509
TOTAL ASSETS	<u>9,885,986,993</u>	<u>4,903,061,089</u>	<u>(3,613,606,348)</u>	<u>11,175,441,734</u>
Total equity	1,571,017,146	2,378,616,487	(2,913,406,007)	1,036,227,626
Total non-current liabilities	1,870,058,675	1,332,431,631	(135,108)	3,202,355,198
Total current liabilities	6,444,911,172	1,192,012,971	(700,065,233)	6,936,858,910
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>9,885,986,993</u>	<u>4,903,061,089</u>	<u>(3,613,606,348)</u>	<u>11,175,441,734</u>
Capital expenditure	694,490,277	195,291,691	(5,981)	889,775,987

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26. OPERATING SEGMENT INFORMATION (continued)

2023 Income Statement information

USD	<u>Refining</u>	<u>Petrochemicals</u>	<u>Amounts not allocated between Refining & Petrochemicals segments</u>	<u>Marketing</u>	<u>Impact from transactions between segments</u>	<u>Consolidated</u>
Net revenues "external customers"	1,717,055,691	124,449,234	-	2,369,263,557	-	4,210,768,482
Net revenues "Inter segment"	1,899,756,523	-	-	11,464,974	(1,911,221,497)	-
Cost of sales	(3,445,375,552)	(202,666,788)	-	(2,160,182,817)	1,955,175,891	(3,853,049,266)
Gross margin	<u>171,436,662</u>	<u>(78,217,554)</u>	=	<u>220,545,714</u>	<u>43,954,394</u>	<u>357,719,216</u>
Selling, general and administrative expenses	(73,399,681)	(11,456,499)	-	(161,483,897)	(43,371,447)	(289,711,524)
Other operating income/(expenses), net	(189,168,300)	(23,583,578)	-	(9,202,544)	46,247	(221,908,175)
Operating margin (EBIT)	<u>(91,131,319)</u>	<u>(113,257,631)</u>	=	<u>49,859,273</u>	<u>629,194</u>	<u>(153,900,483)</u>
Financial expenses, net	-	-	(75,457,913)	(4,214,845)	(5,146)	(79,677,904)
Net foreign exchange result	-	-	(3,746,642)	(3,725,078)	-	(7,471,720)
Profit/(loss) before income tax	<u>(91,131,319)</u>	<u>(113,257,631)</u>	<u>(79,204,555)</u>	<u>41,919,350</u>	<u>624,048</u>	<u>(241,050,107)</u>
Income tax	-	-	8,480,650	(7,943,663)	-	536,987
Net Profit/(Loss)	<u>(91,131,319)</u>	<u>(113,257,631)</u>	<u>(70,723,905)</u>	<u>33,975,687</u>	<u>624,048</u>	<u>(240,513,120)</u>
Depreciation and amortization	89,739,685	13,257,979	-	29,368,734	3,039,763	135,406,161

<u>RON (supplementary info – see Note 2(e))</u>	<u>Refining</u>	<u>Petrochemicals</u>	<u>Amounts not allocated between Refining & Petrochemicals segments</u>	<u>Marketing</u>	<u>Impact from transactions between segments</u>	<u>Consolidated</u>
Net revenues "external customers"	8,202,031,626	594,469,101	-	11,317,498,159	-	20,113,998,886
Net revenues "Inter segment"	9,074,756,959	-	-	54,765,888	(9,129,522,847)	-
Cost of sales	(16,457,869,937)	(968,098,713)	-	(10,318,761,280)	9,339,484,196	(18,405,245,734)
Gross margin	<u>818,918,648</u>	<u>(373,629,612)</u>	=	<u>1,053,502,767</u>	<u>209,961,349</u>	<u>1,708,753,152</u>
Selling, general and administrative expenses	(350,615,596)	(54,725,404)	-	(771,376,279)	(207,176,729)	(1,383,894,008)
Other operating income/(expenses), net	(903,619,135)	(112,654,035)	-	(43,958,712)	220,911	(1,060,010,971)
Operating margin (EBIT)	<u>(435,316,083)</u>	<u>(541,009,051)</u>	=	<u>238,167,776</u>	<u>3,005,531</u>	<u>(735,151,827)</u>
Financial expenses, net	-	-	(360,447,359)	(20,133,472)	(24,581)	(380,605,412)
Net foreign exchange result	-	-	(17,896,960)	(17,793,952)	-	(35,690,912)
Profit/(loss) before income tax	<u>(435,316,083)</u>	<u>(541,009,051)</u>	<u>(378,344,319)</u>	<u>200,240,352</u>	<u>2,980,950</u>	<u>(1,151,448,151)</u>
Income tax	-	-	40,510,369	(37,945,289)	-	2,565,080
Net Profit/(Loss)	<u>(435,316,083)</u>	<u>(541,009,051)</u>	<u>(337,833,950)</u>	<u>162,295,063</u>	<u>2,980,950</u>	<u>(1,148,883,071)</u>
Depreciation and amortization	428,668,527	63,330,714	-	140,288,569	14,520,340	646,808,150

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26. OPERATING SEGMENT INFORMATION (continued)

In total net revenues are included customers that own more than 10% of total sales (i.e. KazMunayGas Trading AG), their value amounting USD 588 million in 2024 and USD 666 million in 2023.

2023 Statement of financial position information

USD	<u>Refining & Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Total non current assets	1,345,013,565	530,510,780	(603,092,782)	1,272,431,563
Total current assets	860,615,276	539,512,466	(197,341,297)	1,202,786,445
TOTAL ASSETS	<u>2,205,628,841</u>	<u>1,070,023,246</u>	<u>(800,434,079)</u>	<u>2,475,218,008</u>
Total equity	410,335,470	478,708,388	(602,705,792)	286,338,066
Total non-current liabilities	388,888,941	274,829,652	(34,771)	663,683,822
Total current liabilities	1,406,404,430	316,485,206	(197,693,516)	1,525,196,120
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>2,205,628,841</u>	<u>1,070,023,246</u>	<u>(800,434,079)</u>	<u>2,475,218,008</u>
Capital expenditure	52,265,257	153,873,423	(28,364)	206,110,316
<u>RON (supplementary info – see Note 2(e))</u>	<u>Refining & Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Total non current assets	6,424,860,797	2,534,143,894	(2,880,853,601)	6,078,151,090
Total current assets	4,110,987,050	2,577,143,148	(942,659,908)	5,745,470,290
TOTAL ASSETS	<u>10,535,847,847</u>	<u>5,111,287,042</u>	<u>(3,823,513,509)</u>	<u>11,823,621,380</u>
Total equity	1,960,090,473	2,286,694,228	(2,879,005,029)	1,367,779,672
Total non-current liabilities	1,857,644,693	1,312,806,282	(166,094)	3,170,284,881
Total current liabilities	6,718,112,681	1,511,786,532	(944,342,386)	7,285,556,827
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>10,535,847,847</u>	<u>5,111,287,042</u>	<u>(3,823,513,509)</u>	<u>11,823,621,380</u>
Capital expenditure	249,660,680	735,022,567	(135,489)	984,547,758

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

b. Geographical segments

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

	<u>December 31, 2024 USD</u>	<u>December 31, 2023 USD</u>	<u>December 31, 2024 RON</u>	<u>December 31, 2023 RON</u>
Net revenues			<i>(supplementary info – see Note 2(e))</i>	
Romania	<u>2,570,559,603</u>	<u>2,944,277,881</u>	<u>12,279,049,112</u>	<u>14,064,226,582</u>
Export	<u>1,154,265,609</u>	<u>1,266,490,601</u>	<u>5,513,695,960</u>	<u>6,049,772,304</u>
<i>out of which</i>				
Europa	1,116,864,296	1,220,865,125	5,335,037,368	5,831,828,531
Asia	37,391,633	45,615,796	178,612,353	217,897,534
America	<u>9,680</u>	<u>9,680</u>	<u>46,239</u>	<u>46,239</u>
Total	<u>3,724,825,212</u>	<u>4,210,768,482</u>	<u>17,792,745,072</u>	<u>20,113,998,886</u>

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27. RELATED PARTIES

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

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

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

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27. RELATED PARTIES (continued)

Name of related party	December 31,	Receivables and other assets		December 31,
	2024 USD	December 31, 2023 USD	December 31, 2024 RON	December 31, 2023 RON
			(supplementary info – see Note 2(e))	
KazMunayGas Trading AG	3,249,868	1,154,536	15,523,969	5,514,988
Rominerv S.R.L.	4,844,515	10,391,761	23,141,279	49,639,364
KMG International N.V.	65,547,443	64,073,540	313,107,026	306,066,486
KMG Rompetrol S.R.L.	259,162	1,132,022	1,237,965	5,407,443
KMG Rompetrol S.R.L. - cash pooling	241,283,081	296,644,802	1,152,561,021	1,417,012,890
Oilfield Exploration Business Solutions S.A.	664,420	1,107,315	3,173,801	5,289,422
Rompetrol Well Services S.A.	83,313	122,458	397,970	584,957
KMG Rompetrol Services Center S.R.L.	12,005	11,824	57,345	56,481
Rompetrol Bulgaria	8,123,929	1,280,638	38,806,384	6,117,352
Rompetrol Moldova S.A.	12,958,932	6,497,001	61,902,226	31,034,874
Rompetrol Financial Group S.R.L.	2,370	2,490	11,321	11,894
Rompetrol Energy S.A.	14,516,407	17,972,390	69,341,973	85,850,513
Byron Shipping S.R.L.	2,014	2,052	9,620	9,802
Midia Marine Terminal S.R.L.	308,340	274,140	1,472,879	1,309,512
Rompetrol Georgia	2,878	1,321	13,748	6,310
Midia Green Energy S.A. former Uzina Termoelectrica	57,568	61,165	274,991	292,173
Midia S.A.				
KMG Rompetrol Development S.R.L.	237,465	9,262,774	1,134,323	44,246,419
Global Security Sistem S.A.	184,784	180,580	882,676	862,595
Total	352,338,494	410,172,809	1,683,050,517	1,959,313,475

Name of related party	December 31,	Payables, loans and other liabilities		December 31,
	2024 USD	December 31, 2023 USD	December 31, 2024 RON	December 31, 2023 RON
			(supplementary info – see Note 2(e))	
KazMunayGas Trading AG	754,510,444	818,928,912	3,604,145,489	3,911,859,627
Rominerv S.R.L.	43,306,909	37,906,755	206,868,443	181,072,987
KMG International N.V.	265,175	617,922	1,266,688	2,951,690
KMG Rompetrol S.R.L.	(453,388)	12,899,763	(2,165,744)	61,619,588
KMG Rompetrol S.R.L. - cash pooling	382,009,994	330,265,125	1,824,785,339	1,577,610,449
Oilfield Exploration Business Solutions S.A.	447,407	395,469	2,137,174	1,889,076
Rompetrol Well Services S.A.	6,845	228,000	32,697	1,089,110
KMG Rompetrol Services Center S.R.L.	425,691	1,158,852	2,033,441	5,535,604
Rompetrol Bulgaria	146,218	118,966	698,454	568,277
Rompetrol Moldova S.A.	26,990,379	14,589,439	128,927,642	69,690,832
Byron Shipping Ltd.	2,018	2,144	9,640	10,241
Rompetrol Energy S.A.	5,968,490	8,363,402	28,510,283	39,950,299
Byron Shipping S.R.L.	-	287	-	1,371
Midia Marine Terminal S.R.L.	1,213,065	2,747,547	5,794,569	13,124,483
KMG Rompetrol Development S.R.L.	4,863,185	5,604,279	23,230,462	26,770,520
Global Security Sistem S.A.	819,226	688,299	3,913,279	3,287,867
Global Security Systems - Fire Services S.R.L.	389,177	586,952	1,859,021	2,803,752
TRG Petrol Ticaret Anonim Sirketi	2,538	2,538	12,124	12,124
Total	1,220,913,373	1,235,104,651	5,832,059,001	5,899,847,897

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27. RELATED PARTIES (continued)

During the period ended December 31, 2024 respectively December 31, 2023, Rompetrol Rafinare Group entered into the following transactions with related parties:

Name of related party	Nature of transaction	December 31, 2024 USD	Sales and other revenues		
			December 31, 2023 USD	December 31, 2024 RON	December 31, 2023 RON
			(supplementary info – see Note 2(e))		
KazMunayGas Trading AG	Fuel	588,029,599	666,236,270	2,808,899,789	3,182,477,415
Rominerv S.R.L.	Fuel, utilities and other services	827,133	1,058,872	3,951,049	5,058,020
KMG International N.V.	Interest	5,993,957	6,759,420	28,631,934	32,288,397
KMG Rompetrol S.R.L	Fuel and other services	35,421,464	49,515,185	169,201,249	236,524,136
Oilfield Exploration Business Solutions S.A.	Fuel	4,333	4,483	20,698	21,414
Rompetrol Well Services S.A.	Fuel and other services	743,001	824,349	3,549,167	3,937,750
Rompetrol Bulgaria	Fuel	21,588,306	21,147,217	103,123,020	101,016,026
Rompetrol Moldova S.A.	Fuel	346,436,053	322,285,653	1,654,855,738	1,539,494,107
Rompetrol Georgia	Fuel	1,737	50	8,297	239
KMG Rompetrol Services Center S.R.L.	Rent and other services	124,449	130,691	594,468	624,285
Midia Marine Terminal S.R.L.	Fuel, rent and other services	437,654	616,303	2,090,586	2,943,956
Byron Shipping S.R.L.	Fuel and other services	15,821	16,273	75,574	77,733
Rompetrol Energy S.A.	Other services	35,048,208	72,622,150	167,418,280	346,901,486
Global Security Sistem S.A.	Fuel	86,329	91,132	412,376	435,319
KMG Rompetrol Development S.R.L.	PPE and other services	(418,077)	1,398,061	(1,997,070)	6,678,258
Total		1,034,339,967	1,142,706,109	4,940,835,155	5,458,478,541

Name of related party	Nature of transaction	December 31, 2024 USD	Purchases and other costs		
			December 31, 2023 USD	December 31, 2024 RON	December 31, 2023 RON
			(supplementary info – see Note 2(e))		
KazMunayGas Trading AG	Purchase of crude oil and other raw materials	2,700,594,682	3,231,119,830	12,900,200,677	15,434,413,204
Rominerv S.R.L.	Acquisition and maintenance of fixed assets	177,358,943	90,159,448	847,208,199	430,673,651
KMG International N.V.	Management services	1,805,068	2,155,753	8,622,449	10,297,601
KMG Rompetrol S.R.L	Management services	78,924,969	101,229,325	377,008,792	483,552,240
Oilfield Exploration Business Solutions S.A.	Management services	64,641	60,240	308,777	287,754
Rompetrol Well Services S.A.	Other services	57,742	57,520	275,822	274,762
Rompetrol Bulgaria	Sales intermediary services	128,992	185,751	616,169	887,295
Rompetrol Moldova SA	Sales intermediary services	46,237	192,095	220,865	917,599
KMG Rompetrol Services Center S.R.L.	Shared services	8,733,994	8,586,773	41,720,543	41,017,297
Midia Marine Terminal S.R.L.	Handling services/Transit	18,164,426	17,255,480	86,767,830	82,425,977
Rompetrol Energy S.A.	Acquisition of utilities	62,724,772	67,959,503	299,623,691	324,628,954
KMG Rompetrol Development S.R.L.	Retail	23,169,816	19,820,051	110,677,577	94,676,420
Global Security Sistem S.A.	Security and protection services	4,275,202	3,966,360	20,421,785	18,946,508
Global Security Sistems - Fire Services S.R.L.	Fire protection services	2,347,102	2,235,527	11,211,637	10,678,665
Total		3,078,396,586	3,544,983,656	14,704,884,813	16,933,677,927

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27. RELATED PARTIES (continued)

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

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

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

The amount of remuneration for key management personnel and Board of Directors for 2024 was of USD 0.75 million (2023: USD 1.29 million), including short-term benefits and bonuses. No member of Board of Directors is entitled to any benefits upon termination of his employment. The Group does not provide loans either to members of the Board of Directors or to members of Group Management. There are no loans outstanding.

The sales to and purchases from related parties are made in the ordinary course of business and are undertaken on a basis that considers prevailing market terms and conditions as applicable to the nature of goods and services provided or received. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 31 December 2024 and 31 December 2023, the Group has recorded an impairment of receivables relating to Oilfield Exploration Business Solutions S.A. in amount of USD 3.9 million (2023: USD 4.2 million). This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

28. EARNINGS PER SHARE

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

	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2023</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>	<u>December 31,</u> <u>2023</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Earnings				
Profit/(Loss) for the year attributable to ordinary equity holders of the parent entity	(68,989,028)	(242,507,037)	(329,546,789)	(1,158,407,614)
Number of shares				
Weighted average number of shares for the purpose of basic earnings per share (see Note 12)	26,559,205,726	26,559,205,726	26,559,205,726	26,559,205,726
Earnings per share (US cents/share)				
Basis	(0.260)	(0.913)	(1.242)	(4.361)

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29. CONTINGENCIES

Romp petrol Rafinare SA- Distressed Assets - Hybrid Conversion

By the Emergency Ordinance (“**EGO**”) 118/2003 approved by Law 89/2005 and the Issuing Convention of 5 December 2003 (“Issuing Convention”), the RON 2,177.7 million of state budget liabilities, including penalties were denominated into 22,812,098 convertible bonds (i.e. a total of EUR 570.3 million at the RON / EUR exchange rate as of 30 September 2003 or 3.8185 RON / EUR or USD 719.4 million at the same date), hereinafter referred to as “Hybrid instruments” or “Bonds”.

The Bonds carried interest and were redeemable on or before maturity, partially or entirely. The bonds not redeemed by 30 September 2010 should be convertible, at a fixed conversion rate, into ordinary shares of Romp petrol Rafinare S.A., at the option of the KMG International NV.

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

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

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

The Memorandum of Understanding includes also the following aspects:

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

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

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

Further on, according to the said Memorandum, Romp petrol Rafinare submitted to the Romanian authorities a requirement for the annulment of the precautionary seizure, but no positive reply was received.

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

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29. CONTINGENCIES (continued)

resolution by which ANAF should issue a decision to cancel the enforcement order and lift the precautionary seizure. On 3 March 2025 ANAF started the appropriate formalities to lift the seizure from refinery units and further Management will assess the potential implications derived from this as stated in the Memorandum of Understanding concluded with the Romanian State.

Contingencies – risk management and internal control

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

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

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

Whistleblowing incidents are taken very seriously by the Group and its directors. Any complaints or allegations received are investigated properly by the assigned departments. The Group has established and maintained an open channel to handle and discuss internal reports concerning finance, internal control and fraud to ensure that all reports will receive enough attention. In line with Irregularity Reporting Policy, the internal investigations conducted during 2024 and up to the approval date of the financial statements did not reveal any cases of ethical misconduct and non-compliance with applicable laws and regulations. The results of all internal investigations were discussed with the Company's statutory bodies, which concluded that the warnings were not confirmed.

30. LEGAL MATTERS

Litigation with the State involving criminal charges

I. Criminal case

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

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

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

The Company lifted the criminal precautionary seizure from the Land Book, finalizing the resolution of the case.

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30. LEGAL MATTERS (continued)

II. Civil files

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

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

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

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

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

Litigation on Tax Assessments received by Rompetrol Rafinare S.A. in 2017

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

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

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

On April 28, 2021, Constanta Court of Appeal rejected Rompetrol Rafinare claim as not grounded.

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30. LEGAL MATTERS (continued)

The Company submitted an appeal in front of the High Court of Justice. The first term was set in the appeal for May 25, 2023, when the Court cancelled the first decision and sent back the file to be re-settled by the Constanta Court of Appeal having the first hearing on December 7, 2023 and on February 22, 2024 the Court admitted partially the challenge of Rompetrol. The court cancelled mainly the fiscal authority decision regarding the amount of RON 6.47 million (USD 1.41 million) referring to withholding tax for non-residents and related penalties, and sets that the amount of RON 80.5 million (USD 17.5 million) should be included in the fiscal loss. The first hearing in the High Court is scheduled for June 19, 2025.

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

Litigations between Rompetrol Rafinare and National Company – Constanta Maritime Port Administration S.A.

In consideration of the violation by Compania Nationala Administratia Porturilor Maritime Constanta (*National Company of Constanta Maritime Ports Administration*) of the legal provisions regulating its activity, in the sense that it does not ensure the maintenance in operational parameters of the Midia port found under its administration, so as to ensure the safety of navigation, the preservation of at least the technical features designed for the port, the assurance of safe access and operation, the company initiated a Court claim against the Constanta Port Administration for Rompetrol Rafinare damages related to lower port drafts during January - May 2015 (0.8 million USD) and for restitution of dredging expenses (USD 1.7 million). On 19 May 2017, the Court partially admitted the claim of the plaintiff Rompetrol Rafinare SA against the defendant Constanta Port Administration and obliged the defendant to pay the plaintiff:

- The amount of EUR 1.57 million, representing dredging expenditures paid by Rompetrol Rafinare SA, during the period 30 April 2015 - 11 May 2015;
- The amount of RON 0.079 million representing legal costs.

Both parties filed for appeal against the solution pronounced by first court. On 27 December 2017, Constanta Court of Appeal admitted the appeal filed by Constanta Port Administration, reject the appeal filed by Rompetrol Rafinare SA and changed the sentence pronounced by the first court, so all the claims of Rompetrol Rafinare against APMC have been rejected. Rompetrol Rafinare submitted the appeal within 30 days since the communication of the decision issued by Constanta Court of Appeal. The decision has been communicated and the recourse has been filled by Rompetrol Rafinare SA on 6 August 2018. The case is in filter proceedings, and the first hearing term will be established later. During the filter proceedings, National Company "Administratia Porturilor Maritime" SA has raised the exception of inadmissibility of our recourse, motivated by the fact that, according to art. 483 paragraph 2 of the Civil Procedure Code, the decisions regarding the civil navigation and port activity processes are exempted from the right of recourse. Rompetrol Rafinare SA has raised the exception of unconstitutionality regarding the art. 483 paragraph 2 of the Civil Procedure Code. From this reason, The High Court of Cassation and Justice has suspended the procedure until the Constitutional Court solves the exception submitted by Rompetrol Rafinare.

In the file registered for this purpose at the Constitutional Court under no. 1639D/2019, the Court issued its decision on 30 January 2024, rejecting the exception of unconstitutionality raised by Rompetrol Rafinare.

Following this solution, it is expected that The High Court of Cassation and Justice will reopen its recourse file and a hearing date will be fixed and announced to the parties, when the recourse will have to be solved. On October 17, 2024, the High Court of Justice rejected the Company's recourse as inadmissible. Against this solution the Company submitted an appeal for annulment before the High Court of Cassation and Justice which, on 11 February 2025, was rejected as inadmissible, without any possible appeal.

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30. LEGAL MATTERS (continued)

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

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

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

The next hearing is scheduled for April 8, 2025.

Considering the allegations, each company is facing, a maximum exposure of approximately USD 0.8 million (RON 3.6 million).

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

Criminal case concerning Petromidia Refinery incident on July 2nd 2021

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

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

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

DIICOT Criminal Investigation File in connection with Vega lagoons greening Project

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

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

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30. LEGAL MATTERS (continued)

Vega lagoons greening Project located on the territory of Vega Refinery

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

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

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

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

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

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

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

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

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

Windfall tax litigation

Case for 2022 windfall tax

Following the enactment of Emergency Ordinance No. 186/2022 regarding the emergency intervention to address the high energy prices, Rompetrol Rafinare paid on June 2023 the amount of USD 128 million.

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

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30. LEGAL MATTERS (continued)

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

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

Case for 2023 windfall tax

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

Turnover tax litigation

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

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

On September 24, 2024, the Court rejected Rompetrol Rafinare's request for suspension of the turnover tax payment. The Supreme Court's final decision on suspension is expected until March 31, 2025 unless postponed.

To date, Rompetrol Rafinare has paid a total of \$6.2 million in turnover tax for the first two quarters of 2024.

Since the administrative complaint was rejected, the company challenged it in court. The first hearing was set for February 13, 2025 when the court suspended the case and forward the file to Constitutional Court. The next hearing date in front of the Constitutional Court has not yet been set.

Vega Refinery (wastewater treatment supply services)

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

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

The Corlătești Plant has been providing wastewater treatment services for the Vega Refinery even before privatization occurred in 1999. The Plant was operated by Gentoil SRL until December 2023.

Subsequently, the treatment facilities were managed by Ecorin SRL, which provided services to the Vega Refinery until May 2024. The price for wastewater treatment services at that time ranged from 3 to 4.93 RON/m³ of treated wastewater.

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

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30. LEGAL MATTERS (continued)

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

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

A main claim was submitted on June 17, 2024.

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

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

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

Vega Refinery activity

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

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

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

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31. COMMITMENTS

Environmental risks and obligation

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

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

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

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

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

Climate change and energy transition

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

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

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

However, meeting the goals of the low-carbon economy is a global aspiration that must be cemented in reality. This requires the world economy to transform in complex and connected ways and Group's consolidated Financial Statements for the year ended 31 December 2024 reflect the actual situation as it currently exists and what Management reasonably expects in the foreseeable future based on current facts and evidence.

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

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

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31. COMMITMENTS (continued)

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

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

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

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

War and conflict risk

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

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

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

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

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

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31. COMMITMENTS (continued)

Cyber risk

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

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

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

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

Work safety and safe operations

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

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

Other commitments

As of 31 December 2024, Rompetrol Rafinare S.A. has contracted capital commitments for projects related to capital maintenance, authorizations and compliance with Euro standards and other projects at the Petromidia refinery of USD 20.4 million (2023: USD 82.2 million) and Vega refinery of USD 0.68 million (2023: USD 4.6 million). As of 31 December 2024, Rompetrol Downstream S.R.L has contracted capital commitments of USD 0.04 million (2023: USD 0.04 million).

Sale and purchase commitments

As of 31 December 2024, the Group's main commitments relate to Rompetrol Rafinare S.A. which has non-group commitments for purchases of raw materials and utilities of USD 3,498.23 million (2023: USD 3,716.63 million) and for sales of petroleum, petrochemicals products and utilities sales of USD 2,212.10 million (2023: USD 1,904.99 million).

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

32.1. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of bank debt and shareholder loans (see Note 13 and Note 18), cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the "Consolidated Statement of Changes In The Shareholders' Equity".

32.2. Gearing ratio

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	USD	USD
Debt (excluding shareholder loans and related parties)	599,649,236	579,134,281
Cash and cash equivalents	(94,030,970)	(155,955,200)
Net debt	505,618,266	423,179,081
Equity (including shareholder loans and related parties)	216,929,247	286,338,066
Net debt to equity ratio	2.33	1.48

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

32.3. Categories of financial instruments and fair values

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial assets		
Trade and other receivables	495,036,761	563,169,582
Long-term receivables	7,838,702	12,448,780
Cash and cash equivalents	94,030,970	155,955,200
TOTAL FINANCIAL ASSETS	596,906,433	731,573,562
Financial liabilities		
Long-term borrowings	275,900,000	265,900,000
Derivative financial instruments	4,519,724	251,864
Other non-current liabilities	152,917	438,964
Trade and other payables	1,268,591,444	1,307,098,579
Short-term borrowings banks	45,838,959	42,856,586
TOTAL FINANCIAL LIABILITIES	1,595,003,044	1,616,545,993

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

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

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

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

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

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques;
- The Group enters into derivative financial instruments with various counterparties. As at 31 December 2024, the marked to market value of derivative position is for financial instruments recognized at fair value.

32.4. Fair value hierarchy

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

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

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

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

	<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets				
Trade and other receivables	563,169,582	-	563,169,582	-
Long-term receivables	12,448,780	-	12,448,780	-
Cash and cash equivalents	<u>155,955,200</u>	<u>155,955,200</u>	-	-
TOTAL FINANCIAL ASSETS	<u>731,573,562</u>	<u>155,955,200</u>	<u>575,618,362</u>	<u>-</u>
Financial liabilities				
Long-term borrowings	265,900,000	-	265,900,000	-
Derivative financial instruments	251,864	-	251,864	-
Other non-current liabilities	438,964	-	438,964	-
Trade and other payables	1,307,098,579	-	1,307,098,579	-
Short-term borrowings banks	<u>42,856,586</u>	-	<u>42,856,586</u>	-
TOTAL FINANCIAL LIABILITIES	<u>1,616,545,993</u>	<u>-</u>	<u>1,616,545,993</u>	<u>-</u>

During the reporting period ending 31 December 2024 and 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

32.5 Derivative financial instruments

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

Statement of financial position:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Derivative financial asset	-	-
Derivative financial liability	(4,519,724)	(251,864)
Net position - asset/(liability)	(4,519,724)	(251,864)

Income Statement:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Realised (gains)/losses - net	(41,556,146)	(141,799)
Total position - loss/(gain) - in Cost of sales	(41,556,146)	(141,799)

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Derivative asset/(liability) 2023	(251,864)	(1,980,558)
Cash payments	(2,246,906)	(131,160)
Reserves	(2,020,954)	1,859,854
Derivative asset/(liability) 2024	(4,519,724)	(251,864)

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

The income statement results recorded in 2024 and 2023 are presented in Cost of sales, detailed in Note 21.

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

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

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

32.6 Market risk

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

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

32.7. Foreign currency risk management

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

	Liabilities		Assets	
	2024	2023	2024	2023
Currency RON	718,588,544	1,400,454,954	549,250,956	542,135,787
Currency EUR	34,517,310	44,367,383	13,687,586	72,898,933

32.8. Foreign currency sensitivity analysis

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

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

		RON		EUR	
		2024	2023	2024	2023
USD	USD				
Profit/ (loss)	5%	(8,466,879)	(42,915,958)	(1,041,486)	1,426,577
	-5%	8,466,879	42,915,958	1,041,486	(1,426,577)

32.9. Interest rate risk management

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

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's: profit for the year ended 31 December 2024 would decrease / increase by USD 9,508 thousand (2023: decrease / increase by USD 41,489 thousand).

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

32.10. Liquidity risk management

The tables below summarize the maturity profile of the Group's financial liabilities at 31 December 2024 and 31 December 2023 based on contractual undiscounted payments, including interest payable until the end of the contracts for finance leasing and loans.

Year ended December 31, 2024	<u>Less than 1 month or on demand</u>	<u><3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>>5 years</u>	<u>Total</u>
Long-term debt	-	4,890,328	14,670,983	280,790,327	-	300,351,638
Long-term net obligations under lease agreements	-	-	-	105,209,734	343,752,380	448,962,114
Trade and other payables	549,008,878	724,521,710	1,346,526	-	-	1,274,877,114
Derivative financial instruments	-	4,519,724	-	-	-	4,519,724
Short-term net obligations under lease agreements	-	6,958,149	20,874,446	-	-	27,832,595
Short-term debt	-	12,281,286	35,011,611	108,640	-	47,401,537
Other non-current liabilities	-	<u>152,921</u>	-	-	-	<u>152,921</u>
	<u>549,008,878</u>	<u>753,324,118</u>	<u>71,903,566</u>	<u>386,108,701</u>	<u>343,752,380</u>	<u>2,104,097,643</u>
Year ended December 31, 2023	<u>Less than 1 month or on demand</u>	<u><3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>>5 years</u>	<u>Total</u>
Long-term debt	-	5,384,475	16,153,425	292,822,375	-	314,360,275
Long-term net obligations under lease agreements	-	-	86,742	105,779,064	359,355,353	465,221,159
Trade and other payables	1,249,873,199	52,111,553	14,033,717	-	-	1,316,018,469
Derivative financial instruments	-	251,864	-	-	-	251,864
Short-term net obligations under lease agreements	-	4,422,797	13,268,392	59,062	-	17,750,251
Short-term debt	-	8,832,573	35,464,052	299,357	-	44,595,982
Other non-current liabilities	<u>438,969</u>	-	-	-	-	<u>438,969</u>
	<u>1,250,312,168</u>	<u>71,003,262</u>	<u>79,006,328</u>	<u>398,959,858</u>	<u>359,355,353</u>	<u>2,158,636,969</u>

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

32.11. Commodity price risk

The Group is affected by the volatility of prices of crude oil, oil products and by refinery margins. Its operating activities require ongoing purchase of crude oil to be used in its production as well as supplies to its clients. Due to significantly increased volatility of crude oil prices, the management developed a hedge policy which was presented to the Group's Board of Directors and was approved in most significant aspects in 2010 and with some further amendments in February 2011. Following this approval, the Group started on January 2011 to hedge commodities held by Rompetrol Rafinare and in 2014 it was implemented a hedging program in Rompetrol Downstream.

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

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

The hedge program for 2024 includes: Rompetrol Rafinare Inventory and Cracks hedge, Rompetrol Downstream Inventory, Auction and Forex for excise hedge.

At Rompetrol Rafinare SA and Rompetrol Downstream SRL level, total 2024-year hedging (paper) result has been of USD +37.55 million, out of which USD +41.55 million Realized Result and USD -4 million Unrealized Result. Also, the Physical result has been USD -9.34 million.

The net impact of the commodity hedges was positive (Hedge Result + Physical Result), USD +28.2 million in 2024, mainly driven by the Cracks hedge (+34.84 mil USD). Rompetrol Rafinare SA managed to hedge (sell paper) 1.213 KT (diesel, gasoline, jet, naphtha cracks) for May-Dec 2024 and 861 KT for Jan-Dec 2025 at a strike/hedge price of 151.6\$/MT, with +17.4\$/MT better than the Budget of 134.2\$/MT. At the end of Dec'24, the Market price (actual + forward) for May '24-Dec '25 was 136.4\$/MT. The Market price decreased vs Hedge level because of middle distillates (diesel & jet) fall due to low demand and high imports to Europe from India, the Persian Gulf and US. Considering all of this, the Refinery has at the end of Dec '24 the following results for Cracks hedging program:

- Physical= +4.57mil USD, because the Market price (136.4\$/MT) was higher than the Budget (134.2\$/MT), and resulted in a we gain of +2.2\$/MT x 2.074KT.
- Paper= +30.26mil USD, because the Market price (136.4\$/MT) was lower than the Hedge level (151.6\$/MT) and considering the protection against market decrease, the effect resulted in a gain of +15.2\$/MT x 2.074KT.
- Net result = Physical + Paper = +34.84mil USD (saving vs Budget)

Out of this, the Realized hedge impact booked in P&L for Cracks hedge as of YTD Dec'24 is +32.59mil USD. The difference of -2.32mil USD is Unrealized (MTM) for Jan 25-Dec 25 period.

Overall, the total Realized hedge impact booked in P&L at the Group level in 2024 is +41.76 mil USD, including inventory (+8.14mil USD), forex (+0.83mil USD) and interest rate (+0.21mil USD).

The Group's refining activity is exposed to the rising prices of EUA certificates. The CO2 emissions of the Rompetrol refinery are offset with EUA certificates. For the current year, the Company has covered the certificate requirements. As a mitigation measure, the Financial Risk Management Department is

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

monitoring the EUA certificate market to cover the EUA deficit of the refinery for the remaining years of Phase IV (2024-2025) and the subsequent years. When the market price will be within the target level of the Group, hedge operations will be carried on.

32.12. Credit risk

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

Trade receivables

The retail operational segment is exposed to credit risk. Outstanding customer receivables are regularly monitored. Sales to KazMunayGas Trading AG, a related party represent 16% of the Group's revenues. The requirement for impairment is analyzed on a regular basis, being undertaken on an individual basis as well as collectively on the basis of ageing.

Cash pooling and bank deposits

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

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33. SUBSEQUENT EVENTS

In February 2025, Rompetrol Rafinare SA entered into a repurchase agreement (repo) with KazMunayGas Trading AG involving the sale of 730,000 CO2 certificates. Under the terms of the agreement, the Company is obligated to repurchase the certificates in September 2025. The transaction was undertaken to optimize cash flow management and does not represent a permanent disposal of the CO2 certificates.

The consolidated financial statements have been endorsed by the Board of Directors on 26 March 2025 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2025 by:

FLORIAN – DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

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KMG INTERNATIONAL N.V.
National Welfare Fund "Samruk Kazyna" JSC (67.48%), Ministry of Finance of Republic of Kazakhstan (20%),
National Bank of the Republic of Kazakhstan Banca (9.58%) and other shareholders (2.94%)