ROMPETROL WELL SERVICES SA

STANDALONE FINANCIAL STATEMENTS

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

31 December 2025

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ROMPETROL WELL SERVICES SA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended as at 31 December 2025
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	2025	2024
Revenue		**63,297,288**	**74,674,449**
Revenues from contracts with customers	2	62,829,476	74,196,791
Rental revenues	2.1	467,812	477,658
Other operating income	3.1	3,156,225	2,349,842
OPERATING INCOME – TOTAL		**66,453,513**	**77,024,291**
Expenses with consumables		(17,641,187)	(21,349,833)
Power and water expenses		(520,040)	(480,638)
Merchandise expenses		(12,507)	(5,542)
Payroll costs, out of which:	5	(24,802,284)	(23,634,538)
- Salaries		(23,140,941)	(22,325,139)
- Social security contributions		(786,580)	(728,693)
Fixed assets' value adjustments, of which	8,9,10,18	(5,225,998)	(4,297,366)
- Depreciation and amortization		(5,225,998)	(4,806,037)
- Impairment of property, plant and equipment		0	508,671
Allowance for inventories	13	(49,079)	(45,090)
Allowance for expected credit losses	14	31,666	(6,596)
Expenses with third-party services	3.2	(15,079,481)	(17,571,637)
Taxes, duties and similar expenses	3.4	(1,282,202)	(763,325)
Other operating expenses	3.3	(95,379)	(261,161)
OPERATING EXPENSES – TOTAL		**(64,676,491)**	**(68,415,726)**
OPERATING PROFIT / (LOSS)		**1,777,022**	**8,608,565**
Interest income		3,617,104	3,760,374
- of which, income from related parties		3,600,458	3,746,786
Other financial income		75,945	29,419
FINANCIAL INCOME - TOTAL	**4.1**	**3,693,049**	**3,789,793**
Financial expenses		(705,155)	(621,633)
FINANCIAL EXPENSES - TOTAL	**4.2**	**(705,155)**	**(621,633)**
FINANCIAL PROFIT / (LOSS)		**2,987,894**	**3,168,160**
PROFIT / (LOSS) BEFORE TAX		**4,764,916**	**11,776,725**
Income tax expense	6	(902,615)	(1,539,418)
PROFIT / (LOSS) FOR THE YEAR		**3,862,301**	**10,237,307**
Earnings per share (Basic and Diluted)	7	**0.0139**	**0.0368**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):		**2,594,535**	**3,041,382**
Actuarial gain / (losses) relating to retirement benefits		(287,526)	(116,213)
Remeasurement of fair value of equity instruments measured at fair value through other comprehensive income		2,882,061	3,157,595
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, net of tax		**6,456,836**	**13,278,689**

The Financial Statements from page 1 to page 56 were approved by the Board of Directors on 26 March 2026 and are signed in his name by:

Administrator,
FLOREA Georgian Stefan

Signature

Prepared by,
MOISE Luiza-Roxana
Finance Manager

Signature

ROMPETROL WELL SERVICES SA
STATEMENT OF FINANCIAL POSITION
For the year ended as at 31 December 2025
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property, Plant & Equipment	8	20,678,492	22,505,869
Right of use assets	18.1	9,867,450	10,143,052
Investment property	9	376,991	395,594
Intangible assets	10	8,290	20,725
Equity instruments at FVOCI	11	23,510,690	20,079,665
Other financial assets	12	6,124,316	10,851,052
Total non-current assets		**60,566,229**	**63,995,957**
Current assets			
Inventories, net	13	6,264,948	5,479,481
Trade and other receivables	14	18,393,346	13,031,556
Availabilities in cash pooling system	21	43,379,232	47,109,341
Other current assets	15	881,661	1,018,381
Collateral cash for guarantee letters	16.1	380,880	1,203,143
Cash and deposits	16	3,100,608	298,005
Total current assets		**72,400,675**	**68,139,907**
Total assets		**132,966,904**	**132,135,864**
Capital and reserves			
Capital			
Share capital, of which:		28,557,446	28,557,446
Subscribed and paid in share capital	17.1	27,819,090	27,819,090
Share capital adjustments	17.2	738,356	738,356
Legal reserves		5,563,818	5,563,818
Other reserves		36,432,514	33,837,979
Retained earnings		12,854,944	12,854,944
Retained earnings Other		18,041,378	18,041,378
Current result		3,862,301	10,237,307
Total equity		**105,312,401**	**109,092,873**
Long-term liabilities			
Employee benefits liabilities	19	1,097,956	1,249,466
Deferred tax liabilities	6	3,127,508	2,599,476
Lease liabilities	18.2	1,919,457	3,603,822
Other liabilities		112,470	73,635
Total long-term liabilities		**6,257,391**	**7,526,399**
Current liabilities			
Trade and other payables	20	17,694,107	12,073,500
Income tax payable	6	669,819	874,108
Lease liabilities	18.2	3,033,186	2,568,984
Total current liabilities		**21,397,112**	**15,516,592**
Total liabilities		**27,654,503**	**23,042,991**
Total equity and liabilities		**132,966,904**	**132,135,864**

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Finance Manager

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For the year ended as at 31 December 2025	Share capital	Legal reserves	Other reserves	Retained earnings	Retained earnings Other	Current result	Total equity
Balance at 1 January 2025	**28,557,446**	**5,563,818**	**33,837,979**	**12,854,944**	**18,041,378**	**10,237,307**	**109,092,873**
Profit for the year	**-**	**-**	**-**	**-**	**-**	3,862,301	3,862,301
Other comprehensive income	**-**	-	**2,594,535**	**-**	-	**-**	**2,594,535**
Remeasurement of fair value of financial assets measured at fair value through other comprehensive income (b)	-	-	2.882.061	-	-	-	2.882.061
Actuarial gain / (losses) relating to retirement benefits (a)	-	-	(287.526)	-	-	-	(287.526)
Total comprehensive income	**-**	**-**	**2,594,535**	**-**	**-**	**3,862,301**	**6,456,836**
Profit distribution	-	-	-	10,237,307	-	(10,237,307)	-
Dividends	-	-	-	(10,237,307)	-	-	(10,237,307)
Balance at 31 December 2025	**28,557,446**	**5,563,818**	**36,432,514**	**12,854,944**	**18,041,378**	**3,862,301**	**105,312,401**

For the year ended as at 31 December 2024	Share capital	Legal reserves	Other reserves	Retained earnings	Retained earnings Other	Current result	Total equity
Balance at 1 January 2024	**28,557,446**	**5,563,818**	**30,796,597**	**12,854,944**	**18,041,378**	**11,767,863**	**107,582,046**
Profit for the year	**-**	**-**	**-**	**-**	**-**	10,237,307	10,237,307
Other comprehensive income	**-**	-	**3,041,382**	**-**	-	**-**	**3,041,382**
Remeasurement of fair value of financial assets measured at fair value through other comprehensive income (b)	-	-	3,157,595	-	-	-	3,157,595
Actuarial gain / (losses) relating to retirement benefits (a)	-	-	(116,213)	-	-	-	(116,213)
Total comprehensive income	**-**	**-**	**3,041,382**	**-**	**-**	**10,237,307**	**13,278,689**
Profit distribution	-	-	-	11,767,863	-	(11,767,863)	-
Dividends	-	-	-	(11,767,863)	-	-	(11,767,863)
Balance at 31 December 2024	**28,557,446**	**5,563,818**	**33,837,979**	**12,854,944**	**18,041,378**	**10,237,307**	**109,092,873**

For details regarding reserves, please see note 17.3.

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Finance Manager

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Indirect method

Name of item	Note	Year ended at 31 december 2025	Year ended at 31 december 2024
Cash flows from operating activities:			
Profit before tax		**4,764,916**	**11,776,725**
Adjustments for:			
Depreciation related to tangible assets and investment properties	8, 9	3,443,451	3,170,500
Depreciation related to right of use assets	18.1	1,770,594	1,596,609
Amortization related to intangible assets	10	12,434	38,927
Impairment related to tangible assets and investment properties	8	-	(508,671)
Provisions for post-employment benefits plans and other provisions	19	(574,919)	(143,268)
Provision for inventory	13	49,079	45,090
Allowance for trade and other receivables	14	(31,666)	6,596
Trade receivables and sundry debtors write off	3.3	2,715	-
Earnings from debts write-off (unclaimed dividends)	3.1	(2,974,701)	(2,129,875)
Interest income	4.1	(3,617,104)	(3,760,374)
Interest expense	4.2	398,743	554,057
Net foreign exchange differences		183,530	24,847
Loss / (gain) from disposal of property, plant and equipment		(7,742)	(59,065)
Operating profit before working capital changes		**3,419,331**	**10,612,099**
(Increase) / Decrease of guarantees letters		5,548,999	(5,352,211)
(Increase) / Decrease of trade and other receivables		(3,135,328)	5,259,839
(Increase) / Decrease of inventories		(833,928)	(82,529)
Increase / (Decrease) of trade and other payables		2,053,921	899,015
Payments of interest portion of lease liabilities	18.2	(316,347)	(475,419)
Paid income tax		(1,073,069)	(1,085,905)
Net cash flow from operating activities		**5,663,578**	**9,774,889**
Cash flows from investing activities:			
Purchase of tangible and intangible assets		(3,664,590)	(3,789,334)
Proceeds from sale of tangible and intangible assets		32,240	70,351
Interim dividends received		6,007,975	-
(Increase) / Decrease of cash pooling balance		3,735,477	3,570,481
Interest received		3,611,736	3,811,374
Net cash from investing activities		**9,722,838**	**3,662,873**
Cash flows from financing activities:			
Payments of principal portion of lease liabilities		(2,902,622)	(2,653,610)
Dividends paid to equity holders		(9,681,191)	(11,134,689)
Net cash flows from financing activities		**(12,583,813)**	**(13,788,299)**
Net (decrease) / increase of cash and cash equivalents		2,802,960	(350,989)
Net foreign exchange differences		(356)	452
Cash and cash equivalents at the beginning of the financial year		298,005	648,543
Cash and cash equivalents at the end of the financial year		**3,100,607**	**298,005**

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Administrator,
FLOREA Georgian Stefan

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Prepared by,
MOISE Luiza-Roxana
Finance Manager

Signature

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES

The financial statements of **ROMPETROL WELL SERVICES SA** for the financial year ended as at 31 December 2025 are approved according to the resolution of the Board of Directors dated 26 March 2026.

Rompetrol Well Services SA ("the Company") is a stock company, registered office located in Ploiesti, Clopotei Street, No. 2 bis, Romania. The Company is registered with the Trade Register under the number J1991000110297.

It was turned into a joint-stock company named SC PETROS SA based on the Government Decision no. 1213 of November 1990, under the Law 15/1990, and operated under such name until September 2001 when its name was changed into ROMPETROL WELL SERVICES SA.

The Company is part of the KazMunayGas Group. The annual consolidated financial statements are prepared at the level of the parent company, KMG International NV, with the head office located in Strawinskylaan 1571, Tower Ten, 17th Floor, 1077 XX, Amsterdam, The Netherlands.

The ultimate parent of KMG International NV is the National Wealth Fund JSC "Samruk-Kazyna", an entity based in Kazakhstan, fully owned by the State of Kazakhstan.

The company's scope of business mainly consists of: special well operations, rent of special well tools and devices, other services provision. The Company provides services for both domestic and foreign markets. Its long history in both the domestic and the foreign oil industry makes it a competitive, reliable and serious partner for a large range of services:

- Primary and secondary cementing;
- Acidizing and cracking services;
- Sand-Control services (reinforcement and packing);
- Well nitrogen treatment services;
- Well testing services;
- Well lining services;
- Drilling tools and instrumentation rental services.

These annual stand-alone financial statements are public and available on https://rompetrolwellservices.com/, on Investor Relations section.

1.1. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

Starting with 31 December 2012, the financial statements of the Company are prepared in accordance with the Order no. 1286/2012 of the Ministry of Public Finance, the latest regulation being Order no. 2844/2016 of the Ministry of Public Finance, approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market. Such provisions are aligned with the requirements of the IFRS accounting standards, as adopted by the European Union, except for the provisions of IAS 21 - The Effects of Changes in Foreign Exchange Rates regarding the functional currency.

In order to prepare these financial statements, pursuant to the Romanian legal requirements, the functional currency of the Company is deemed to be the Romanian Leu (RON).

The financial statements of the Company are based on the historical cost principle, except for equity investments measured as fair value through other comprehensive income. The stand-alone financial statements are presented in RON and all amounts are rounded up in RON unless otherwise specified.

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

The financial statements of the Company are prepared based on the going concern principle.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

1.2. MATERIAL ACCOUNTING PRINCIPLES, POLICIES AND METHODS

a) The going concern principle

The financial statements of the Company were drawn up based on the principle of continuity of activity. The management of the company considers that there are no material uncertainties that could raise significant doubts about this assumption. The management formed a judgment according to which there is a reasonable expectation that the Company has adequate resources to continue the operational activity for the foreseeable future and not less than 12 months from the date of approval of financial statements.

The current existing regulations on climate changes does not have a direct impact on the activities of the Company. However, the Company considered the global requirements to reduce the level of CO2 emissions, and incorporated this requirements in the investments program. Thus, equipment acquired comply with the latest standards regarding CO2 emissions. The thermal engines used by machines in daily operations are in accordance with the European legislation regarding emissions.

Despite the constantly changing market conditions, the Company has managed to secure its leading position in the specific market segment through diversity and flexibility in offering specialized services tailored for each individual client. It provides a wide range of services for oil and natural gas wells (cementing, stimulation, well casing operations, etc.). From an operational point of view, during 2025, the Company carried out a number of 69 primary cementing operations, 163 secondary cementing operations and 425 stimulation operations. From a commercial point of view, the Company participated in all publicly announced tenders in order to ensure the activity for the next period. It is estimated that during the year 2026 the Company will register a level of sales similar to 2024.

The impact from the change in the macroeconomic environment (i.e. interest rate increase, increased inflation rate) was considered in the approved business plan which shows a constant level of profitability.

The military conflict between Russia and Ukraine as well as the conflict in Middle East, created the base for an inherent risk of supply chain disturbances for the Company and a continuous impact on the European and global economies through financial markets volatility, inflation and exchange rate depreciation pressure. The Company does not have direct exposure to the impacted areas since its main operations and its main customers activate only on the local market. However, the impact on the general economic situation may require revisions of certain assumptions and estimates.

Considering all the above as well as next year cash flow projections based on existing and renewed commercial contracts, the financial statements of the Company were prepared based on the going concern principle.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

b) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss resulted from the re-conversion of non-monetary items is treated in line with the recognition of gain or loss upon the change in fair value (i.e., the exchange rate differences on items whose fair value gain or loss is recognised in Other elements of comprehensive income, or the profit or loss are also recognised in Other elements of comprehensive income, profit or loss, respectively).

The exchange rates used to translate the balances denominated in foreign currency as at 31 December 2025 were, for RON:

	31 December 2025	31 December 2024
1 EUR	5.0985	4.9741
1 USD	4.3417	4.7768

c) Financial instruments

A financial instrument is any contract which produces a financial asset for a company and a financial liability or equity instrument for another entity. The Company's financial assets include cash and cash equivalents, trade receivables and other receivables (including loans to related parties) and financial investments. The Company's financial liabilities include trade liabilities and other liabilities. The accounting policies for the recognition and measurement of each item are described in this Note.

Initial and subsequent measurement

Financial assets and liabilities are initially measured at fair value. Transaction costs which are directly attributable to acquisition or issuance of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added at initial recognition or deducted from the fair value of respective financial asset or liability, if applicable.

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

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.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

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. The company measures financial assets at amortized cost, except for fair value of equity instruments in relation to investments in Rompetrol Rafinare SA and Rompetrol Logistics SRL which are measured at fair value through other comprehensive income.

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.

Financial liabilities are classified as subsequently measured at amortized cost.

For purposes of subsequent measurement, the company's specific financial assets and liabilities are classified in three categories:

- Financial asset measured at amortized cost (Receivables and loans granted); and
- Trade payables and other liabilities at amortised cost;
- Financial assets measured at fair value through other comprehensive income (Financial assets, Note 1h).

Receivables and loans

This category is the most relevant to the Company. Receivables and loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Trade payables and other liabilities

Trade payables and other liabilities are subsequently measured at amortized cost, using the effective interest rate. The effective interest method is a method to calculate the amortized cost of a financial liability and to allocate interest expenses from the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the financial liability (including all paid or received commissions which are part of the effective interest rate, transaction costs and other bonuses or discounts) or (if the case) on a shorter period, to the net carrying amount from the initial recognition.

Derecognition

A financial asset is primarily derecognised 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.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

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 its continuing involvement. In that case, the Company also recognises 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.

A financial liability is derecognised 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 recognised in the statement of profit or loss.

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 realise the assets and settle the liabilities simultaneously.
The Company participates in a cash pooling arrangement, whereby bank balances of participating entities are regularly swept to or funded from a central account (the "pool leader"). As a result, participating entities recognise intercompany balances with the pool leader.
Considering the existing legally enforceable right to set off the recognised amounts, the intension to settle on a net basis, as well as the frequency of transactions and their high value, the Company elected to present cash pooling balances on a net basis.

d) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for 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.

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.

The Company analysis if a financial asset is in default when contractual payments are 90 days past due. 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

e) Property, plant and equipment

Property, plant and equipment are stated at cost less cumulative depreciation and, if the case, less loss from impairment, in the financial statements of the Company.

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 put to operation, such as repairs and maintenance are charged to the profit and loss statement in the period in which the costs are incurred. In cases where it can be proved that expenses have increased the future economic benefits obtained from the use of tangible assets besides the standard evaluation of its performance, the expenditure is capitalized as additional costs of the property, plant and equipment.

Construction in progress represents plant and properties under construction and is stated at cost, less any impairment loss. This includes the cost of construction and other direct costs. Depreciation of these and other assets is registered starting with the date when they are ready to be used for the activity they are intended for.

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

	Years
Buildings and other constructions	5 - 50
Machinery and other equipment	3 - 27
Vehicles	3 - 15

The useful life and methods of depreciation of tangible assets are revised at each financial year end and adjusted prospectively if the case.

When assets are sold or disposed of, their cost and related accumulated depreciation are removed and any income or loss resulting from their output is included in the profit or loss account.

f) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at their historical cost less the provisions for depreciation and impairment. Depreciation of investment properties is computed using straight-line method through their useful life of between 35 and 40 years.

For the purpose of disclosure of fair values, they are consequently assessed by an accredited external, independent valuator, by applying a valuation model recommended by the International Valuation Standards Committee. The valuation is performed at least every 3 years. For more details, please refer to Note 9.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

g) Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. After the initial recognition, intangible assets are measured at cost less the 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 mainly of software and licenses and are amortized on a straight-line basis over 3 to 5 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 programmers are expensed as incurred.

h) Equity instruments at FVOCI

Equity instruments at FVOCI represent strategic long term investments and are recorded at fair value through other comprehensive income.

Dividends received from entities in which the Company has shares are recognized in profit and loss account of the year when the right of the Company to collect final dividends is established.

The changes in fair value are recognized in other elements of the comprehensive income until the investment is derecognized, moment when the cumulative gain or losses are reclassified from other equity reserves in the retained earnings account for the respective period.

Fair value is the price received from selling an asset or the price paid to transfer a liability in a normal transaction between market participants, at the date of the valuation.

Valuation at fair value implies that the asset is exchanged in a normal transaction for the sale of the asset or transfer of the debt, between market participants, at the valuation date, under current market conditions. In a valuation at fair value it is assumed that the transaction of sale of the asset takes place either:

- on the main market of the asset, or
- in the absence of a main market, on the market most advantageous for the asset.

The valuation at fair value of an asset is based on the assumption that market participants would use when determining the value of the asset, assuming that market participants act to obtain maximum economic benefit.

The Company uses valuation techniques appropriate to the circumstances and for which there are available sufficient data for fair value valuation, using to the maximum the relevant observable input data and minimizing the unobservable input data used.

The financial assets that are the object of valuation at fair value are classified within the fair value hierarchy, based on the input data, which is the necessary basis for selecting and using the necessary approach for its reliable determination. The data entry hierarchy consists of three levels:

(i) Level 1 - prices quotations (unadjusted) on active markets for identical assets and liabilities, to which the entity has access to at the valuation date;
(ii) Level 2 - entry data, other than the price quotations included in level one, which are observed for assets or liabilities, either directly or indirectly;
(iii) Level 3 - non-observable entry data for assets or liabilities.

Additional details on structure of financial assets, classified according to IFRS 9 in financial assets valued at fair value through other comprehensive income, are presented in Note 11.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

i) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have undergone 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 order to determine the recoverable amount of property, plant and equipment, the Company uses value in use, this being assessed based on estimated future cash flows that are discounted to their present value using a pre-tax discount rate. The discount rate 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 already.

The current existing legislation on climate changes does not have a direct impact on the activities of the Company. However, the Company considered the global requirements to reduce the level of CO2 emissions, and incorporate these requirements in the investments programs. Thus, equipment acquired comply with the latest standards regarding CO2 emissions. The thermal engines used by machines in daily operations are in accordance with the European legislation regarding emissions.

The company bases its impairment computation on detailed budgets and forecast calculations which cover a period of 7 years considering the average remaining useful life of specialized assets used by the Company. A long-term growth rate is calculated and applied to the future cash flows determined based on the company's budgets and forecasts.

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 its revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss is reversed, 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 if no impairment loss had been recognized for the asset (cash-generating unit) in prior years.

j) 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 a provision to be reimbursed partially or totally, the reimbursement is recognized as a separate asset, but only when the reimbursement is certain. The expense related to any provision is presented in the profit and loss statement net of any reimbursement. If the effect of the time value of money is material, the 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 interest 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. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

k) 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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises 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 recognises 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 recognised, 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, as follows:

- Machinery 10 years
- Other equipment 3 – 5 years

ii) Lease liabilities

At the commencement date of the lease, the Company recognises 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 recognised as expenses (unless they are incurred to produce inventories) 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.

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

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Cost comprises the acquisition cost and other costs that have been incurred in bringing the inventories to their present location and condition and is determined by weighted average method for all the inventories. The consumption or sale of inventories is recognised using the weighted average cost method.

m) Cash and cash equivalents

Cash includes petty cash, cash at banks and cheques in course of being cashed. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash in less than three months to maturity from the date of acquisition and that are subject to an insignificant risk of devaluation.

n) Revenue from contracts with customers

Revenue is recognised at the level of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company's business model establish the identification of performance obligations as the written requests of clients, which represent the commitment to purchase goods or services, based on framework agreements.

The Company has framework agreements concluded with customers and services provided are provided /merchandise is sold based on sales order. The Company has assessed, by type of contract, the goods and/or services promised in each type of contract and has identified the following contracts as separate performance obligations (POs):

- contracts for well services: specific well operation to a specific defined well.
- Other segments: rental (distinct space), ITP services (specific vehicle verification) and other merchandise (distinct goods).

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

The transaction price is the client's promise to pay in cash a fixed amount of the consideration. The company analyzed the transaction price and concluded that it did not include a significant financing component or a variable component.

The company has determined for each performance obligation identified at the beginning of the contract whether it will be fulfilled over time or at a specific time. The company collects commercial receivables within 30 - 90 days.

In case of contracts for well services, the performance obligation is fulfilled at point in time, when the job ticket is approved by the customer's representative, this being the moment of the well work finalization.

In case of contracts concluded for rental revenue segment, performance obligation is fulfilled over time.

In case of contracts concluded for other revenue segments (i.e. ITP services), performance obligation is fulfilled at point in time, when the service is provided.

o) Retirement benefit costs

Payments made to state - managed retirement benefit schemes 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 the provisions of the collective labor agreement, 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 and the measurement process applied is subject to uncertainty. The retirement benefit is determined through a measurement technique applied judgments and estimates such as applicable benefits provided in the agreement, the Company headcount and specific actuarial estimates such as discount rate, price inflation and key demographic figures like mortality rates (Note 19).

The defined benefit liability as of reporting date comprises the estimated present value of the defined benefit obligation and while the related current year service cost recorded in the profit and loss statement. All actuarial gains and losses are fully recognized in other comprehensive income in the period in which they occur. Actuarial gains and losses recognized in other comprehensive income are presented in the statement of comprehensive income.

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

p) 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 tax 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 profit and loss 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.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

- *Deferred tax*

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

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

- ► Where the deferred tax liability arises from the initial recognition of 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.
- ► The deductible temporary differences associated with investments in subsidiaries and related parties and interests in joint ventures when the reversal of such temporary differences can be controlled and likely not to be reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused losses and tax credits, 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 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 case of deductible temporary differences associated with investments in subsidiaries and related parties and interests in joint ventures, the deferred tax asset is recognised only when the temporary differences are likely to be reversed in a foreseeable future and when there can be a taxable profit for which temporary differences may be used.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced consequently 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 the profit and loss statement is recognized outside the profit or loss account. Deferred tax items are recognized depending on the nature of 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 are collected by the same tax authority.

- *Value added tax related to revenue*

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 tax authority, in which case the sales tax is recognized as part of the acquisition cost of the asset or as part of the expense item as the case may be.
- ► Receivables and payables whose taxes are included in their amount.

The net amount of value added tax recoverable from, or payable to, the tax authority is included in the receivables or payables in the balance sheet.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

q) Dividends

Dividends are recorded in the year in which they are approved by the shareholders. The payment of dividends is subject to the general provisions in the matter of prescription (by referring also to the incidence of the provisions of art. 2554 of the Civil Code regarding the extension of the term). Dividends that remain unclaimed and have reached the statutory prescription period are written off and recognized as other income in the financial year in which they are prescribed.

r) Contingent assets and liabilities

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

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

1.3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's stand-alone financial statements requires the 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 balance sheet date. The estimates and associated assumptions rely on the 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 in the future periods.

The estimates and assumptions that accounting judgements rely on are subject to constant review. Revisions to accounting estimates are recognized in the period in which the estimate is revised if such revision only affects that period or in the period of the revision and future periods if such revision affects both current and future periods.

The matters presented below are considered to be paramount in understanding the judgments that are involved in preparing these statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

(i) Carrying value of trade receivables

The Company use the simplified approach in calculating the expected credit losses for trade receivables as these do not contain a significant financing component. The Company has applied the practical expedient to calculate expected credit losses using 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 assesses the requirement for an allowance for impairment in trade and other receivables when contractual payments are 90 days past due. 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.

(ii) Impairment of property, plant & equipment and investment properties

The Company analyses at each reporting date if there are indicators of impairment of tangible assets (including right of use of assets) and investment properties. If any indication exists, or when annual impairment testing for assets is required, the Company estimates the assets recoverable amount. In the current year, local industry of oilfield services has recorded a slight resumption, with a different mix of services required. However, the upstream segment continued to present a relatively low level of investment and work levels from customers in the area of new well's projects, taking into account the overall evolution of oil and gas industry over the past few years, the volatility of the crude oil price, current macroeconomic and geopolitical context and market environment (which have an impact on evolution of interest rates, payroll costs, general increase of prices

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

etc.) that have led to uncertainties in the market. These aspects might impact the Company's performance and therefore impairment indicators were identified by Management for 31 December 2025 and an impairment assessment was performed. Assets are analyzed each time when events or changes in market or industry indicates the fact that the accounting value of these assets may not be recoverable. If for these assets allowances for impairment are necessary, the accounting value for these assets is adjusted to the recoverable amount, which is determined as the highest between fair value less cost to sale and the value in use (based on discounted future cash flows). The allowances for impairment are reversed only in the case when the events or circumstances that determined the initial impairment have changed. The discounted cash flows are determined based on Company's management estimation as regards to contracts and future projects concluded at the date of evaluation or estimated to be contracted in the future, closely linked to market conditions. Other factors that might lead to changes in estimations could include restructuring plans or changes in legislation.

The recoverable amount is sensitive to the discount rate applied to discounted cash flows, as well as to the inputs of cash flows and the growth rate estimated for the analyzed period.

The current existing legislation on climate changes does not have a direct impact on the activities of the Company. However, the Company considered the global requirements to reduce the level of CO2 emissions, and incorporate these requirements in the investments programs. Thus, equipment acquired comply with the latest standards regarding CO2 emissions. The thermal engines used by machines in daily operations are in accordance with the European legislation regarding emissions.

At the end of financial year 2025, the Company has performed the impairment test for all its tangible assets (including right of use of assets) using the discounted cash flow method. The discounted cash flow method assumes the value of cash-generating units by estimating the present value of the future expected earnings arising from the use of the cash generating unit, using a discount rate. Estimated cash flows were determined taking into account the company's projections regarding the operating profits for the next seven years, discounted with an estimated economic growth rate of the industry in which the company operates.

All above mentioned assets are considered a single CGU due to the fact that the business is organized as single cash generating unit, with one segment, considering the nature of the services provided.

The recoverable amount of the CGU was determined based on the value in use (VIU) calculation using the cash flow projections from the estimated business plan. Business Plan take into account only the turnover expected to be generated from agreements already signed with main customers for cementing and acidizing services. Revenues expected to be generated by new services to be provided were not considered given Management's conservative approach when preparing the budgets for the next period. This is also linked to the inherent risk generated by the timing of receiving work orders from customers. As a result of the analysis, Management did not identify the necessity of an impairment for the CGU and therefore did not recorded any impairment. The results of the test performed confirmed the trend recorded also in previous year, leading to the conclusion that estimated value in use (VIU) is reasonably higher that the net book value of the assets - recoverable amount determined as VIU was higher than carrying amount on a consistent basis.

Significant estimates applied to the determination of the value in use by the Company are:

- Operating profit margin;
- Discount rate.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

The estimated operating profit margin is presented below:

	2026	2027	2028	2029	2030	2031	2032
Operating profit margin*	6.94%	7.89%	7.91%	8.14%	8.38%	8.22%	10.02%

** as included in the impairment test*

Operating profit margins are estimated based on the average historical operational results recorded for 2025, further revised to reflect the current appetite for CAPEX investments of the Company's main customers.

The discount rate applied in the model was 10.87% (2024: 10.76%) and reflects the current assessment of the market risk for Company. The discount rate was estimated based on weighted average cost of capital for the industry. This rate was corrected in order to reflect the market assessment of certain industry risks for which future cash flows were not adjusted.

Sensitivity of estimates

The recoverable amount determined based on value in use would equal the carrying amount of the property, plant and equipment and right of use of assets if operating profits would decrease by 28.65% obtaining the following operating profit margin.

	2026	2027	2028	2029	2030	2031	2032
Operating profit margin*	4.95%	5.63%	5.65%	5.81%	5.98%	5.86%	7.15%

** as per sensitivity analysis assuming no changes in budgeted revenues*

The break-even point for the current model is obtained by increasing the discount rate from 10.87% to 18.25%.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

The fair values of the non-listed equity investments have been estimated using an adjusted net assets model which includes assessing the fair value of tangible, intangible and financial assets. For real estate, the value of the property (land and buildings) was estimated using the income approach, namely the yield capitalization method. For the allocation of the property value to buildings and land, the land was valued using the market approach, the direct comparison method, while the market value of the buildings was estimated using the cost approach. In case of financial assets, fair value was estimated based on a discounted cash-flow model.

The valuation requires management to make certain assumptions about the model inputs, including business plans and forecast cash flows of the investees approved by the KMGI Group, 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.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

Valuation techniques used to measure fair value shall be applied consistently. However, a change in a valuation technique or its application (e.g. a change in its weighting when multiple valuation techniques are used or a change in an adjustment applied to a valuation technique) is appropriate if the change results in a measurement that is equally or more representative of fair value in the circumstances. That might be the case if, for example, any of the following events take place:

(a) new markets develop;
(b) new information becomes available;
(c) information previously used is no longer available;
(d) valuation techniques improve; or
(e) market conditions change.

The Company has participations below 10% in Rompetrol Rafinare S.A. (a listed entity) and Rompetrol Logistics S.R.L. (a non-listed entity), as presented in Note 11. Both investments are measured at fair value through other comprehensive income.

The fair value of the investment in Rompetrol Rafinare SA is classified as Level 1, while the investment in Rompetrol Logistics SRL is classified as Level 3.

The fair value of the investment in Rompetrol Rafinare SA was determined based on price quotation available on Bucharest Stock Exchange at the reporting date.

The Company has a minority participation of 6.98% in Rompetrol Logistics, an entity part of KMG International NV Group. During 2024, the Company's Management decided to change the valuation technique used to assess the fair value of Rompetrol Logistic from discounted cash flows to net assets, to align to the valuation method of investments that is used by the other companies of the KMGI Group that the Company is part of and such changes had a prospective effect. The valuation method applied at the end of 2023 took into account the discounted cash flows of the company in which the investment exists (more precisely the fair value of the enterprise based on expected results), in order to establish the fair value of the investment. The current valuation method is based on the Cost approach – adjusted net assets.

The main steps in the adjusted net assets approach are:
• Estimating the market value/fair value of the assets and liabilities of the company under analysis, using appropriate valuation approaches and methods.
• Adding the values of the component assets together and deducting the liabilities to obtain the value of the company's equity.

Further, Rompetrol Logistics is the sole shareholder of Rompetrol Gas, the LPG distribution company of the KMG International NV Group. Rompetrol Gas is a profitable company and according to the forecasted figures for the next five years will continue to be profitable and the fair value was determined using Equity value.

The fair value of the investment in Rompetrol Logistics is based on the valuations performed by an independent accredited valuer who has experience in valuations for similar properties.

The fair value assessment of the investment in Rompetrol Logistics and further in Rompetrol Gas has also been determined based on financial budgets approved by senior management of KMGI Group covering a five-year period. Cash flows beyond the 5-year period are extrapolated using a -2.2% growth rate (2024: 0.7%) that is the same as the long-term average growth rate for the industry. The discount rate applied to cash flow projections for Rompetrol Gas is 10.87% (2024: 11.2%).

Minority discount of 13.1% (2024: 12.1%) and lack of marketability discount of 16.1% (2024: 15.5%) were applied to the fair value.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

The key assumptions used to determine the fair value of the investment are:

- Discount rates;
- Gross margin considered for Rompetrol Gas;
- Operating expense considered for Rompetrol Gas.

The fair values of the non-listed equity investments have been estimated using an adjusted net assets model. The valuation 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.

Non-listed equity investment	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Rompetrol Logistics	Adjusted Net Assets method	Discount for lack of marketability	16.1% (2024: 15.5%)	5% increase (decrease) in the marketability discounts would result in a decrease (increase) in fair value by RON 1,592 thousand
Rompetrol Logistics	Adjusted Net Assets method	Minority interest discount rate	13.1% (2024: 12.1%)	5% increase (decrease) in the minority interest discount would result in a decrease (increase) in fair value by RON 1,592 thousand
Rompetrol Gas	DCF method	Discount rate	10.87% (2024:11.2%)	1% increase (decrease) in the WACC would result in a decrease (increase) in fair value by RON 917 thousand - decrease and respectively RON 1,101 thousand – increase
Rompetrol Gas	DCF method	Gross margin	n/a.	2% increase (decrease) in the Gross margin would result in an increase (decrease) in fair value by RON 1,731 thousand

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

1.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments),**

The newly adopted amendments to IFRS did not have a material impact on the Company's accounting policies and on the financial statements.

- **Amendments to IAS 21 Lack of Exchangeability**

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

1.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED

The Company has not early adopted any of the following standard, interpretation or amendment that have been issued but are not yet effective. In addition, the Company is in the process of assessing the impact of all standards, interpretations and amendments issued but not yet effective, on the financial statements.

- **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.
  On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:
  (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The Company is curently assessing the impact on its financial statements.

- **Annual Improvements to IFRS Accounting Standards**

  (Issued in July 2024 and effective from 1 January 2026). IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition,

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'. The Company is curently assessing the impact on its financial statements.

- **Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7**
  (Issued on 18 December 2024 and effective from 1 January 2026). The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows. The Company is curently assessing the impact on its financial statements.

- **IFRS 18 Presentation and Disclosure in Financial Statements**
  (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

  IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.
  The Company is in the early stages of its IFRS 18 implementation project. Key activities are planned for the second half of 2026 and are expected to include, among others: a detailed scoping and impact assessment; identification of required changes to accounting policies, financial statement presentation formats, and related disclosures; assessment of necessary changes to systems, processes, and internal controls; and the preparation of pro-forma financial statements under IFRS 18.
  The Company expects to be in a position to provide more comprehensive and progressively more detailed disclosures, including, where appropriate and reliably estimable, quantitative information on the anticipated effects on the statement of profit or loss and related notes, in its financial statements for the year ending 31 December 2026. The planned adoption date is 1 January 2027.

1. INFORMATION ON THE ENTITY, MATERIAL ACCOUNTING POLICIES (continued)

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**
  (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027). The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements.
  Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

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

  The standard has not yet been endorsed by the EU.

- **Amendments to IFRS 19 Subsidiaries without public accountability: Disclosures**
  (Issued on 21 August 2025 and effective from 1 January 2027).
  In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: IFRS 18 Presentation and Disclosure in Financial Statements, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).
  With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable.
  The standard has not yet been endorsed by the EU.

- **IFRS 14, Regulatory Deferral Accounts**
  (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016). IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard.
  The standard has not yet been endorsed by the EU.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28**
  (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB). These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. The standard has not yet been endorsed by the EU.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

Below there is an analysis of Company's revenues:

	2025	2024
Revenue from well services	62,687,486	74,047,624
Revenue from other services	86,503	119,000
Revenue from goods sold	55,488	30,167
Total	**62,829,476**	**74,196,791**

	2025	2024
Europe	-	1,564,391
Export	**-**	**1,564,391**
Internal market sales	62,829,476	72,632,400
Total sales	**62,829,476**	**74,196,791**

The Company applies IFRS 8 Operating Segments, which requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources and assess performance. The Company has determined that the CODM is the Board of Directors.

The Company analyzed the criteria for defining an operational segment according to IFRS 8 Operating segments and concluded that business is organized as single operating segment, considering the nature of the services provided, the type of customers and the method used to provide services. For the purpose of making decisions about resource allocation and performance assessment, Management analyze and monitors the operating results of the business as a single segment, analysing only details on type of revenue rendered.

2.1 RENTAL REVENUES

Below there is an analysis of Company's rental revenues:

	2025	2024
Rental revenue from land and buildings	467,812	477,658
Total	**467,812**	**477,658**

The Company obtains revenues from renting office spaces and land. The respective contracts have term between 12 and 60 months. Contracts concluded for rental include only fixed leases, payable on a monthly basis.

The undiscounted minimum lease payments are as follows:

	2025	2024
Within 1 year	452,257	245,513
Between 1 and 2 years	229,995	66,151
Between 2 and 3 years	222,674	-
Between 3 and 4 years	208,700	-
Between 4 and 5 years	56,223	-
Later than 5 years	-	-
	1,169,849	**311,663**

3. OTHER OPERATING INCOME AND OTHER EXPENSES

3.1. Other operating income

In the table below other operating revenues are being detailed depending on their nature:

	2025	2024
Other operating income:		
- income from debts write-off	2,974,701	2,129,875
- income from waste sale	33,000	23,610
- gain from disposal of fixed assets	7,742	59,065
- earnings from compensations and penalties	24,138	25,000
- other	116,645	112,292
Total	**3,156,225**	**2,349,842**

Income from the debts write-off in amount of RON 2,974,701 (2024: RON 2,129,875) represent the cancellation of unclaimed dividends obligation, which were within the prescription limit and for which the Company has taken all legal steps to settle. Debts write-off was made based of the Board of Directors decision from 22 December 2025.

3.2. Expenses with third-party services

In the table below expenses for third party services are being detailed depending on their nature:

	2025	2024
Operational travel expenses*)	1,242,268	2,304,993
Maintenance and repair expenses*)	1,349,674	1,911,980
Royalties and rental expenses	1,206,391	1,251,276
Insurance premiums	812,360	723,919
Postage and telecommunications	24,978	14,870
Bank commissions and similar charges	20,725	25,031
Entertaining, promotion and advertising	78,753	136,499
Goods transportation services*)	3,592,796	4,307,959
Well services rendered – by subcontractors*)	979,572	644,146
Outsourced activities services	1,857,880	1,987,739
Dedicated management assistance and specialized technical consulting services	1,405,401	1,976,397
Others	1,273,021	1,236,156
Security services	988,181	832,582
Consultancy and audit	247,482	218,089
Total	**15,079,482**	**17,571,636**

The weight of these expenses in the structure of the operating costs is specific to the main activity, regarding the service delivery at the headquarters of the beneficiaries with auto type equipment and the flexible adaptability to the current market conditions.
*) The highlighted expenses are costs to fulfill sales contracts and are directly influenced by the level and type of services rendered.

During 2025, the company partially subcontracted services of acidizing, hot oil pumping and nitrogen for a specific project to a third party. The value of the services performed by this subcontractor in order to fulfill the contractual obligations assumed by the Company, as a supplier, amounts to RON 979,572 (2024: RON 644,146).

3. OTHER OPERATING INCOME AND OTHER EXPENSES (continued)

3.3. Other operating expenses

In the table below other operating expenses are being detailed depending on their nature:

	2025	2024
Compensations, fines, penalties	23,619	6,633
Amounts or goods granted as sponsorship	69,039	208,140
Write-off trade receivables and sundry debtors	2,715	-
Destroyed / improper stocks	-	46,381
Other operating expenses	6	7
Total	**95,379**	**261,161**

3.4. Taxes, duties and similar expenses

In the table below taxes, duties and similar expenses are being detailed depending on their nature:

	2025	2024
Tax on land	66,060	54,806
Tax on buildings	369,087	257,272
Tax on special constructions	3,425	-
Tax on vehicles	475,087	439,257
Specific turnover tax	350,264	-
Other taxes	18,278	11,990
Total	**1,282,201**	**763,325**

4. FINANCIAL EXPENSES AND REVENUES

4.1. Financial revenues

	2025	2024
Interest income, from which:	**3,617,104**	**3,760,373**
Income obtained from the entities within the group	3,600,458	3,746,786
Income from exchange rate differences	**74,656**	**29,213**
Other financial income	**1,288**	**207**
Total financial income	**3,693,048**	**3,789,793**

The line "Income obtained from the entities within the group" in amount of RON 3,600,458 (2024: RON 3,746,786) represents interest revenue from cash-pooling. For more details, including EIR please refer to Note 21.

4.2. Financial expenses

	2025	2024
Expenses from exchange rate differences	**306,413**	**67,577**
Other financial expenses, out of which	**398,743**	**554,056**
Interest expense on the lease liability	316,347	475,418
Total financial expenses	**705,156**	**621,633**

5. PAYROLL COSTS

The expenses with salaries and taxes, recorded during 2025 and 2024 are as follows:

	2025	2024
Expenses related to salaries and allowances	23,140,941	22,325,139
Other expenses with employees benefits	874,763	580,706
Contributions to special funds	260,822	232,095
Expenses related to the social insurances	525,758	496,598
Total	**24,802,284**	**23,634,538**

The increase in Other expenses with employees benefits, with 0.29 million RON compared with previous year, was the result of the effect of the collective labor negotiation with trade union, that started to produce effects November 2024, based on which a new collective labor agreement was concluded, including increases in other rights.

The average number of employees decreased from 138 at 31 December 2024 to 134 employees at 31 December 2025.

The average number of employees has evolved as follows:

	2025	2024
Management personnel	2	2
Administrative personnel	23	21
Production personnel	109	115

The Administrators and Managers

During 2025 and 2024, the Company has paid the following remuneration to the members of the Board of Directors and salaries to the executive directors:

	2025	2024
The Members of the Board of Directors	429,516	466,112
Executive directors	1,301,766	1,029,075
Total	**1,731,282**	**1,495,187**

The presentation of average number of management personnel (executive directors), as well as level of the remuneration paid to the executive directors, are disclosed according to the principles included in the Remuneration Policy and Remuneration Report.

5. PAYROLL COSTS (continued)

As at 31 December 2025, the Company had no obligations with regards to post-employment benefits to former Board of Directors members and former executive management members.

The amount of remuneration and salaries for key management personnel and Board of Directors for 2025 was of RON 1,731,282 (2024: RON 1,495,187), including short-term benefits and bonuses.

At the end of 2025, the Company had no advance payments to be reimbursed to the members of the executive management and there were also no guarantees of future obligations taken over by the company under the name of the Managers or Administrators.

6. INCOME TAX

Main components of income tax expenses for fiscal years ended as of 31 December 2025 and 2024 are:

Statement of profit and loss

	2025	2024
Current income tax:		
Expenses regarding the current income tax	868,780	1,540,598
Deferred income tax		
Relating to origination and reversal of temporary differences	33,835	(1,181)
Expenses regarding the income tax reported in statement of total comprehensive income	**902,615**	**1,539,418**

Reconciliation between the expenses regarding the current income tax and the deferred income tax and the accounting profit is as follows for fiscal years 2025 and 2024:

Current income tax

	2025	2024
Accounting profit before tax	4,764,916	11,776,725
At Company's statutory income tax rate of 16% (2024: 16%)	762,387	1,884,276
Effect of value adjustments from non-taxable incomes	(32,766)	(82,484)
Non-deductible expenses for tax computation:		
Allowance for trade receivables and inventories	(28,837)	(9,367)
Depreciation of tangible assets	20,284	14,191
Other non-deductible expenses	216,751	(57,878)
Fiscal credit	(69,039)	(208,140)
Expenses with current income tax at effective rate 16% (2024: 16%)	**868,780**	**1,540,598**

6. INCOME TAX (continued)

Deferred income tax

The deferred income tax refers to the following:

	Statement of the financial position		Profit and Loss Statement		Other Comprehensive Income	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2024	31 December 2024
Revaluation of assets (fair value as deemed cost) with reserve transfer to retained earnings (at transition to IFRS)	(960,178)	(975,784)	15,605	(39,110)	-	-
Recognition of right of use assets	(142,120)	(142,120)	-	-	-	-
Recognition of estimates for retirement benefits	175,673	199,915	(79,008)	(10,375)	54,767	22,136
Recognition of lease liability	143,693	143,693	-	-	-	-
Fair value valuation of financial assets	(2,717,749)	(2,168,785)	-	-	(548,964)	(601,447)
Recognition of estimate for untaken holiday	162,401	164,677	(2,276)	42,397	-	-
Temporary differences for inventory provisions	69,321	61,469	7,853	7,214	-	-
Temporary differences for expected credit losses	141,451	117,459	23,992	1,054	-	-
(Expenses regarding) /income from the deferred tax			**(33,835)**	**1,181**	**(494,197)**	**(579,311)**
Assets regarding the deferred tax	**692,540**	**687,213**				
Liabilities regarding the deferred tax	**(3,820,048)**	**(3,286,689)**				
Assets / (Liabilities) regarding the deferred tax, net	**(3,127,508)**	**(2,599,476)**				

The reconciliation of deferred tax payable is as follows:

	2025	2024
Beginning of balance	**2,599,476**	**2,021,346**
Deferred tax expense recognized in profit and loss	33,835	(1,181)
Deferred tax expense recognized in other comprehensive income	494,197	579,311
Ending Balance	**3,127,508**	**2,599,476**

6. INCOME TAX (continued)

Pillar II

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.

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).

6. 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 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 2025. The Pillar 2 impact analysis for 2025 is still in progress at the UPE level.

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

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

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

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

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

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

6. INCOME TAX (continued)

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.

7. EARNINGS PER SHARE

The value of earning per share is calculated by dividing the net profit of the year attributable to shareholders by the weighted average number of shares outstanding during the period.

The following report present the net profit and the number of shares used in computing earnings per share:

	31 December 2025	31 December 2024
Net result attributable to shareholders	3,862,301	10,237,307
Weighted average number of shares	278,190,900	278,190,900
Basic earnings per share (RON / share)	**0,0139**	**0.0368**

Diluted earnings per share equal basic earnings per share.

There was no issue or cancellation of shares between the date of the report and the date of the presentation of the financial statements.

8. PROPERTY, PLANT & EQUIPMENT

	Land	Buildings and special constructions	Technical equipment and machinery and other tangible assets	Tangible assets in progress	Total
Cost					
On 1 January 2024	**5,438,555**	**8,424,900**	**91,129,288**	**403,619**	**105,396,360**
Additions	-	-	1,314	3,788,020	3,789,334
Disposals	-	(37,248)	(4,983,578)	-	(5,020,826)
Transfers	-	474,032	1,442,447	(1,916,480)	-
On 31 December 2024	**5,438,555**	**8,861,684**	**87,589,471**	**2,275,159**	**104,164,867**
Additions	-	13,928	58,960	1,549,699	1,622,587
Disposals	-	(41,671)	(1,075,299)	-	(1,116,970)
Transfers	-	378,169	3,253,885	(3,632,054)	-
On 31 December 2025	**5,438,555**	**9,212,110**	**89,827,018**	**192,804**	**104,670,485**
Depreciation and Impairment					
On 1 January 2024	**-**	**4,038,675**	**79,986,636**	-	**84,025,312**
Depreciation charge for the year	-	372,539	2,779,358	-	3,151,898
Disposals	-	(25,962)	(4,983,578)	-	(5,009,540)
Impairment	-	-	(508,671)	-	(508,671)
On 31 December 2024	**-**	**4,385,253**	**77,273,745**	-	**81,658,999**
Depreciation charge for the year	-	350,366	3,074,482	-	3,424,848
Disposals	-	(17,172)	(1,074,681)	-	(1,091,853)
On 31 December 2025	**-**	**4,718,447**	**79,273,545**	-	**83,991,993**
Net book value					
On 31 December 2025	**5,438,555**	**4,493,663**	**10,553,473**	**192,804**	**20,678,492**
On 31 December 2024	**5,438,555**	**4,476,431**	**10,315,727**	**2,275,159**	**22,505,869**
On 1 January 2024	**5,438,555**	**4,386,224**	**11,142,653**	**403,619**	**21,371,048**

8. PROPERTY, PLANT & EQUIPMENT (continued)

A percentage of 91% from the increase recorded during 2025 for plant and equipment, in amount of RON 3.2 million, is represented by the acquisition and / or the upgrade of machinery and equipment used for well services operations and other preliminary operations, which were in progress and completed during the year.

Approximately 9% from total investments conducted by the company in 2025 were related to rehabilitation and modernization of the operational buildings.

The Company used own funds in order to finance the budgeted capital expenditure for 2025.

The Company is performing an annual assessment in order to identify potential indicators for impairment of tangible assets, considering specific characteristics of these assets and taking into account estimates of future cash flows generated by the respective assets.

The Company performed an impairment test for tangible assets as of 31 December 2024, which aimed to determine the recoverable amount of the equipment and the production capacities, and concluded that the existing impairment in amount of RON 509 thousand recognized as of 31 December 2021 needed to be reversed. The recoverable amount of this equipment was determined based on discounted cash flows estimated to be generated by the assets (Note 1.3 ii)).

All presented tangible assets are the property of the Company.

As of 31 December 2025 and 31 December 2024, the Company has not pledged assets and interest rated capitalized.

As of 31 December 2025 total gross book value of property, plant and equipment items that are fully depreciated is RON 24,898,171 (2024: RON 23,106,917).

9. INVESTMENT PROPERTIES

The company has an apartment block in Campina and two apartments in Timisoara, held with the exclusive target to obtain income from rents. These are being classified as investment properties.

	2025	2024
Initial balance on 1 January	**395,594**	**414,197**
Depreciation expenses	(18,603)	(18,603)
Ending balance on 31 December	**376,991**	**395,594**

	2025	2024
Income from rents obtained from real estate investments	18,586	16,382
Direct operational expenses (including repairs and maintenance) which generate income from rents	(49,324)	(37,872)
Net result from investment property recorded at cost	**(30,738)**	**(21,490)**

At 31 December 2025, the fair values of the properties were determined by a recognised independent evaluator, amounting to RON 1,904,394.

10. INTANGIBLE ASSETS

	Patents and licenses	Total
Costs		
On 1 January 2024	**818,918**	**818,918**
Disposals	(83)	(83)
On 31 December 2024	**818,835**	**818,835**
Disposals	(4,296)	(4,296)
On 31 December 2025	**814,539**	**814,539**
Amortisation and impairment		
On 1 January 2024	**759,267**	**759,267**
Amortisation charge for the year	38,927	38,927
Disposal	(83)	(83)
On 31 December 2024	**798,111**	**798,111**
Amortisation charge for the year	12,434	12,434
Disposal	(4.296)	(4.296)
On 31 December 2025	**806,249**	**806,249**
Net book value		
On 31 December 2025	**8,290**	**8,290**
On 31 December 2024	**20,724**	**20,724**
On 1 January 2024	**59,651**	**59,651**

11. EQUITY INSTRUMENTS AT FVOCI

Name of the company	Nature of the relationship	Year of investment	Percent held on 31 December 2025	Percent held on 31 December 2024	Fair value of the investment on 31 December 2025	Fair value of the investment on 31 December 2024
Rompetrol Logistics SRL	Long term investment	2002/2003/2007	6.98%	6.98%	22,557,780	19,159,842
Rompetrol Rafinare SA*	Long term investment	2003/2004	0.05%	0.05%	952,910	919,823
Total					**23,510,690**	**20,079,665**

**Company listed on Bucharest Stock Exchange under RRC symbol.*

Reconciliation of fair value measurement of investments classified as equity instruments designated at fair value through other comprehensive income ('OCI'):

	Rompetrol Rafinare SA	Rompetrol Logistics SRL	Total
31 December 2024	**919,823**	**19,159,842**	**20,079,665**
Remeasurement recognized in OCI	33,087	3,397,938	3,431,025
31 December 2025	**952,910**	**22,557,780**	**23,510,690**

For more details regarding equity instruments at FVOCI please refer to Note 1.h) iii) Fair value of financial instruments.

12. OTHER FINANCIAL ASSETS

	31 December 2025	31 December 2024
Collateral account for guarantee letters with maturity over one year	5,686,144	9,742,682
Specific account for dividends	402,257	1,073,873
Specific accounts for other guarantee	35,915	34,496
Other financial assets	**6,124,316**	**10,851,052**

The presentation of collaterals as non-current assets is made considering the initial maturity of the collateral accounts in accordance with IAS 7.

The details on the structure of collateral account for guarantee letters with maturity over one year can be found bellow (see details in Note 22):

Number	Beneficiary	Currency	Amount equivalent RON	Start date	Maturity date	Currency collateral deposit	Collateral deposit equivalent RON
LG9000007786*	OMV PETROM S.A.	RON	715,432	2-Feb-23	31-Mar-28	RON	715,432
LG9000024179*	OMV PETROM S.A.	RON	978,988	19-Aug-24	31-Dec-29	RON	978,988
LG9000024304*	OMV PETROM S.A.	RON	705,056	19-Aug-24	31-Dec-28	RON	705,056
LG9000021340*	OMV PETROM S.A.	RON	1,833,418	23-May-24	31-Mar-27	RON	1,833,418
LG9000024701*	OMV PETROM S.A.	RON	425,152	6-Sep-24	31-Dec-26	RON	425,152
43840*	S.N.G.N. ROMGAZ S.A.	RON	1,028,099	23-Nov-23	4-Dec-26	RON	1,028,099
Total collateral accounts with maturity over one year as of 31 December 2025							**5,686,144**

** LG's with successive accumulation (a certain percentage of each invoice issued is retained, according to the frame contracts and/or existing addendums concluded with customers) and therefore, the respective amounts were updated as such, as compared with 31 December 2024.*

Number	Beneficiary	Currency	Amount equivalent RON	Start date	Maturity date	Currency collateral deposit	Collateral deposit equivalent RON
LG99007664*	OMV PETROM S.A.	RON	1,219,901	18-Jan-22	31-Dec-24	RON	1,219,901
LG99007665*	OMV PETROM S.A.	RON	3,705,027	18-Jan-22	31-Dec-24	RON	3,705,027
LG9000004272*	OMV PETROM S.A.	RON	115,614	6-Jul-22	30-Jun-26	RON	115,614
LG99008693*	OMV PETROM S.A.	RON	2,554,991	23-Nov-22	13-Dec-24	RON	2,554,991
LG99008060*	OMV PETROM S.A.	RON	311,816	7-Dec-22	31-Dec-24	RON	311,816
LG9000007786*	OMV PETROM S.A.	RON	557,802	2-Feb-23	31-Mar-28	RON	557,802
LG00888-02-1048506	OMV PETROM S.A.	RON	255,101	09-Aug-24	30-Sep-25	RON	255,101
LG9000024179*	OMV PETROM S.A.	RON	160,829	19-Aug-24	31-Dec-29	RON	160,829
LG9000024304*	OMV PETROM S.A.	RON	126,445	19-Aug-24	31-Dec-28	RON	126,445
LG9000024701*	OMV PETROM S.A.	RON	142,671	6-Sep-24	31-Oct-25	RON	142,671
43840*	S.N.G.N. ROMGAZ S.A.	RON	592,486	23-Nov-23	4-Dec-26	RON	592,486
Total collateral accounts with maturity over one year as of 31 December 2024							**9,742,682**

13. INVENTORIES

	31 December 2025	31 December 2024
Cement and additives	4,093,278	3,343,281
Spare parts equipment	1,903,711	1,902,762
Other inventories	267,960	233,439
Total inventories, net	**6,264,948**	**5,479,481**

The inventories mainly contain cement, additives and spare parts for special equipment. For the items whose procurement process is relatively long, as well for the items whose consumption is dependent on fluctuating demand of our customers, it is applied an optimization quantitative procurement, which explains a variation of inventory value between two acquisitions.

The presented allowance for inventories is related to obsolete and slow moving spare parts and other inventories.

	Allowance for inventories
On 1 January 2024	**339,089**
Additions	45,939
Used during the year	(849)
On 31 December 2024	**384,179**
Additions	50,757
Used during the year	(1,678)
On 31 December 2025	**433,258**

14. TRADE AND OTHER RECEIVABLES

	31 December 2025	31 December 2024
Trade receivables - third parties	17,666,356	14,244,292
Trade receivables with affiliated entities (Note 21)	39,816	35,257
Allowance for trade receivables – third parties	(1,431,172)	(1,282,951)
Allowance for trade receivables – affiliated entities (Note 21)	0	(7,732)
Total trade receivables, net	**16,275,000**	**12,988,866**
Other receivables – third parties	2,268,562	231,152
Other receivables with the affiliated entities (Note 21)	0	154,019
Other receivables with state budget	63,575	23,890
Allowance for other receivables – third parties	(213,790)	(213,790)
Allowance for other receivables – affiliated entities (Note 21)	0	(152,580)
Total other receivables, net	**2,118,346**	**42,691**
Total receivables, net	**18,393,346**	**13,031,556**

Other receivables – third parties includes in 2025 the amount of RON 2,051,588 representing the counter value of an advance payment related to an specialized equipment to be constructed and delivered during 2026.

14. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables are usually collected within 30 to 90 days.

In the table below, there are detailed the movements within the provision for the impairment of trade and other receivables:

	Individually impaired	Collectively impaired	Total
On 1 January 2024	**622,066**	**1,028,468**	**1,650,534**
Charge for the year	3,760	13,910	17,670
Unused amounts, reversed	(3,198)	(7,875)	(11,072)
Exchange rate differences	-	(79)	(79)
On 31 December 2024	**622,628**	**1,034,425**	**1,657,054**
Charge for the year	12,310	121,960	134,270
Unused amounts, reversed	(161,126)	(4,810)	(165,936)
Exchange rate differences	804	18,770	19,574
On 31 December 2025	**474,617**	**1,170,345**	**1,644,962**

The impairment loss for financial assets evaluated at amortized cost are calculated based on three stage model, using swap for credit risk, internal or external ratings of counterparties and corresponding probability of default. For all trade receivables, the impairment losses are estimated based on simplified approach, recognizing anticipated losses for their entire lifetime.

Impairment losses, calculated and recognized, based on the new model required by IFRS 9 for Company's trade receivables, is presented as follows:

		Total trade receivables						
At 31 December 2025	**Current**	**< 30 days**	**31 – 60 days**	**61- 90 days**	**91 - 180 days**	**181 - 360 days**	**> 360 days**	**Total**
Expected credit loss rate (%)	*0.58%*	*19.66%*	*15.69%*	*60.07%*	*61.51%*	*61.51%*	*100.00%*	
Estimated total gross carrying amount at default	15,763,789	584,169	3,098	3,022	13,925	20,164	1,318,005	**17,706,172**
Expected credit loss	(7,244)	(114,206)	(486)	(1,815)	(8,565)	(5,702)	(1,293,154)	**(1,431,172)**

		Total trade receivables						
At 31 December 2024	**Current**	**< 30 days**	**31 – 60 days**	**61- 90 days**	**91 - 180 days**	**181 - 360 days**	**> 360 days**	**Total**
Expected credit loss rate (%)	*0.63%*	*11.87%*	*22.75%*	*60.07%*	*90.00%*	*90.00%*	*100.00%*	
Estimated total gross carrying amount at default	12,911,506	25,827	24,814	6,630	8,451	7,103	1,295,218	**14,279,549**
Expected credit loss	(4,544)	(1,987)	(2,374)	(1,368)	(1,718)	(6,392)	(1,272,300)	**(1,290,683)**

15. OTHER CURRENT ASSETS

	31 December 2025	31 December 2024
Advance expenses for car insurance	197,991	322,387
Advance expenses for vignette	123,934	105,780
Advance expenses for business insurance	395,563	468,568
Advance expenses for authorizations, transportation licenses, subscriptions, others	164,173	121,645
Other current assets TOTAL	**881,661**	**1,018,381**

The values represent the payments carried out during the current year, for costs which affect the next financial year in accordance with the validity period for the insurances, authorizations, licenses, subscriptions.

16. CASH AND DEPOSITS

	31 December 2025	31 December 2024
Bank accounts in RON	13,319	14,081
Bank accounts in foreign currency	1,595	1,742
Short term deposits in RON	1,286,498	244,032
Short term deposits in foreign currency	1,772,479	-
Petty cash in RON	9,115	18,359
Petty cash in foreign currency	17,601	19,791
Total cash and short term deposits	**3,100,608**	**298,005**

The cash in banks records interests at variable rates, depending on the daily rates of the deposits in banks. The short term deposits are being constituted for periods of one day and records interests for the respective rates of the short term deposits.

The service providing contracts concluded with our main customers contain clauses referring to creation of performance guarantees through a guarantee granting instrument issued under the provisions of the law, by a bank or insurance company, i.e. Letters of Bank Guarantees.

Collateral deposits were classified depending on the maturity calculated from the starting date of the deposit. (details in Note 12 and 16.1).

Note 21 presents the details regarding the company's participation for the year 2025 to the system for optimization of cash availability between the companies within KMG International Group, known as cash pooling concept. The amount available in the principal account on 31 December 2025 was of RON 43,082,587 (2024: RON 46,818,063), being ready to use without restriction, depending on the necessity.

16. CASH AND DEPOSITS (continued)

16.1 COLLATERAL CASH FOR LETTERS OF GUARANTEE

The detail of the collateral deposits as at 31 December 2025 for the Letters of Bank Guarantee with maturity between less than 12 months is enclosed in the table below (for more details, plese see note 22):

Number	Beneficiary	Currency	Amount equivalent RON	Start Date	Maturity date	Currency collateral deposit	Collateral deposit equivalent RON
LG00888-02-1169199	OMV PETROM S.A.	RON	380,880	29-Sep-25	30-Sep-26	RON	380,880
Total collateral deposits							**380,880**

The collateral deposits as at 31 December 2024 had the following components:

Number	Beneficiary	Currency	Amount equivalent RON	Start Date	Maturity date	Currency collateral deposit	Collateral deposit equivalent RON
LG9000021340	OMV PETROM S.A.	RON	662,546	23-May-24	23-May-25	RON	662,546
LG9000019224	OMV PETROM S.A.	RON	441,188	6-Mar-24	15-Feb-25	RON	441,188
45189	S.N.G.N. ROMGAZ S.A.	RON	93,088	29-Apr-24	7-May-25	RON	93,088
47464	S.N.G.N. ROMGAZ S.A.	RON	6,322	8-Nov-24	28-Feb-25	RON	6,322
Total collateral deposits							**1,203,143**

17. EQUITY

17.1. Subscribed share capital

The last modification of the share capital has been in 2008, when the shareholders have decided, after the general meeting which has taken place on 20 June 2008, to increase the share capital of the company by the amount of RON 13,909,545, from RON 13,909,545 up to RON 27,819,090, through issuing, for free, of a number of 139,095,450 new shares with a nominal value of RON 0.10 / share.

The issued shares have been allocated for the shareholders registered under the Shareholders' Registry at the date of the registration, approved by the Extraordinary Meeting of the Shareholders, respectively July 8th 2008, proportional to the amounts held by each of them. The allocation index has been 1. The issuing of shares has been financed from the reserves of the result carried forward of the financial year 2007, respectively from the amount allocated to Other reserves.

The finalization of the procedural phases for approval and recognition has been officially signaled through the repetition of the transacting of the shares, after the increase of the share capital, on 18 September 2008, without undergoing modifications until 31 December 2025.

	31 December 2025	31 December 2024
	Number	*Number*
Subscribed capital, ordinary shares	278,190,900	278,190,900
	RON	*RON*
Nominal value, ordinary shares	0.1	0.1
	RON	*RON*
Value of the share capital	27,819,090	27,819,090

The share capital of the company is totally paid in on 31 December 2025.

The Company is listed under the Bucharest Stock Exchange under the symbol PTR.

17.2. Adjustments on share capital

According to the IAS 29 provisions, the company has adjusted the costs of its purchased investments until 31 December 2003 with the purpose of reflecting the accounting impact in the hyperinflation. The value of the share capital has been increased at 31 December 2012 by RON 166,740,745. This adjustment had no impact over the carried forward distributable profit of the company. In 2013, the general ordinary meeting of shareholders on 30 April 2013 approved to cover the brought forward accounting loss from first application of IAS 29 "Financial Reporting in Hyperinflationary Economies" in amount of RON 166,002,389, from own capitals, i.e. "adjustment of share capital". The effect of this decision for the structure of share capital on 31 December 2025, as well as on 31 December 2024 and is presented in the table below:

	31 December 2025	31 December 2024
Share capital, from which:	28,557,446	28,557,446
Paid-in share capital	27,819,090	27,819,090
The adjustment of the share capital	738,356	738,356

17.3 Reserves

The legal reserve is in amount of RON 5,563,818 (2024: RON 5,563,818). The company constituted the legal reserve in accordance with the provisions of the Romanian trading companies law, which requires at least 5% of the annual company's profit before tax to be transferred to legal reserve until the ending balance of this reserve reaches 20% of the company's share capital.

Other reserves represent reserves constituted on the basis of mandatory legislation, respectively reserves for elements of other comprehensive income as well as other capital reserves:

a) The decrease in other reserves with the amount of RON 287,526 represents the net impact from remeasurement gain / (loss) of retirement benefits and other similar liabilities related to the personnel generated by the changes in assumptions and measurement technique applied.
b) The subsequent valuation of financial assets at fair value, representing investments in equity instruments and for which the Company elected to present the gain / (loss) in other elements of comprehensive income according to IFRS 9 Financial instruments, has determined an increase in other reserves with RON 2,882,061.

Retained earnings represent reserves constituted through the distribution of prior year profits, respectively the cover of prior year losses.

Retained Earnings Other represent the retained earnings constituted on the first adoption of IAS, less IAS 29, as well as adoption of other mandatory IFRSs.

During the General Ordinary Meeting of the Shareholders from 28 April 2025, it was decided the distribution of dividends in gross amount of RON 10,237,307 (0,036799 RON/share).

The movements in dividends during 2025 and 2024 are disclosed in the table below:

	2025	2024
Opening balance	**3,926,559**	**5,419,839**
Distribution	10,237,307	11,767,863
Dividends paid	(9,681,191)	(11,131,268)
Write-off	(2,974,701)	(2,129,875)
Closing Balance	**1,507,975**	**3,926,559**

18. LEASES

18.1 The right-of-use assets

The statement of the identified assets as of 31 December 2025 is presented in the table below:

Cost	Technical equipment and machinery and other tangible assets	Total Right of use assets
On 1 January 2024	**14,679,297**	**14,679,297**
Disposal	(122,877)	(122,877)
On 31 December 2024	**14,556,420**	**14,556,420**
Additions	1,494,992	1,494,992
Disposal	(560,922)	(560,922)
On 31 December 2025	**15,490,491**	**15,490,491**
Depreciation and impairment		
On 1 January 2024	**2,933,051**	**2,933,051**
Depreciation charge for the year	1,596,609	1,596,609
Disposal	(116,292)	(116,292)
On 31 December 2024	**4,413,368**	**4,413,368**
Depreciation charge for the year	1,770,594	1,770,594
Disposal	(560,922)	(560,922)
Transfers		
On 31 December 2025	**5,623,040**	**5,623,040**
Net book value		
On 31 December 2025	**9,867,450**	**9,867,450**
On 31 December 2024	**10,143,053**	**10,143,053**
On 1 January 2024	**11,746,246**	**11,746,246**

At the beginning of 2020, the Company signed a financial leasing contract which acquires the right to use two production equipment (cement pumping units). The financing contract has a period of 5 years, starting with the date of the goods receipt, the total value of the equipment's being of EUR 2,680,000 (equivalent of RON 12,061,957), the option to buy the goods being expressed at the moment the contract was signed. The Company paid in the first half of the year 2020 the advance, as part of the leasing contract, in amount of RON 1,297,120. The equipment was delivered in the first half of 2022 which resulted in the recognition of assets under the category rights of use of assets in the amount of RON 12,061,957.

18. LEASES (continued)

18.2 Lease liability

The accounting value of the lease liability and the movements recorded in this category during financial year 2025:

	2025	2024
At 1 January	**6,172,805**	**8,805,636**
Additions during the period	1,494,992	-
Remeasurement of lease contract	-	(7,214)
Interest associated to lease liability	316,347	475,418
Lease instalments	(3,218,970)	(3,129,029)
Exchange rate difference for liability	187,467	27,995
Balance at 31 December	**4,952,643**	**6,172,806**
Current	**3,033,186**	**2,568,984**
Non-current	**1,919,457**	**3,603,823**

For details regarding undiscounted potential future lease payments, please refer to Note 23.

The following expenses represent amounts recognized in profit and loss account in connection to lease contracts:

	2025	2024
Depreciation expense of right of use assets	1,770,594	1,596,609
Interest expense on lease liability	316,347	475,418
Expense relating to short-term leases	148,419	126,591
Variable lease payments	77,810	16,107
Total amounts recognised in profit or loss account	**2,313,170**	**2,214,724**

The maturity analysis of lease liabilities is disclosed in Note 23.

19. OTHER POST EMPLOYMENT BENEFITS

	2025	2024
Balance at 1 January	**1,249,466**	**1,175,961**
Included in profit or loss		
Interest expense	81,116	78,424
Service Cost	94,156	97,403
(Gain) / loss on settlement	(669,075)	(240,671)
Included in other comprehensive income		
Actuarial loss/(gain)	342,293	138,349
Balance at 31 December	**1,097,956**	**1,249,466**

19. OTHER POST EMPLOYMENT BENEFITS (continued)

The liabilities regarding pensions and other similar obligations have been determined based on the provisions of the collective labour contract of the Company, which stipulates the payment of a number of salaries to each employee at retirement, depending on the period of employment. As of 31 December 2025, the amount of the provision for benefits to be granted at retirement is RON 1,097,956. The computation is based on a actuarial model, prepared by an independent party and took into consideration mainly the turnover of the employees, the age of the employees, the estimated mortality rate, the estimated salary costs evolution, discount rates.

Due to micro and macroeconomic trends observed in the oil and gas sector, the estimates applied for the computation of the retirement benefits have been revised being summarized in the table bellow:

	31 December 2025	31 December 2024
	%	%
The turnover of the personnel in one year	4.5	4.5
The contribution of the company to the gross salary	2.25	2.25
The inflation rate of the salary	7.1	3.5
The nominal discounting rate (the interest rate for governmental bonds)	6.6	6.9

A quantitative sensitivity analysis for significant assumptions as at 31 December is, as shown below:

	Impact on defined benefit obligation 2025	Impact on defined benefit obligation 2024
Discount rate assumptions:		
1% increase	(86,501)	(87,845)
1% decrease	97,079	98,246
Salary sensitivity assumption:		
1% increase	99,950	100,835
1% decrease	(90,366)	(91,517)
Longevity sensitivity assumption:		
+ 1 year	2,792	2,795
- 1 year	(2,866)	(4,010)

20. TRADE PAYABLES AND SIMILAR LIABILITIES (CURRENT)

	31 December 2025	31 December 2024
Trade payables - third parties	5,032,079	4,812,119
Trade payables with affiliated entities	760,448	660,367
Debt regarding interim dividends received	6,007,975	-
Advances	22,807	22,009
Salaries	2,850,827	1,921,702
Dividends to be paid	1,507,975	3,926,559
Other taxes	1,511,972	730,744
Other liabilities	25	-
Total	**17,694,107**	**12,073,500**

On October 31, 2025, the Company recorded the receipt of interim dividends distributed by the affiliate Rompetrol Logistics S.R.L. in the net amount of RON 6,007,975.

21. PRESENTATION OF THE AFFILIATED PARTIES

The following tables present information on transactions with companies under common control of KazMunayGas Group as of 31 December 2025.

Name of the company	Transaction type	Country of origin	The nature of relationship
KMG International NV	Payments of dividends	Netherland	Parent Company
Rompetrol Rafinare SA	ITP services	Romania	Minority investment of 0.05% of the Rompetrol Rafinare share capital
Rompetrol Logistics SRL	ITP services, reinvoicement security services, dividends	Romania	Minority investment of 6.98%, of the Rompetrol Logistics share capital
Oilfield Exploration Business Solutions SA	ITP services	Romania	Company member of KMG International Group
Rompetrol Downstream SRL	Procurement of fuel, procurement of rovignete	Romania	Company member of KMG International Group
KMG Rompetrol SRL	Management and IT services, cash pooling services	Romania	Company member of KMG International Group
Rominserv SRL	ITP services	Romania	Company member of KMG International Group
KMG Rompetrol Services Center SRL	Services for procurement, legal, employees, translations, rental of premises	Romania	Company member of KMG International Group
Rompetrol Quality Control SRL	Laboratory test	Romania	Company member of KMG International Group

21. PRESENTATION OF THE AFFILIATED PARTIES (continued)

Receivables

	31 December 2025	31 December 2024
KMG Rompetrol SRL	43,379,232	47,109,341
Rompetrol Logistics SRL	38,215	28,194
KMG Rompetrol Services Center SRL	1,601	770
Total	**43,419,048**	**47,138,305**

Liabilities

	31 December 2025	31 December 2024
KMG Rompetrol SRL	482,247	204,311
Rompetrol Downstream SRL	351,518	397,960
KMG Rompetrol Services Center SRL	(74,404)	58,096
Rompetrol Quality Control SRL	1,087	-
Rompetrol Logistics SRL	6,007,975	-
Total	**6,768,423**	**660,367**

Sales

	2025	2024
KMG Rompetrol SRL	3,600,458	3,746,786
Rompetrol Logistics SRL	318,681	265,520
KMG Rompetrol Services Center SRL	7,862	7,761
Oilfield Exploration Business Solutions SA	109	109
Rompetrol Rafinare SA	504	218
Rominserv SRL	-	143
Total	**3,927,614**	**4,020,538**

Acquisition of goods and services

	2025	2024
Rompetrol Downstream SRL	4,178,333	5,349,721
KMG Rompetrol SRL	3,313,614	3,838,523
KMG Rompetrol Services Center SRL	932,364	1,088,098
Rompetrol Quality Control SRL	1,261	1,815
Total	**8,425,571**	**10,278,156**

Starting with 2014, it was implemented an optimization system for the cash availability between the companies within KazMunayGas International Group, known as cash pooling concept. Cash pooling system was implemented in relation to cash availability from certain bank accounts of the Company, and the direct effect will be transposed to the optimization of cash for the company, with impact in the interest income. According to the cash pooling system, in terms of assets presentation, the amounts available at the end of the reporting period is reflected in the statement of financial position in the line "Availabilities in cash pooling system". During the reporting period, the average balance of master account was RON 45,991,684, generating interest in amount of RON 3,600,458. The value of these receivables as of 31 December 2025 was of RON 43,379,232.

21. PRESENTATION OF THE AFFILIATED PARTIES (continued)

Description	Validity term	Contract Date	Maturity Date	Interest rate	Currency	Principal	Interest receivable as of 31 December 2024	Balance existing as of 31 December 2024	Interest receivable as of 31 December 2025	Balance existing as of 31 December 2025
Cash Optimization System implementation of The KMG Rompetrol Group companies (cash pooling)	12 months, with automatically extension	15-Sep-14	15-Sep-26	Based on ROBOR OVERNIGHT	RON	Depending on the working capital needs	291,278	46,818,063	296,645	43,082,587
Total							**291,278**	**46,818,063**	**296,645**	**43,082,587**

On 17 October 2019, KMG International NV issued a deed guarantee in favor of the Company for an amount up to 30 million USD, in connection with the current cash pooling contract.

22. COMMITMENTS AND CONTINGECIES

Guarantees to third parties

The service providing contracts concluded with our main customers contain clauses referring to creation of performance guarantees through a guarantee granting instrument issued under the provisions of the law, by a bank or insurance company, i.e. Letters of Bank Guarantees.

The detail of the collateral accounts on 31 December 2025 and 2024 for the Letters of Bank Guarantee is enclosed in Note 12 and Note 16.1.

Transfer pricing

Fiscal legislation in Romania includes the principle of "market value", according to which transactions between affiliated parties must be conducted at market value. Taxpayers which conduct transactions with affiliated parties must prepare and readily present to Romanian fiscal authorities at their written demand the transfer price file. The failure to present the transfer price file or the presentation of an incomplete file may lead to application of penalties for nonconformity; in addition to the content of the transfer price file, the fiscal authorities might interpret differently the transactions and circumstances than the interpretation of management and, as a consequence, might impose additional fiscal obligations resulting from adjustment of transfer prices. The management of the Company is considering that it will not suffer losses in case of a fiscal control for the verification of transfer prices. However, the impact of possible different interpretations of the fiscal authorities can't be estimated.

Litigation

The Company is involved in a litigation file having as object a call for guarantee concerning a provision of services, the amount of the claims being approximately RON 697,000. The Company lawyer informed the management about the status of the litigation file, to the effect that based on the information/documents and the arguments of the parties, currently included in the file before the Court, there are no indications that could lead to a possible admission of the call for guarantee filed against the Company. Therefore, no provision for litigation was recorded in these financial statements.

23. OBJECTIVES AND POLICIES FOR THE FINANCIAL RISK MANAGEMENT

The risk of the interest rate

- Loans received: the company is not involved in any loan contract and therefore not exposed to risks regarding the movement of the interest rate;
- Loan granted: for the loans granted presented in note 21 (Availabilities in cash pooling system), the income from interest varies, depending on OVERNIGHT ROBOR.

Considering the cash availabilities of the Company which are managed through cash pooling system, the current increased interest rates have positive impact on the Company's financial result.

If interest rates would have varied with + / - 1 percent and all other variables would have been constant, the net result of the Company as of 31 December 2025 would increase / decrease with RON 467,220 (2024: increase / decrease with RON 486,822).

Risk of the exchange rate variations

Most of the transactions of the company are in RON. Depending on the case, the structure of the amounts available in cash and the short-term deposits are also being adapted. The difference between the entry of the amounts in foreign currency and their repayment cannot generate, through the variation of the exchange rate, significant impact in the Company's financial position.

23. OBJECTIVES AND POLICIES FOR THE FINANCIAL RISK MANAGEMENT (continued)

Foreign currency sensitivity

The following tables demonstrate the sensitivity towards a possible reasonable change (5%) of the exchange rate of the USD dollar, EUR, all other variables being maintained constant.

The impact over the profit of the company before taxation is due to the changes in fair value of the assets and monetary debts. The exposure of the company to the foreign currency modifications for any other foreign currency is not significant.

	Total	5%	5%
	RON	USD	EUR
31 December 2024			
Balance	**(134,973)**	(20,408)	(114,565)
Monetary assets	**2,649**	968	1,680
Monetary liabilities	**(137,622)**	(21,376)	(116,246)
31 December 2025			
Balance	**45,894**	(8,996)	54,890
Monetary assets	**193,177**	409	192,769
Monetary liabilities	**(147,283)**	(9,404)	(137,878)

The credit risk

The company treats the crediting of its customers procedural, with flexibility through the stable contracting strategy as an essential mechanism for the risk repartition. The unfavorable conditions of the current market environment might impact our existing customers of the company, but the Management permanently monitors the receivables, collections and potential impairments. Having a constant customers' structure ensures a level of overdue receivables which does not vary significantly from one period to another.

The Company is also exposed to credit risk from its operating and financing activities, including deposits with banks and other financial institutions, cash pool receivables and other financial assets. It manages credit risk by placing funds only with reputable financial institutions and by monitoring exposures to counterparties.

Cash and cash equivalents and collateral cash are held with banks with high credit ratings. Management considers the credit risk related to these balances to be low.

Cash pool receivables represent balances with affiliated party. These balances are considered to have low credit risk due to the common control environment, the Company's ability to monitor and manage these exposures on an ongoing basis, as well as existing letter of guarantee issued by parent Company.

The market risk

The geopolitical context and the uncertainty faced by the region during this period triggered an increase in the purchase prices for the goods and services contracted by the company for the current activities, but also a fluctuation in delivery terms. However, Management is constantly looking to align to the current market condition the service tariffs as well as the type of services rendered.

Taking into consideration the structure and continuance of trade contracts, it can be highlighted as important clients SC OMV Petrom SA and SNGN Romgaz SA concentrating around 91% of the total turnover registered for the financial year 2025.

23. OBJECTIVES AND POLICIES FOR THE FINANCIAL RISK MANAGEMENT (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 Company. The risks are not only technical but also business related and may lead to operational disruptions, fraud or theft of sensitive information.

In 2022, we were subject to an attempt to gain unauthorized access to our computer network and systems, which did not result in major operational disruptions and have not had a material adverse effect on us, however this kind of events may occur in the future.

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.

Impact of sanction risks and conflict in Ukraine

In the context of the military conflict between Russia and Ukraine, started on 24 February 2022, the EU, USA, UK and other countries imposed various sanctions against Russia, including financing restrictions on certain Russian banks and state-owned companies 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.

These events continue to affect the activities in various sectors of the economy, resulting in increases in European energy prices and increased risk of supply chain disturbances.

The Company does not have direct exposures to related parties and/or key customers or suppliers from those countries since the Company and its main customers activate only on local market, therefore the most recently sanctions imposed against Russia do not to have an direct impact on the Company's activity.

At this stage Management doesn't expect that such conflict will have a significant negative impact on the Company's operations and on the recoverable value of the Company's long term assets.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the efficient use of working capital. Approximately 82% of the Company's debt will mature in less than one year at 31 December 2025 (2023: 72%) based on the carrying value reflected in the financial statements. The Company assessed the concentration of risk with respect to chargeability of its debt and concluded it to be low.

23. OBJECTIVES AND POLICIES FOR THE FINANCIAL RISK MANAGEMENT (continued)

The table below details the profile of the payment terms of the financial liabilities of the Company, based on contractual payments:

	On demand	Under 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Trade payables - third parties	53,554	4,704,424	273,840	260	-	5,032,079
Trade payables with affiliated entities	336,926	423,522	-	-	-	760,448
Lease liabilities	-	533,647	2,640,464	1,993,966	-	5,168,078
Dividends to be paid	1,507,975	-	-	-	-	1,507,975
Other liabilities	28	-	-	-	-	28
Total year 2025	**1,898,484**	**5,661,593**	**2,914,305**	**1,994,226**	**-**	**12,468,608**

	On demand	Under 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Trade payables - third parties	81,035	4,156,599	111,463	463,022	-	4,812,118
Trade payables with affiliated entities	416,854	243,513	-	-	-	660,367
Lease liabilities	-	451,251	2,256,256	3,668,321	-	6,375,827
Dividends to be paid	3,926,559	-	-	-	-	3,926,559
Other liabilities	-	-	-	-	-	-
Total year 2024	**4,424,448**	**4,851,363**	**2,367,719**	**4,131,342**	**-**	**15,774,872**

24. AUDIT EXPENSES

Costs for audit services with the financial auditor recorded during the financial year ended 31 December 2025 were in amount of RON 176,836 (2024: 103,482 RON).

All paid fees refer to auditing services on individual financial statements prepared by the Company in accordance with Order of Minister of Public Finance no. 2844/2016.

25. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 24 March 2026, the Board of Directors approved the proposal to distribute gross dividends in amount of RON 3,862,301 RON, respectively 0,0138836 RON/share, proposal on which the General Ordinary Meeting of the Shareholders that will take place on 28 (29) April 2026 shall decide.

The Financial Statements from page 1 to page 56 were approved by the Board of Directors in 26 March 2026 and are signed in his name by:

Administrator,
FLOREA Georgian Stefan

Signature

Prepared by,
MOISE Luiza-Roxana
Finance Manager

Signature