ANNUAL REPORT
OF THE BOARD OF DIRECTORS
FOR THE 2024 FINANCIAL YEAR

drawn up in accordance with Law no. 24/2017 regarding issuers of financial instruments and market operations and FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations

Company
ROMPETROL WELL SERVICES S.A.

Headoffice:	Ploiesti - str. Clopotei nr. 2 bis
Phone no.:	0244/544321, 0244/544101
Fax:	0244/522913
Fiscal Identification Code:	RO 1346607
No. in the Trade Register:	J1991000110297
Transaction market:	BUCHAREST STOCK EXCHANGE
The subscribed and paid-up capital:	27.819.090 lei

The main characteristics of securities issued by the company

No. of shares:	278.190.900
Nominal value (lei/share):	0,10 lei
Grade and type of securities:	“A” nominative

Content

1. Analysis of the company's activity

Rompetrol Well Services S.A. ("RWS") is one of the most significant well services providers in Romania, which offers a broad range of services (cementing, stimulation, various pumping, pressure testing, instrumentation, well casing operations, etc.) for oil and gas wells in Romania, the region, but also in other areas of the EU.

In 2024, the upstream market continued to experience fluctuations in investment and volume of works from customers. The purchase prices for goods and services provided to the company under the contract to carry out its current activities showed a moderate upward trend. At the same time, delivery times continued to show fluctuations due to regional context.

Rompetrol Well Services (RWS) managed to secure its leading position in the specific market segment through the diversity and flexibility demonstrated in offering specialized services aligned to the requirements of each individual client.

-RON

	2022	**2023**	**2024**
Operational income, out of which:	53.228.897	73.487.511	77.024.291
Rendered services	52.295.150	72.067.998	74.196.791
Operational expenses, out of which:	(53.825.976)	(62.682.833)	(68.415.726)
Depreciation and Amortization	(4.895.557)	(5.921.961)	(4.806.037)
Adjustments on provisions, net	717.751	(47.250)	456.985
Net financial income	3.474.405	3.050.169	3.168.160
EBIT	**2.877.328**	**13.854.847**	**11.776.725**
Net result	**2.449.517**	**11.767.863**	**10.237.307**
Availability in the cash-pooling system	46.117.041	50.730.823	47.109.341
Payroll – Number of employees	133	135	138

1.1. a) Description of the core activity of the company

Having over 70 years of experience, Rompetrol Well Services SA is a competitive, solid and reliable partner, offering a wide range of services in the oil and gas industry.

The object of the Company's activity consists in: provision of services for oil and gas wells, rental of well tools and equipment and other services. The services offered: cementing, stimulations, tubular running services, that are performed in the oil fields in Romania and abroad.

b) Specifying the date of establishment of the company

Company Rompetrol Well Services S.A. was established in 1951 and in the more than 70 years of activity, although it operated with different structures and under different names, the main profile was the execution of special operations at oil and gas wells in Romania.

Government Decision no. 1213 of November 1990 decided that the Company should become a joint-stock company, according to Law no. 15/1990, under the name of PETROS S.A., the name under which it operated until September 2001, when it changed its name to ROMPETROL WELL SERVICES S.A.

c) Description of any significant merger or reorganization of the company, its subsidiaries or controlled companies, during the financial year

During 2024 and 2023, respectively, there were no mergers or reorganizations of the company.

d) Description of acquisitions and/or disposals of assets

The Company's purchases were mainly represented by equipment necessary for the current activity. Thus, the equipment modernization program continued in 2024, focusing on updating technologies for cementing and well stimulation services. The company has not disposed of assets with significant accounting value.

e) Description of the main results of the evaluation of the company's activity.

1.1.1. Elements of general assessment:

a) profit:
At the end of 2024, Rompetrol Well Services records a positive result (profit) of 10,237,307 lei, 13% lower than the level of profit recorded in the previous year.

b) turnover:

In 2024, the turnover was 74,674,449 lei, 3% higher than the one recorded at the end of 2023, respectively 5% higher than the budgeted one. The impact was generated by an increase recorded in the area of primary cementing services and stimulation services.

c) export:

In 2024, the Company provided services in Denmark, based on specific contract. The turnover obtained from these activities was in the amount of 1,564,391 RON.

d) costs:

In 2024, the operating expenses adjusted with elements of the nature of provisions were in the amount of 68,872,711 lei, 10% higher than those registered in the previous year, their evolution being influenced both by the direct costs related to the basic activity (cement, additives, equipment maintenance and repairs).

e) own market share %;

In Romania, the company holds market shares up to 70% for different types of special services provided.

f) liquidity (available in the account, etc.).

From the point of view of liquidity, the Company maintained the ability to cover current liabilities from current assets, the current liquidity indicator reaching a level of 4.39 on December 31, 2024.

1.1.2. Evaluation of the technical level of the company

Description of the main rendered services

The main works performed by the company ROMPETROL WELL SERVICES are the following:

- **Cementing and pumping services of various kinds**:
casing cementing, primary cementing, secondary cementing (plug cementing and squeeze cementing), well kills, circulations, milling and replacement of fluids, interventions in damaged wells, various pumping, etc.
- **Stimulation services**:
surfactant treatement, acid pumping, transport of fluids (acid solutions, emulsions and enzymes, etc.), water shut-off.
- **Special operations with liquid nitrogen**:
lift-off operation, foam acidizing, pressure integrity testing;
- **Operations with mechanical tongs for well casing;**
- **Rental of tools and equipment for various drilling-extraction works or resolving well technological accidents;**
- **Analyzes in our own laboratory for cements and well fluids;**
- **Preparation of cement slurry according to the recipes;**
- **Operations with cement retainers.**

a) the main markets for each product or service and the distribution methods

The company ROMPETROL WELL SERVICES has maintained its position on the domestic market, being constantly concerned with improving the quality of the services provided. Having production capacities throughout the country as well as a qualified and well-trained workforce in the field of providing special services to oil and gas wells, ROMPETROL WELL SERVICES promptly provides the services required by their beneficiaries, regardless of the location.
The main markets for Rompetrol Well Services are in Central and Eastern Europe.

b) the share of each category of products or services in the revenues and in the total turnover of the company for the last three years;

The share of each category of services in the turnover for the years 2022, 2023, 2024 is presented as follows:

Type of service	2022		2023		2024	
	Actual value (RON)	%	Actual value (RON)	%	Actual value (RON)	%
1	2	3	4	5	6	7
Cementing-Pumping services	34.845.343	66.0%	57.540.957	79.3%	54.185.748	72.6%
Stimulation services	13.930.332	26.4%	10.661.775	14.7%	15.499.577	20.8%
Nitrogen services	1.533.679	2.9%	2.537.335	3.5%	3.026.895	4.1%
Casing Running services	704.998	1.3%	742.348	1.0%	846.203	1.1%
Tools Rental services	130.603	0.2%	75.642	0.1%	212.001	0.3%
Other services	1.623.091	3.1%	1.005.617	1.4%	904.025	1.2%
TOTAL	**52.768.046**	**100%**	**72.563.673**	**100%**	**74.674.449**	**100%**

c) the new products considered for which a substantial volume of assets will be affected in the future financial year as well as the stage of development of these products.

The equipment modernization program of recent years focused on updating technologies for cementing and well stimulation services, respectively tubular running and acidizing services. The high-pressure pumping equipment is in accordance with the current safety requirements of the industry. The company continues to implement effective cementing and well stimulation technologies, meeting the operational requirements of customers.

1.1.3. Evaluation of the technical-material supply activity (indigenous sources, import sources)

Information on security of supply sources, prices of raw materials and stock sizes of raw materials and supplies.

The main types of materials needed to carry out the activity are: class G cement and specific additives, fuels and lubricants, auto spare parts and technological equipment, secured on the basis of firm contracts concluded annually, which ensures stability and safety of the company's operation in optimal conditions. The levels of stocks of raw materials and spare parts vary depending on the volume of activity expected for the next period. The purchase prices are the prices applied on the market.

1.1.4. Evaluation of the selling activity

a) Description of sequential sales evolution on the domestic and/or foreign market and medium- and long-term sales prospects;

The evolution of revenues is presented in the following table:

- RON

	2022	2023	2024
Sales by activities, out of which:	**52.768.046**	**72.563.673**	**74.674.449**
Income from services provided	52.295.150	72.067.998	74.196.791
Income from sale of goods	472.896	495.675	477.658

Despite the constantly changing market conditions, the Company has managed to secure its leading position on the specific market segment through diversity and flexibility in offering specialized services tailored for each individual client. From an operational point of view, the Company implemented measures to ensure the availability of labor in order to fulfill all orders. 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 2025 the Company will register a level of sales similar to 2024. As before, the Company's flexibility in terms of the type of services provided, together with a strong financial position, including cash availability, will allow it to maintain a high level of activity.

b) Description of the competitive situation in the field of activity of the company, of the market share of the products or services of the commercial company and of the main competitors;

In the conditions of an increasingly competitive environment and a cautious level of activity in the oil and gas industry, the Company managed to maintain the market share for most of the services provided in Romania, while at the same time increasing the complexity of the services provided. The company has a market share up to 70% of the specific services market.

The main competitors of the Company in terms of main activities are: Schlumberger, Halliburton, Tacrom.

c) description of any significant dependence of the company on a single customer or on a group of customers whose loss would have a negative impact on the company's revenues.

It can be stated that ROMPETROL WELL SERVICES depends on the position of OMV - PETROM BUCUREŞTI S.A., a customer that represents over 65% of the company's sales. To reduce this risk of dependence, the company aims to increase the share of special well services provided to other E&P players on the local market and expand the activity on the foreign market.

1.1.5. Evaluation of aspects related to the company's employees/staff

a) Specifying the number and level of training of the company's employees as well as the degree of unionization of the workforce;

The company carried out training of employees, mainly through internal training programs, to ensure obtaining the maximum benefits from the exploitation of existing equipment, the continuous raising of the level of competence of employees and to create a safe work environment.

The staff structure as of December 31, 2024 is as follows:

Total number of staff, of which:	144
- high education	62
- with secondary education	8
- skilled workers	74

The degree of labor unionization is 90.27%.

b) Description of the relations between the manager and the employees, as well as any conflicting elements that characterize these relations.

The relations between the manager and employees are based on collaboration and are carried out on the basis of the "Collective Labor Agreement", existing at the company level, without identifying conflicting elements.

c) Assessment of issues related to the impact of the issuer's core activity on the health and safety of workers

The QHSE (Quality, Health, Safety, and Environment) management system of Rompetrol Well Services reflects the provisions of a comprehensive set of current legal requirements, based on detailed internal procedures and risk assessments. All company employees are covered by the current QHSE management system.

To enhance the company's health and safety performance, specific measures were implemented during the 2024 reporting period:

- Quarterly meetings of the Health and Safety Committee
- Safety audits, BBS (Behavior-Based Safety) audits, and the annual Safety Audit plan involving management
- Internal audit plan for 2024
- Job Safety Analysis (JSA) and risk assessment for all operations
- Mandatory training, professional training through the Annual Training Plan

As part of its QHSE management system, the company provides road safety awareness campaigns, GPS monitoring of the fleet, and defensive driving programs to ensure safe transportation (indicators are reported in weekly management meetings).

Throughout 2024, a new driving management monitoring system was installed on all vehicles in the company's fleet. This system can generate complex reports (GPS speed monitoring and route tracking, sudden accelerations and brake applications, seat belt usage, use of headlights, driving times). Detailed reports are generated for each driver in the company.

Risk assessments are conducted in accordance with Romanian legislation and undergo periodic review and updates whenever there is a process change or new risks are identified. The risk register is updated quarterly. Employees are encouraged to report risks during regular training sessions. They can do this directly or can communicate anonymously through the SSM mailbox in each unit. In case of incidents, the company applies the QHSE responsibility policy, which is a good practice policy for "stopping work" without blaming employees.

Health and safety training is regularly provided in compliance with current legislation:

- Training on legal requirements (monthly)
- Training and practical demonstrations regarding “Life Saving Rules”;
- Professional training matrices
- Other professional training for skill development (drivers, forklift operators, professional drivers, IWCF, Bosiet, SSM Risk Level Evaluator, etc.) included in the Annual Training Plan;
- Road safety and defensive driving training.

HSE hazards of products and risk control for employees and contractors are communicated through training on safety data sheets. Furthermore, to monitor, track, evaluate, and manage product-related incidents, the company uses procedures, simulations, and training such as:

- Policy on hazardous substances;
- Communication of chemical hazards;
- Handling of chemical products;
- Storage and disposal of chemical substances;
- Chemical exposure.

All training expenses are covered by the company. Communications and audits are also extended to contractors, along with communications on various HSE topics.

With 246,985 hours worked in 2024 and 1,760,035 km driven, Rompetrol Well Services did not record any fatalities, work accidents, or occupational illnesses.

1.1.6. Evaluation of aspects related to the impact of the issuer's core activity on the environment

The synthetic description of the impact of the issuer's core activities on the environment as well as any existing or anticipated litigation regarding the violation of environmental protection legislation.

The activities carried out by the Company, both at the headquarters in Ploiești and all work sites in the country, strictly adhere to the existing environmental legislation, thus avoiding any litigation that may arise due to violations of the applicable laws.

The Company conducts periodic checks of compliance with environmental requirements according to the environmental permits associated with work sites in the country, to avoid penalties or fines that may be imposed for failure to meet obligations in this field, but also for relations with our suppliers and clients, who have recently become increasingly attentive to environmental aspects and concerned about identifying sustainable solutions that lead to reducing the ecological footprint.

Compliance checks with environmental regulations represent a complex process through which the Company carries out a detailed assessment of activities impacting the environment, the degree to which environmental legislation is respected for both technological processes carried out on-site and the documents held, identifying any non-compliance and proposing compliance, prevention, or impact reduction solutions.

In July 2024, a recertification audit of the Integrated Management System (environment, quality, safety, and occupational health) was conducted by DNV Business Assurance, after which Rompetrol Well Services S.A. continues to operate fully in accordance with the ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards. To verify and maintain compliance with these standards, the Company conducts annual internal audits of environment, quality, and occupational health and safety at all its bases and inspections of operations performed at client locations.

Throughout 2024, Rompetrol Well Services S.A. has obtained annual environmental visas for all 5 Environmental Permits it holds.

Rompetrol Well Services has set several environmental objectives, including:

- Reducing the intensity of greenhouse gas emissions from the organization, according to GRI standard 305-4.
  Target: 1% reduction compared to 2022

- Reducing the “Third-party water” indicator according to GRI standard 303
  Target: 0.5 reduction compared to 2022

- Preventing any accidental pollution according to GRI standard 306;
  Target: 0 accidental pollutions caused by Rompetrol Well Services employees

- Eliminating plastic waste within the Company;
  Target: 100%-recycling

- Monitoring and implementing environmental aspects required within environmental permits;
  Target: 100% completed

- Training staff in environmental protection;
  Target: 100% completed

The management of ROMPETROL WELL SERVICES ensures the necessary resources and framework for implementing established environmental objectives, actively involving itself in all projects aimed at continuous improvement of environmental protection through the services provided.

According to Law No. 105/2006 and Emergency Ordinance No. 196/2005 regarding obligations to the Environmental Fund, Rompetrol Well Services S.A. pays monthly fees for pollutant emissions into the atmosphere from fixed sources and an annual fee for packaging introduced into the market, following declarations of obligations to the Environmental Fund.

1.1.7. Evaluation of the research and development activity

Specifying the expenses in the financial year as well as those anticipated in the next financial year for the research and development activity.

In 2024, the Company did not record research and development expenses.

1.1.8. Evaluation of the company's activity regarding risk management

Description of the company's exposure to price, credit, liquidity and cash flow risk. Description of the company's policies and objectives regarding risk management.

The activity carried out by the Company implies its exposure to the following risks:
- *price risk*: the Company has a flexible pricing policy, which allows it to react and adapt to any price fluctuations that may appear in the market;
- *credit risk*: the Company's activity is financed from its own sources, but the impact of commercial credit could not be completely eliminated. The company manages customer credit in a procedural, flexible manner, through the contracting strategy established as an essential risk distribution mechanism. The Company's management constantly monitors receivables and their collection;
- *interest rate risk:* the company has not contracted bank loans, thus not being influenced by interest rate volatility. For the availabilities placed in the cash pooling system, the interest income is variable in relation to the ROBOR evolution;
- *liquidity risk:* until now the liquidity risk has been estimated as low, as the Company has managed to achieve a stable balance between the maturity of receivables generated by sales and the enforceability of debts for operational and investment activity.
- *the risk of exchange rate variations:* most of the Company's revenues are reported in RON and EUR. The gap between the registration of amounts in foreign currency and their settlement cannot generate significant patrimonial effects as a result of the exchange rate variation.

More details regarding risks faced by the Company are presented in the Financial Statements for the year 2024, in Note 23.

1.1.9. Elements of perspective regarding the company's activity

a) Presentation and analysis of trends, elements, events or uncertainty factors that affect or could affect the liquidity of the commercial company compared to the same period of the previous year.

The activity carried out by the Company did not cause dysfunctional cash flows, being compensated by the efficiency of the management of existing liquidity. Commitments to suppliers were paid rhythmically. The registered arrears do not present the risk of significant penalties. As of December 31, 2024, the Company is not involved in litigation regarding the payment of outstanding debts. The company ensured permanent efficiency in honoring contracts throughout the country.

The prospects of expanding service activities on foreign markets, however, require rational decisions in the careful use of liquidity when concluding new contracts.

The main objectives for 2025

Continuation of offering high quality services in all the main activities carried out by the Company. Taking into account the current market context, the Company is analyzing the possibility of expansion on the service market in the Middle East region, as well as the expansion of the activity in Central and Western Europe. In this sense, the Company continued discussions with possible local partners, including considering the opening of an operational base in the area.

b) Presentation and analysis of the effects of capital expenditures, current or anticipated, on the financial situation of the company compared to the same period last year.

The operation of the Company's activity was financed from its own sources, without requiring the contracting of loans from banking institutions or other legal entities.

In the category of debts, there are no outstanding debts of interest or other loans committed from banking institutions, but only the effect of the application of the new leasing standard.

The permanent trend for the constructive and functional improvement of the drilling installations, imposed by the need to obtain a technical-economic efficiency of the extraction wells, led to the need to make investments in order to be able to respond to the market requirements.

A share of 69% of the increase recorded in tangible assets, in the amount of 1.3 million RON, is represented by the purchase and/or modernization of the installations and equipment used in the operations carried out at the drilling wells and other ancillary operations.

Approximately 31% of the total investments made by the Company in 2024 concerned works carried out in order to rehabilitate and modernize operational bases and replace IT equipment.

The company secured its own financial resources for the full implementation of the investment budget for 2024.

c) Presentation and analysis of events, transactions, economic changes that significantly affect the income from the core activity.

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.).

Last year, Rompetrol Well Services performed 112 primary cementing operations (up 18% on the previous year), 192 secondary cementing operations, and 448 stimulation operations (up 15% on the previous year), with a total number of works in line with the company's forecasts.

2. The tangible assets of the company

2.1. Specifying the location and characteristics of the main production capacities owned by the commercial company.

The patrimonial assets of tangible type allow a flexible organization in the territory to promptly fulfill the orders of the beneficiaries.
The place of service provision is identified at the beneficiaries, not in the organizational perimeter of the Company, the use of the production capacities being dependent on the orders received from the beneficiaries.
The location of the land and buildings on the geographical area is identified in the following localities: Ploiesti (Prahova County), Campina (Prahova County), Razvad (Dâmboviţa County), Leordeni (Arges County), Mihaesti – Stuparei (Valcea County), Potcoava (Olt County), Craiova (Dolj County), Tg. Carbunesti (Gorj County), Slobozia - Conachi (Galati County), Ianca (Braila County), Timişoara (Timis County), Medias (Sibiu County), Moinesti (Bacau County), Videle (Teleorman County).
The main production capacities are represented by: cementing aggregates, containers, tanks, cementing laboratory equipment and other types of vans and drilling tools.

2.2. Description and analysis of the degree of wear and tear of the Company's assets.

Working outdoors at wells, traveling on hard-to-reach roads and using corrosive materials implies a high degree of wear and tear, compensated by the investments of recent years. The automotive specifics of the production capacities imply, the recognition of some maintenance costs resulting from the adaptation and implementation of the imperative normative acts specific to European integration and environmental protection issues: ADR transport licenses, rovignetes, tachographs, environmental taxes, taxes for first registration, local taxes, etc.

2.3. Specifying the potential issues related to the right of ownership of the tangible assets of the company.

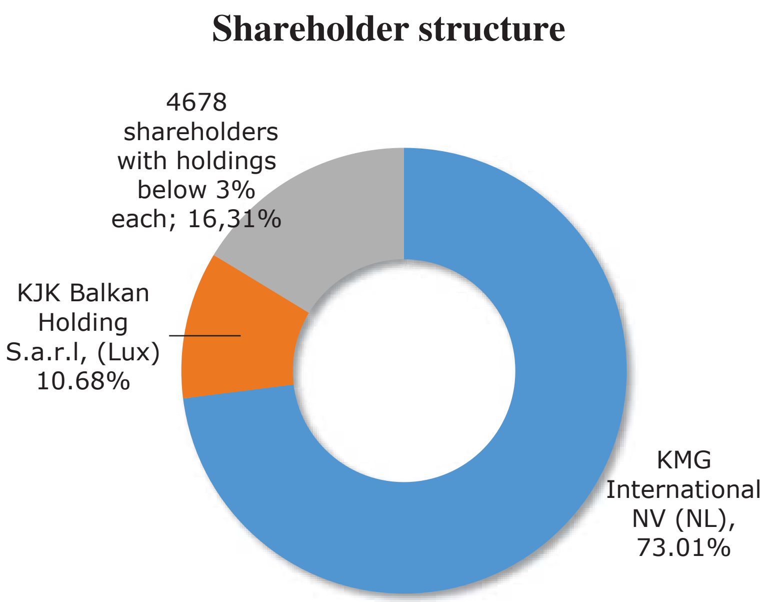
For all tangible assets, the right of ownership is recognized, according to the documents held and the regulations in force.

3. The market of securities issued by the company "ROMPETROL WELL SERVICES" S.A.

3.1. Specifying the markets in Romania and other countries where the securities issued by the company are traded.

Securities issued by ROMPETROL WELL SERVICES S.A. are admitted to the rate of the Bucharest Stock Exchange by decision no. 133/ 26.03.1998 and are traded on this market in the STANDARD category in the sector of securities issued by Romanian legal entities, from 18.06.1998, under the symbol PTR. The securities issued by the company are category A - registered shares.
As of 31.12.2024 the share capital is 27,819,090 lei, equivalent to 278,190,900 shares with a nominal value of 0.10 lei/share and is distributed among the holders as follows:

1. KMG INTERNATIONAL N.V. Netherlands	20.311.015 lei (73,0111 %)
2. KJK BALKAN HOLDING S.a.r.I Luxembourg	2.970.995 lei (10,6797 %)
3. Other shareholders (4678 shareholders)	4.537.080 lei (16,3092 %)



3.2. Description of the company's policy regarding dividends. Specifying the dividends due/paid/accumulated in the last 3 years and, if applicable, the reasons for the eventual reduction of dividends during the last 3 years.

The decision to declare and pay dividends is taken during the Ordinary Annual General Meeting of Shareholders upon the recommendation of the Board of Directors. The recommendations regarding the amount of the dividend and the method of payment are adopted during the meeting of the Board of Directors to propose the distribution of the profit based on the year-end results.

The policy provides a differentiated approach to determining the volume of dividends with regard to the Company, depending on:

- The nature and profitability of the commercial activity carried out by the Company and its capital needs;
- Anticipated equity capital needs for the fulfillment of activity plans and investment projects;
- The effective volume of dividends will take into account the financing needs with equity capital for:
    - Financing capital investments in existing assets;
    - Financing of investment projects regarding the part that requires the allocation of own funds according to the agreed project financing structure;
    - Debt repayment;
    - Other relevant factors influencing the company's cash flows.

The Board of Directors prepares proposals regarding the effective volume of dividends distributed for the reporting period.
The dividend distribution rate, subject to the other provisions of this Policy, is set at a minimum of 30%, as long as there are sufficient cash availability, calculated as follows:
Cash balance N + Net cash pooling balance N + Cash from operations N +1 + Cash from investments N + 1 + Financial costs N + 1 + Mandatory loan repayments N + 1

where N is represented by the year for which the distribution is made, while N+1 represents the following year. For N+1, the calculation is prepared based on the budget.
Dividends are distributed to the Company's shareholders in proportion to their holdings in the Company.
The final decision will be taken by the appropriate corporate bodies of the Company.
The value of the dividends is identified when the decision to declare and pay the Dividends is taken.

The GMS decision regarding the declaration and payment of dividends reflects the following:
- dividend value per share;
- the registration date and the corresponding ex date, which identify the shareholders entitled to the dividend;
- dividend payment date;
- any other legal requirements mentioned in the legal provisions in force.

For the financial year ended on December 31, 2022, EGMS from 26.04.2023 approved the distribution as dividends of the net profit in the amount of 2,449,517 lei, as a dividend, respectively 0.008805 gross lei/share.

For the financial year ended on December 31, 2023, EGMS from 25.04.2024 approved the allocation of the profit, computed according to applicable legislation, as well as the distribution of dividends for the financial year 2023, in the amount of 11,767,863 RON, respectively 0.042301 gross lei/share.

For the financial year ended on December 31, 2024, EGMS from 28(29).04.2025 is to decide on the way to distribute the profit. The proposal of the Board of Directors is to distribute the net profit as dividends in the amount of 10,237,307 RON, respectively 0.036799 gross lei/share.

Until December 31, 2024, the Company paid the following dividends:
- 95% of the gross dividend approved for the 2021 financial year;
- 94% of the gross dividend approved for the 2022 financial year;
- 94% of the gross dividend approved for the 2023 financial year

3.3. Description of any activities of the company to purchase its own shares.

The company did not carry out activities for the purchase of its own shares.

3.4. If the company has subsidiaries, specifying the number and nominal value of the shares issued by the parent company held by the subsidiaries.

Not applicable.

3.5. If the company has issued bonds and/or other debt securities, the presentation of how the commercial company pays its obligations to the holders of such securities.

Not applicable.

4. Management of ROMPETROL WELL SERVICES S.A.

According to the Articles of Association, the Company is managed by a Board of Directors composed of 5 members, appointed by the Ordinary General Meeting, who may also be shareholders of the company, natural or legal persons, of Romanian or foreign citizenship, respectively nationality.

At the beginning of 2024, the Board of Directors had the following members: Tergeussizov Batyrzhan, elected at the General Meeting of Shareholders on 26.04.2023 for a term that will expire on 30.04.2026, Stefan Georgian Florea, Vasile Gabriel Manole, Olga Turcanu, Eugeniu Moby Henke, elected by the General Meeting of Shareholder on 27.04.2022 for a 4-year term starting with 30.04.2022.

On 26.09.2024, Mr. Tergeussizov Batyrzhan resigned from the mandates of President and member of the Board of Directors and member of the Audit Committee starting on 01.10.2024 (last day of mandate being 30.09.2024).

Through the Decisions of the Board of Administration no. 1 and 2 of 30.09.2024, Mr. Pavel Romanenko was appointed temporary administrator and President of the Board of Directors starting from 01.10.2024.

Thus, as of the end of 2024, the composition of the Board of Directors is as follows:

Pavel Romanenko – the Chairman of the Board of Directors
Georgian Stefan Florea – Member / General Manager
Olga Turcanu – Member
Vasile Gabriel Manole – Member
Eugeniu – Moby Henke – Member

On 16.01.2025, Mr. Pavel Romanenko requested to take note of his resignation from the mandates of President and member of the Board of Directors, starting from 20.01.2025 (last day of mandate being 19.01.2025).

Through the Decisions of the Board of Administration no. 1 and 2 of 20.01.2025, Mr. Yedil Utekov was appointed temporary administrator and President of the Board of Directors starting from 20.01.2025.

4.1. Presentation of the list of company administrators and the following information for each administrator:

a) CV (name, surname, age, qualification, professional experience, position and length of service;

• Batyrzhan Tergeussizov - Kazakh citizen, born in 1984
Chairman of the Board of Directors for the period 01.05.2023 - 30.09.2024.
Term of office: starting with 01.05.2023 until 30.09.2024.
Mr. Batyrzhan Tergeussizov has graduated from Almaty University of Power Engineering and Telecommunication, Electrical Engineering faculty and holds a master's degree in Business Administration (MBA) from Maastricht School of Management / Almaty Management University.
Before joining the Group, Mr. Tergeussizov held the position of General Manager of Linde Gas Kazakhstan TOO for more than seven years and had successfully managed the entity's business activities in Kazakhstan and Central Asia. Before this position, Mr. Batyrzhan Tergeussizov had several management roles within Siemens TOO, such as Country Division Lead - Energy Service Division, Business Unit Lead - Services for Oil & Gas and Industrial Application, and Head of Service Group.

• Pavel Romanenko - Kazakh citizen, born in 1985
Chairman of the Board of Directors for the period 01.10.2024 – 31.12.2024.
Term of office: starting with 01.10.2024 until 31.12.2024.
Mr. Pavel Romanenko has a bachelor's degree in geophysics, but also a master's degree in petroleum engineering obtained at the Kazakh-British Technical University in Almaty. He also holds several certifications in drilling, geomechanics or hydraulic fracturing.

• Georgian Stefan Florea- Romanian citizen, born in 1982
Member of the Board of Directors during the period 30.04.2022 – 31.12.2024
Term of office: 4 years starting on 30.04.2022
He graduated from the Ploiesti University of Oil and Gas. Mr. Florea holds a Master's degree in reservoir engineering obtained at the Ploiesti University of Petroleum and Gas.
Georgian Stefan Florea has been with Rompetrol Well Services since 2007, successfully fulfilling his duties in such roles as - initially at the operational level, holding the positions of petroleum engineer DST division, field engineer at the cementing division, petroleum engineer technical department, representative of Rompetrol Well Services & Rompetrol SA in Kurdistan, Sales Coordinator and up to management level, Deputy General Manager of Rompetrol Well Services since March 2018 – 18.10.2021 and General Manager starting with 18.10.2021.

• Olga Turcanu - Romanian citizen, born in 1979
Member of the Board of Directors between 30.04.2022 - 31.12.2024.
Term of office: 4 years starting on 30.04.2022.
Olga Turcanu studied international economic relations and economic law at the Academy of Economic Sciences of Moldova having the bachelor and master levels. In 2013, Olga Turcanu was accepted as a Member of the Association of Chartered Certified Accountants (ACCA), and starting from 2018 she has the status of an Fellow ACCA.
She gained professional experience in tax consultancy, financial audit in the oil and gas industry, economic analysis, budgeting, business planning, taxation, investment project analysis, corporate finance.
She worked in various companies such as: PriceWaterhouseCoopers, Mechel Trade House, Bluehouse Capital Group, Rominserv.

• Vasile Gabriel Manole - Romanian citizen, born in 1980
Member of the Board of Directors between 30.04.2022 – 31.12.2024.
Term of office: 4 years starting on 30.04.2022.
Mr. Vasile Gabriel Manole graduated from the Faculty of Economic Sciences, Transilvania University Brasov, majoring in Finance, Banks, Insurance. He also holds a diploma of in-depth postgraduate studies - strategies and financial accounting techniques - at Transilvania University Brasov.
He joined the KMG International Group in 2005, occupying managerial positions in the financial area in several entities within the KMG International Group, including the position of economic director of Rompetrol Rafinare SA between November 2010 - May 2013 and 2016 - 2018.
Vasile Gabriel Manole holds the position of Financial Manager of Rominserv SRL and his main duties are the representation of the company and the financial management of the company. Also, Vasile Gabriel Manole holds the position of the Chairman of the Investment Initiation committee within the Kazakh-Romanian Energy Investment Fund, an entity within the KMG International Group.

• Eugeniu – Moby Henke - Romanian citizen, born in 1973;
Member of the Board of Directors in the period 30.04.2022- 31.12.2024.

Term of office: 4 years starting on 30.04.2022.
He is a lawyer, a graduate of the Faculty of Law of the University of Bucharest (1992-1996) and has a Master's degree in Administrative Sciences (1997-1999) from the National School of Political and Administrative Studies in Bucharest.
He has professional experience in the following fields:
- consultancy for public and private companies (organizations), government agencies and individuals;
- development and elaboration of corporate systems, legal analysis of transactions, projects;
- protection of clients' rights in the general courts of jurisdiction at all levels
- elaboration, negotiation and legal support in the execution of contracts, agreements and other legal documents;
- experience as Director of the legal department of the KMG International Group, in the teams for a series of projects (commercial, legislative, etc.);

b) any agreement, understanding or family relationship between the respective Administrator and another person due to which the respective person was appointed as Administrator;

To the knowledge of the administrators, there was no agreement, understanding or family connection between the administrators of the Company and another person due to which they were appointed administrators.

c) the Administrator's participation in the Company's capital;

According to the Register of shareholders of the company, consolidated on 31.12.2024, issued by the Central Depository, none of the Administrators participates in the share capital of the Company.

d) the list of people affiliated with the company.

None of the members of the Company's Board of Directors is affiliated with Rompetrol Well Services S.A. in the sense of ASF Regulation no. 5/2018.

4.2. Presentation of the list of members of the company's executive management. For each, the presentation of the following information:
a) the term for which the person is part of the Executive Management;

During 2024, the management of the Company was delegated to the following Managers:

Role	Name and surname	Period
General Manager	*FLOREA GEORGIAN STEFAN*	*01.01.2024 - 31.12.2024*
Financial Manager	*MOISE LUIZA ROXANA*	*01.01.2024 - 31.12.2024*

b) any agreement, understanding or family relationship between that person and another person due to which that person was appointed as a member of the Executive Management;

We are not aware of any cases of agreements, agreements or family ties between the members of the executive management and other persons due to which they were appointed to the position.

c) the respective person's participation in the capital of the commercial company.

According to the Register of shareholders of the company, consolidated on 31.12.2024, issued by the Central Depository, no member of the Executive Management participates in the share capital of the Company.

4.3. For all persons presented in 4.1. and 4.2. specify any disputes or administrative procedures in which they have been involved, in the last 5 years, related to their activity at the issuer, as well as those regarding the capacity of the respective person to fulfill their duties within the issuer.

None of the people in the management of the Company has been involved in litigation or administrative procedures in the last 5 years.

5. The financial-accounting situation

Presentation of an analysis of the current economic-financial situation compared to the last 3 years, with reference at least to:

a) balance sheet elements: assets that represent at least 10% of total assets; cash and others liquid assets; reinvested profits; total current assets; total current liabilities;

Starting with the year ended on December 31, 2012, the individual financial statements of the Company were drawn up in accordance with the provisions of the Order of the Minister of Public Finance no. 1286/2012 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, Order of the Minister of Public Finance no. 2844/2016 with all subsequent amendments and additions.
For the purpose of preparing these financial statements, in accordance with Romanian legislative requirements, the functional currency of the company is considered to be the Romanian leu (RON).

Summary of the patrimonial elements:

- RON

	2022*)	2023*)	2024
Total Assets, out of which:	**129.455.067**	**132.751.908**	**132.135.864**
Fixed assets	57.447.959	56.492.638	63.995.957
Current assets	72.007.108	76.259.270	68.139.907
Total Liabilities, out of which:	**129.455.067**	**132.751.908**	**132.135.864**
Share capital, out of which:	28.557.446	28.557.446	28.557.446
Paid-up subscribed capital	27.819.090	27.819.090	27.819.090
Legal reserves	5.563.818	5.563.818	5.563.818
Other equity	61.937.048	61.692.920	67.734.302
Current result	2.449.517	11.767.863	10.237.307
Debts due under one year	19.095.172	15.722.168	15.516.592
Debts due above one year	11.852.067	9.447.693	7.526.399

**) restated as per financial statements 2024*

b) profit and loss account

Summary of income and expenditure elements:

- RON

	2022	2023	2024
Total income, out of which:	**57.879.281**	**77.369.727**	**80.814.084**
Operational income	53.228.897	73.487.511	77.024.291
Financial income	4.650.384	3.882.216	3.789.793
Total expenditure	**55.001.954**	**63.514.880**	**69.037.359**
Operational expenditures, out of which:	53.825.975	62.682.833	68.415.726
- expendable supply	15.250.181	19.654.780	21.349.833
- staff expenses	19.427.316	21.212.561	23.634.538
- assets depreciation expenses	4.895.557	5.921.961	4.806.037
- other expenses	14.252.922	15.893.531	18.119.311
Financial expenses	1.175.979	832.047	621.633
Gross result - profit	**2.877.328**	**13.854.847**	**11.776.725**
Current and deferred profit tax	427.811	2.086.984	1.539.418
Net result - profit	**2.449.517**	**11.767.863**	**10.237.307**

Summary of the achievement of budget indicators:

- RON

	Achieved – previous year	**2024**	
		Budget provisions	**Achieved**
Total income, out of which:	**77.369.727**	**76.184.384**	**80.814.084**
Operational income	73.487.511	73.216.196	77.024.291
Financial income	3.882.216	2.968.188	3.789.793
Total expenditure, out of which:	**63.514.880**	**62.562.685**	**69.037.359**
Operational expenditures	62.682.833	62.259.693	68.415.726
Financial expenditures	832.047	302.992	621.633
Gross profit	**13.854.847**	**13.621.700**	**11.776.725**
Current and deferred profit tax	2.086.984	1.636.293	1.539.418
Net profit	**11.767.863**	**11.985.407**	**10.237.307**

c) cash flow: all the changes in the level of cash in the framework of the basic activity, investments and financial activity, the level of cash at the beginning and at the end of the period.

Treasury cash flow situation, synthesis - indirect method

- RON

	2022	2023	2024
Net result before taxation and extraordinary items	2.877.328	13.854.847	11.776.725
Operational profit before changes in working capital	3.350.624	15.707.518	10.612.099
Net cash from operational activities	37.284.325	7.642.050	9.774.889
Net cash from investing activities	9.524.158	(1.554.398)	3.662.873
Net cash from financing activities	(46.543.997)	(5.930.827)	(13.788.299)
Net variation in cash and cash equivalents	263.829	157.075	(350.989)
Unrealized exchange rate differences	657	(251)	452
Cash and cash equivalents at the beginning of the financial year	227.231	491.717	648.542
Cash and cash equivalents at the end of the financial year	**491.717**	**648.542**	**298.005**

In 2024, both the performance of contracts with customers and suppliers was managed in conditions of financial balance, as well as the provision of all liquidity for the full and timely payment of salary rights, budget debts and dividends. All investment projects were financed from own sources, except for the two twin pump cementing units, that were acquired through a finance lease. In addition to the cash highlighted at the end of the financial year, the availability from the main account, from the cash-pooling system, in the amount of 47,109,341 RON, can be used without restrictions.

Name of the indicator	2022	2023	2023
Current liquidity indicator	3,77	4,85	4,39
The speed of rotation of debits-customers	102	86	74
The speed of rotation of fixed assets	1,03	1,48	1,17
The indicator of the degree of indebtedness	11.4%	8.2%	5.7%

The debt level indicator includes only the effect of lease contracts.

6. Corporate Governance

ROMPETROL WELL SERVICES S.A. is a company listed on the Bucharest Stock Exchange - main segment, Standard share category, under the symbol << PTR >>, since **18.06.1998**, according to the decision of the Quota Registration Commission no. 133/26 March 1998.

The company complies with the current legislation applicable to companies and the capital market: Law no. 31 /1990 of commercial companies - with subsequent amendments, Law no. 82/1991 of accounting - with subsequent amendments, Law no. 297 /2004 on the capital market - with subsequent amendments, Law no. 24/2017 regarding issuers of financial instruments and market operations, FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations.

The Company's management adopted voluntarily, self-imposed part of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange (CGC-BVB).

The Corporate Governance Code of the Bucharest Stock Exchange is a set of principles and recommendations for companies whose shares are admitted to trading on the regulated market in order to create an internationally attractive capital market in Romania, based on the best practices, of transparency and trust. The Code encourages companies to build a strong relationship with their shareholders and other stakeholders, to communicate effectively and transparently and to be open to all potential investors.

The objective of the Corporate Governance Code of the Bucharest Stock Exchange is to increase trust in listed companies by promoting improved corporate governance standards in these companies.

Good corporate governance is a powerful tool for strengthening market competitiveness.
The central elements of this Code are investors' access to information and the protection of shareholders' rights. Each listed company must follow the provisions of the Code. The role of good governance is to facilitate effective entrepreneurial leadership, which can ensure the long-term success of the company.

Details of compliance Rompetrol Well Services S.A. with the new Corporate Governance Code is presented in Annex no. 1.

In accordance with the Articles of Association, **Rompetrol Well Services S.A. is administered in a unitary system**, so that the administration rests with a board of directors composed of 5 members, elected by the ordinary general meeting of shareholders, for a 4-year term.
The Board of Directors has full powers to take any administrative and management decisions other than those that the law expressly gives to the General Meeting of Shareholders.
By way of exception, the Board of Directors will exercise the powers of the General Meeting of Shareholders provided for by art. 113 letter b, c and f of law 31/1990, republished.
The decisions of the Board of Directors are valid if they are taken by the majority of the members present. In case of equality of votes, the Chairman has the decisive vote.

The duties and powers of the Board of Directors and of the Chairman of the Board of Directors

The Board of Directors has the powers established by Law no. 31/1990 updated, the Articles of Incorporation, as well as other duties established by the general meetings of shareholders in its charge, respectively, mainly, the following:
a) establishes the main directions of activity and development of the Company;
b) appoints and dismisses the Managers of the Company and supervises their activity;
c) prepares the annual activity report;
d) implements the decisions of the general meetings;
e) with the exception of legal acts for the adoption/conclusion of which is necessary, according to the mandatory provisions of the law, the approval of the general meeting of shareholders, approves the adoption/conclusion on behalf of the Company of legal acts whose object has a value between 500,001 – 10,000,000 USD; approval is required if it is a single commercial transaction carried out through one and/or several separate contracts if the cumulative value of these contracts exceeds the respective amount;
f) approves the organizational structure of the company;

g) designates and/or revokes the persons who act as representatives of the Company in relations with the banks, with the right of first signature, respectively with the right of second signature; the joint signature rules shall apply accordingly to the making of any payment made for and on behalf of the Company;
h) approves the conditions for contracting any type of loans from a bank and/or financial institution, as well as from any other legal entity;
i) approves the interim financial statements of the company, drawn up according to the law;
j) approves the company's marketing strategy and investment plan, as well as the annual budget (investment expenses and operational expenses), upon the joint proposal formulated by the General Manager and the Financial Manager;
k) submits the application for the opening of the company's insolvency procedure, according to law no. 85/2014 regarding the insolvency procedure;

During 2024 the Board of Directors had the following composition:

• Batyrzhan TERGEUSSIZOV - Chairman during 01.01.2024 – 30.09.2024;
• Pavel ROMANENKO - Chairman during 01.10.2024 – 31.12.2024;
• Eugeniu Moby HENKE - Member during 01.01.2024 – 31.12.2024;
• Georgian Stefan FLOREA - Member during 01.01.2024 – 31.12.2024;
• Olga TURCANU - Member during 01.01.2024 – 31.12.2024;
• Vasile Gabriel MANOLE - Member during 01.01.2024 – 31.12.2024

6.1. Information about the members of the Board of Directors

The CVs of the members of the Board of Directors of Rompetrol Well Services SA are available on the company's website at https://rompetrolwellservices.kmginternational.com/en/investor-relations/corporate-governance/board-of-directors. Additional information can be found in section 4.1 of this report.
According to the criteria for evaluating the independence of the non-executive members of the Board of Directors, on 31.12.2024, none of the Administrators meets the independence criteria provided by the principles and recommendations of the Code.

During 2024, a number of 13 meetings of the Board of Directors took place and 22 decisions were adopted, the participation of Administrators in these meetings being as follows: Batyrzhan Tergeussizov – 10 meetings, Pavel Romanenko – 2 meetings, Eugeniu-Moby Henke - 13 meetings, Olga Turcanu – 13 meetings, Georgian Stefan Florea – 13 meetings, Vasile Gabriel Manole - 13 meetings.

The President Batyrzhan Tergeussizov chaired 10 and Pavel Romanenko chaired 2 of the meetings of the Board of Directors, and 1 was chaired by the General Director as a member of the Board of Directors. Decisions were adopted, taking into account legal provisions, regulations, constitutive acts and incident internal procedures. The decisions were taken with the "for" vote of the majority of those present, according to the provisions of the Articles of Association.

For the financial year ended on December 31, 2024, in accordance with the legal provisions, the administrators' remuneration was approved by the Ordinary General Meeting of Shareholders on 25.04.2024.

The information regarding the expenses with the remuneration of Administrators and Managers are presented in the annual financial statements, respectively in the Remuneration Report.

The company has a Financial Auditor who carried out his activity in accordance with the applicable legal provisions and the contracts concluded in this regard. Since 2008, the financial auditor is "Ernst & Young Assurance Services SRL". The financial auditor audited the annual financial statements.

The general meeting of shareholders dated 25.04.2024 appointed the audit firm Ernst & Young Assurance Services SRL as financial auditor for the financial year 2024, the duration of the audit contract being 1 (one) year, starting from the date of the GMS.

Information regarding other commitments and relatively permanent professional obligations of the members of the Board of Directors

Name	***Company***	***Job position***	***Period***
Batyrzhan Tergeussizov	Rompetrol Rafinare SA *	Chairman BoD	01.05.2023-14.10.2024
	Rompetrol Rafinare SA *	Membru of Strategy Committee	03.05.2023-14.10.2024
	Rompetrol Downstream SRL*	Member BoD	08.05.2023-30.09.2024
	Rominserv SRL*	Chairman BoD	01.02.2023 – 30.09.2024
	Rompetrol Energy SA*	Chairman BoD	01.03.2023 – 31.10.2024
	Rompetrol Georgia*	Member BoD	11.05.2023 – 27.08.2024
Olga Turcanu	KMG Rompetrol SRL*	Financial Manager	07.07.2019 - indefinite
Vasile Gabriel Manole	Rominserv SRL*	Financial Manager	01.07.2019 – indefinite
	Rompetrol Renewable SRL*	Financial Manager	01.02.2023-28.10.2026
	Oilfield Exploration Business Solutions (former Rompetrol SA)*	Financial Manager	01.06.2013 - indefinite
	Fondul de Investitii in Energie Kazah-Roman SA	Member Commitee of initiating investments	17.01.2023 – 17.01.2027
Pavel Romanenko	Rompetrol Rafinare SA *	Member BoD	26.04.2024 – 31.01.2025
	Rompetrol Rafinare SA *	Membru of Strategy Committee	15.10.2024 – 31.01.2025
	Rompetrol Energy SA*	Member BoD	01.11.2024 – 26.01.2025

** Company member of KMG International Group*

Advisory Committees

In its activity, the Board of Directors is supported by an Advisory Committee, namely the Audit Committee, which task is to carry out analyzes and to develop recommendations for the Board of Directors, in specific areas, having the obligation to periodically submit activity reports to the members to the Board of Directors.

The Audit Advisory Committee composition was approved by Decision no. 2 of the Board of Directors from May 2, 2023 and updated by Decision no. 3 of the Board of Directors from September 30, 2024.

The general meeting of shareholders dated 27.04.2022 approved the appointment of Dan Alexandru Iancu, Financial Auditor registered with the chamber of financial auditors in Romania, as an independent member of the Audit Committee, for a mandate equal to that of the Board of Directors.

The detailed presentation of the duties and responsibilities of the Advisory Committee can be found in the Organization and Operation Regulation approved by the Board of Directors, regulation published on the Company's website rompetrolwellservices.kmginternational.com, section "Investor Relations - Corporate Governance - Corporate Governance Documents".
The Audit Committee fulfills the legal duties provided in art. 65 of Law no. 162/2017 which mainly consist in monitoring the process of financial reporting, internal audit, risk management within the Company and ensuring compliance, as well as in the supervision of the statutory audit activity of the annual financial statements and in the management of the relationship with the external auditor.

During 2024 the Audit Committee had the following composition:

- Dan Alexandru Iancu - Chairman during 01.01.2024-31.12.2024
- Batyrzhan Tergeussizov - Member during 01.01.2024 - 30.09.2024
- Vasile Gabriel Manole - Member during 01.10.2024 - 31.12.2024
- Olga Turcanu - Member during 01.01.2024 – 31.12.2024

Information on the meetings of the Audit Committee during 2024

In 2024, there were 8 meetings of the Audit Committee and 7 decisions were adopted, the actual participation in these meetings being as follows: Dan Alexandru Iancu - 8 meetings, Olga Turcanu - 8 meetings, Batyrzhan Tergeussizov - 4 meeting and Vasile Gabriel Manole – 3 meetings.

6.2. Executive Management

The management prerogatives of the Company are delegated by the shareholders through the Articles of Associations to the General Manager and the Financial Manager.

In 2024, the Executive Management of the Company was carried out by the following Managers:

- Stefan Georgian FLOREA – General Manager during 01.01.2024 - 31.12.2024;
- Luiza Roxana MOISE - Financial Manager during 01.01.2024 – 31.12.2024.

The term of office for the General Manager and the Financial Manager ends on April 30, 2026.

6.3. Shareholders' liabilities

ROMPETROL WELL SERVICES S.A. ensures a fair treatment of all shareholders, including minority and foreign shareholders, in accordance with the legal provisions and the Articles of Association of the Company.
The company makes every effort to facilitate the participation of shareholders in the work of general meetings of shareholders (GMS). ROMPETROL WELL SERVICES shareholders have the opportunity to participate in the GMS directly, through a representative on the basis of a special power of attorney, or they can vote by mail (by sending the voting form by mail by any form of courier or by e-mail with an extended electronic signature incorporated according to Law no. 455/2001 on electronic signature).
According to article 11 of the Articles of Association, in conjunction with the applicable legal provisions, the **Ordinary General Meeting** meets at least once a year, within the mandatory term provided by law, and has the following main duties:
a) to discuss, approve or modify the annual financial statements, based on the reports presented by the board of directors and the financial auditor, and to fix the dividend;
b) to elect and revoke the Company's administrators;
c) appoint and fix the minimum duration of the financial audit contract, as well as revoke the financial auditor;
d) to establish for each year in progress the remuneration due to Administrators;
e) to express the opinion on the management activity of the Administrators;
f) to analyze the activity of the Board of Directors and to decide on the prosecution of the Administrators for the damages caused to the Company, also designating the person entrusted to carry it out;
g) to establish the income and expenditure budget and, if necessary, the activity program for the next financial year;
h) to decide on the pledging, renting or liquidation of one or more units of the Company;
i) to approve the maximum limits of the remuneration of persons occupying/exercising management positions according to the provisions of the law;

The Extraordinary General Meeting has the following duties:
a) changing the legal form of the Company;
b) moving the headquarters of the Company;
c) changing the object of activity of the Company;
d) the establishment or dissolution of secondary offices: branches, agencies, representative offices or other such units without legal personality, if the Articles of Association does not provide otherwise;
e) extending the duration of the Company;
f) increasing the social capital;
g) reducing the social capital or reuniting it by issuing new shares;
h) merger with other companies or division of the Company;
i) early dissolution of the Company;
j) conversion of shares from one category to another;
k) conversion of one category of bonds into another category or into shares;

l) issue of bonds;
m) approval of the adoption/conclusion on behalf of the Company of legal documents whose object has a value greater than USD 10,000,000;
n) any other amendment to the Articles of Association or any other decision for which the approval of the Extraordinary General Meeting is required.
The Extraordinary General Meeting delegates to the Board of Directors the fulfillment of the powers provided for in letters b) and c) of the above paragraph.
The Extraordinary General Meeting can delegate to the Board of Directors the increase of the share capital in accordance with the provisions of Law no. 24/2017.

Conducting the General Meeting of Shareholders

The General Meeting of Shareholders is convened by the Administrators whenever necessary, by publishing an announcement in the Official Gazette of Romania, Part IV, and in one of the local or national newspapers of wide circulation in the locality where it is located company headquarters. The summons will include: the place, date and time of the meeting, the agenda with the explicit mention of all the issues that will be the subject of the meeting's debates, a clear and precise description of the procedures that must be followed by the shareholders in order to be able to participate and vote in the general meeting and any other mentions provided by the legislation specific to the capital market.
When the agenda includes proposals for amending the constitutive act, the convocation will have to include the full text of the proposals.
When the election of Administrators is included in the agenda, the summons will have to include the mention that the list of the names, the place of residence and the professional qualifications of the persons proposed for the position of administrator is available to the shareholders and can be consulted and completed by them.

The General Meeting can be held at the Company's headquarters or in other places determined by the Administrators by convener. The shareholders can be represented in the General Meeting by persons who do not have the status of a shareholder of the Company.

The General Meeting is chaired by the Chairman of the Board of Directors or a person appointed by him, who designates, from among the members of the general meeting or among the company's shareholders, one to three Secretaries, plus a Technical Secretary from among the employees. They will draw up the shareholders' attendance list, verifying the following:
- the identity documents of the persons who present themselves at the General Meeting as shareholders or their proxies;
- special/general power of attorney presented by shareholders' proxies;
- voting forms by mail.

The Secretary of the meeting also verifies the fulfillment of the legal conditions regarding the presence of the quorum of the shareholders for the validity of the General Meetings.

If the ordinary or extraordinary general meeting cannot work due to the failure to fulfill the legal conditions for attendance, the meeting that will meet at a second convocation can deliberate on the items on the agenda of the first meeting, regardless of the quorum met, taking decisions with the majority the votes cast.
After the presentation of the materials related to the agenda, the issues subject to the shareholders' debate are put to a vote by the Chairman of the meeting.

The decisions of the general meeting are taken by open vote, except in cases where the general meeting decides that the vote should be secret or the law requires secret voting.

Each share gives the right to one vote during the General Meetings. The person who represents several shareholders on the basis of special powers of attorney expresses the votes of the persons represented by totaling the number of votes "for", "against" and "abstentions" without compensating them (e.g. "on item x on the agenda I represent " a" votes "for", "b" votes "against" and "c" "abstentions"). The votes expressed in this way are validated or, as the case may be, invalidated, based on the third copy of the special proxies, by the Secretary of the general meeting. The votes registered in the special power of attorney are exercised only in the manner desired by the shareholder.

The Secretary or Secretaries of the meeting, based on the free vote expressed by the shareholders, will draw up the minutes of the general assembly meeting.

Decisions adopted by the general meetings of shareholders during 2024:

Ordinary General Meeting of ROMPETROL WELL SERVICES S.A. Shareholders of **April 25, 2024** decided the following:

- approves of the individual annual financial statements concluded on December 31, 2023, prepared according to the International Financial Reporting Standards, based on the Report of administrators and the Report of financial auditor of the Company;
- approves of the allocation of the profits, determined according to the law, as well as the distribution of dividends for 2023 financial year, respective 0.042301 lei gross value/share;
- rejects of the change the destination of the reserves constituted from the net profit of the company obtained in previous years in the amount of RON 12,854,944 and the distribution of this amount as dividend to the shareholders, namely RON 0.0462091 gross/share;
- rejects of the change of the destination of the amount of RON 20,527,964 from other reserves and the distribution of this amount as dividend to the shareholders, namely RON 0.0737909 gross/share;
- approves of the discharge of liability of the Company directors for their activity carried out during the financial year 2022, based on the presented reports;
- approves the Income and Expediture Budget for 2024;
- approves the Investment plan for 2024;
- approves the monthly gross remuneration of the members of the Board of Directors for the financial year 2024, and the general limit of the additional remuneration of the Board of Directors members to whom specific positions within the Board of Directors, as follows:
  - a monthly gross remuneration of 2.564 USD for the Chairman of the Board of Directors;
  - a monthly gross remuneration of 1.709 USD for the Members of the Board of Directors;
  - a monthly net remuneration of 2.000 RON for the Chairman of the Audit Committee;
  - a monthly net remuneration of 1.000 RON for the Members of the Audit Committee.
- approves of the Remuneration Report for the Company's management structure, for 2023, submitted to the consultative vote of the OGMS;
- approves of the reappointment of Ernst & Young Assurance Services SRL as financial auditor of Rompetrol Well Services, for the financial year 2024, the duration of the audit service agreement being of 1 (one) year, starting with the 28th of April 2024;
- rejects of the liability of the directors of the company for the damage in the estimated amount of RON 4,186,525 caused by them to the company through the conclusion by the Company of contracts for dedicated management assistance and technical consultancy services and

the appointment of the shareholder KJK Balkan Holding S.a.r.l. to bring legal action against the guilty directors of the company;

- rejects of the instruction to the management of the Company and to its employees with responsibilities related to the control and accounting of the Company to calculate the amounts paid by the Company to KMG Rompetrol - S.R.L., as a result of the conclusion by the Company of contracts for dedicated management assistance and specialized technical consultancy services, in order to calculate the damage caused to the Company by the conclusion and execution of the mentioned contracts;
- rejects of the appointment of the directors of the company for a term of 2 years, starting with the date of appointment of the directors and ending on the expiry of 2 years from the date of their appointment, in order to replace the directors against whom the action for damages is brought;
- rejects of the remuneration of the newly elected directors, which shall be equal to the amount previously approved by the general meeting of the company's shareholders;
- approves 26.06.2024 as Registration Date, according to art. 87 (1) of the Law no. 24/2017;
- approves 25.06.2024 as Ex Date, according art. 2 para. 2 letter l from Regulation no. 5/2018;
- approves 12.07.2024 as Payment Date, according art. 87 para. 2 of the Law no. 24/2017;
- approves empowering Mr. Stefan Georgian Florea, General Manager and member of the Board of Directors, to conclude and/or sign for on behalf of the Company and/or of its shareholders the resolutions which are to be adopted within this OGMS and to carry out any and all requisite proceedings for such adopted resolutions to be registered, rendered enforceable, against third parties and published, the said proxy being entitled to subdelegate third parties to act for such purpose.

Extraordinary General Meeting of ROMPETROL WELL SERVICES S.A. Shareholders of **September 12, 2024** decided the following:

- approves ratification of the Agreement having as its object wells matrix stimulation services (acidizing) for onshore and offshore locations, as well as the case, their related products (hydrochloric acid, solvents, enzymes, nitrogen, carbon dioxide, sodium hydroxide), concluded by the Company with OMV Petrom SA.;
- approves ratification of the Framework Agreement and Subsequent Contracts having as its object Services of cementing and milling services related to deep well abandonment works" concluded by the Company with OMV Petrom SA;
- approves the following dates:
- (i) 01.10.2024 as Registration Date, according art. 87 para. (1) from Law no. 24/2017
- (ii) 30.09.2024 as *Ex Date*, according art. 2 para. 2 letter. 1 from Regulation no. 5/2018.
- approves empowering the General Manager and Finance Manager of the Company, in order to sign the legal documents approved in the previous articles of this decision. For each of the two aforementioned representatives of the Company, the possibility to sub-empower third parties is approved;
- approves empowering Mr. Stefan Georgian Florea, General Manager and member of the Board of Directors, to conclude and/or sign for on behalf of the Company and/or of its shareholders the resolutions which are to be adopted within this EGMS and to carry out any and all requisite proceedings for such adopted resolutions to be registered, rendered

enforceable, against third parties and published, the said proxy being entitled to subdelegate third parties to act for such purpose.

Shareholders' right to dividends

In the event that the General Meeting of Shareholders approves the distribution of dividends from the net profit made by the Company, all shareholders registered in the shareholders' register on the date of registration decided by the General Meeting, which also approves the amount of dividends and the date on which they are paid, are entitled to receive dividends.

6.4. Transparency, communication, financial reporting

Rompetrol Well Services S.A. pays great importance to transparency in communication. Considering that public trust is essential for the operation of the company, the Company makes its communication policy an explicit and reciprocal commitment between the company and its interlocutors.
The company intends to ensure a continuous and periodic reporting in an objective and integral manner, which includes all important aspects of the company's activity, the financial situation, the applied accounting policies, the recorded performances.
During 2024, reports and press releases related to the financial results, the convocation and decision of the GMS, periodic reporting (monthly, quarterly, half-yearly, annual), etc., were prepared. The information that was the subject of the mandatory reports - the current and periodic reports were communicated to the market operator, the Bucharest Stock Exchange, the Financial Supervisory Authority and were available by posting on the Company's website, rompetrolwellservices.kmginternational.com in the Investor Relations Section.
In order to ensure equal access to information for investors, the reports and communications addressed to market participants are posted on the Company's website after they have been posted on the website of the market operator, the Bucharest Stock Exchange.
In accordance with the legal provisions, the financial and accounting statements and those regarding the operations of Rompetrol Well Services S.A. are audited by Ernst & Young Assurance Services SRL, independent financial auditor, appointed by the general meeting of shareholders on 25.04.2024 for a period of 1 year.

Contact for Investor Relations

The annual, half-year and quarterly reports are available in electronic format, on the Company's website, https://rompetrolwellservices.kmginternational.com/en/investor-relations/financial-results-and-reports and in written form, upon request, at Company headquarters, in Ploiesti, Clopoţei str. no. 2 bis, Prahova county. Requests can also be made electronically, by e-mail to: investor.relations.rws@rompetrol.com.

Internal Control and Risk Management Systems in relation to financial reporting procedures

The Company has continuously adapted the internal control mechanism as a set of procedures and work methods with the aim of preventing facts contrary to the economic interests of the Company and the regulated framework for carrying out the activity, identifying deficiencies and establishing the necessary measures to restore the framework regulated. It mainly concerns financial relationships, phenomena and processes, with the aim of ensuring a good functioning of the economic activity. Also, the aspects of opportunity, necessity and efficiency of the operations carried out by the Company are analyzed. In terms of financial reporting procedures, both internal and external reporting procedures are developed at the level of the Company. The procedures are reviewed periodically by the functional departments of the Company. Financial reporting systems are based on principles, rules and legal regulations in force.

6.5. Social responsibility

KMG International is an important investor in the Romanian economy and, at the same time, a responsible corporate citizen. All companies within the Group have a holistic approach to sustainability, which is why efforts to improve the quality of life of local communities cover all aspects, from environmental protection or social involvement to health and well-being, culture and education, the development of professional and leadership.

Social responsibility and sustainability are basic principles that guide us in strategic development and operational management. We are committed to becoming one of the most sustainable operators on the national and regional energy market, being at the same time actively involved in the life of the communities on which we operate.

Rompetrol Well Services S.A., a member company of the KMG International Group, considers social responsibility and sustainability as fundamental components in the development of business strategy and operations. The company's commitment to sustainability, environment, economic progress and social equity is firmly integrated into its operations, with the aim of making a concrete contribution to the United Nations Sustainable Development Goals (SDGs) included in the 2030 Agenda for Sustainable Development of United Nations.

Sustainability

Our organization is dedicated to conducting operations in a manner that emphasizes environmental stewardship and the preservation of natural resources such as air, soil, and water. Our decision-making process is guided by a commitment to adhere to industry-leading standards.

In terms of disclosing ESG performance, Rompetrol Well Services has shown its dedication to transparency in environmental, social, and governance (ESG) matters by releasing sustainability information. The disclosed indicators encompass a range of critical sustainability areas, including greenhouse gas emissions, occupational health and safety, environmental impact, waste management, water usage, energy consumption, fair labor practices, and community engagement. To maintain the accuracy and reliability of the data, the company has adhered to the European Sustainability Reporting Standards (ESRS). Stakeholders can view the comprehensive set of sustainability performance data on the company's webpage:

https://rompetrolwellservices.kmginternational.com/en/sustainability/sustainability-approach

In 2024 RWS obtained a rating from Sustainalytics, as a Low Risk company, positioned in the top 6% of all companies in the energy services industry.

Involvement in the communities

Rompetrol Well Services has proven to be a responsible partner, reaffirming its commitments to civil society and sustainable development year after year. Only in Prahova County, it has carried out various actions and partnerships alongside NGOs, local authorities, and other entities. Through effective collaboration, the specific needs of the communities have been identified, and projects have been developed that contribute to enhancing their quality of life.

Because Rompetrol places a special emphasis on investments in education, numerous educational projects have been implemented. One of these is "Chess in Schools," a project that organized both in-person and online chess lessons, visits, open classes, and chess competitions for children in Prahova County.
In fact, the national program "Chess in Schools" has reached 36 counties, benefiting 75,000 students, while the city of Ploiești has hosted two editions of the International Chess Festival, with participation from children across four continents, all supported by Rompetrol.

The development of critical thinking and skills among young people in the communities of Prahova County has been supported this year through the project "Romania Debates." Students from Blejoi and Ploieștiori are participating in interactive debate courses, which help them develop essential skills such as communication, critical thinking, and collaboration. The project creates a conducive environment for continuous learning and constructive dialogue among young people, thus contributing to the formation of future responsible leaders.

The company has also been involved, alongside local authorities, in tree-planting initiatives in Vest Park in Ploiești, contributing to the improvement of air quality and the well-being of the community.

Regarding vulnerable youth, Rompetrol Well Services, in partnership with the Humanitarian Organization "CONCORDIA," supports activities for children in family-type care homes and young people living in social housing or enrolled in vocational training courses in Prahova County.

Also in 2024 the company became a partner of the Margareta of Romania Royal Foundation in the “Generații” (Generations) program, which promotes intergenerational education. Seniors who wish to lend a helping hand volunteer to support children from disadvantaged families, providing assistance in after-school activities.

Education is an important pillar for our social responsibility strategy. We collaborated with universities and high schools with a technical profile from all over the country (e.g. Petrol-Gaze University in Ploiesti, Lazar Edeleanu Highschool), which supported us in our various educational investment projects.

2024 marked the 24nd anniversary of our traditional career-ready internship program, where we have been training future industry professionals for the past 23 years. Trainees enrolled in the program were given introductory sessions through theoretical modules aimed at helping to better understand the oil and gas industry, the fundamentals of an upstream activity and its economic implications, followed by on-site training provided of mentors on the Rompetrol Well Services platform. The trainees assigned to Rompetrol Well Services received, at the end of the two-month program, two certifications: one as a graduate of the Rompetrol "Career Ready" program and one as a graduate of the personal development program, carried out together with partners from the Leaders Foundation.

We actively contribute to the development of the communities in which we operate by using local suppliers, employing local labor and, at the same time, implementing relevant social responsibility projects. Our engagement is based on consulting relevant stakeholders so that we can identify projects with the greatest added value for our communities.

7. Annexes

a) the constitutive documents of the company, if they were modified in the reporting year;

Not applicable.

b) documents of resignation/dismissal, if there were such situations among members of the management, executive management, censors;

On 26.09.2024, Mr. Batyrzhan Tergeussizov requested to take note of his resignation from the mandates of President and member of the Board of Directors and member of the Audit Committee, starting from 01.10.2024 (last day of mandate being 30.09.2024).

c) the list of the commercial company's branches and the subsidiaries;
Rompetrol Well Services S.A. does not have branches nor subsidiaries.

d) list of affiliates of the company[1]

Rompetrol Well Services S.A..is part of KMG International Group[2]. KMG International NV is 100% owned by "JSC National Company KazMunayGas".

The parent companies of Rompetrol Well Services S.A. (shareholders of National Company “KazMunayGas” JSC) are the national company JSC Sovereign Investment Fund of Kazakhstan "Samruk-Kazyna" (67.48%), the National Bank of the Republic of Kazakhstan (9.58%) and Ministry of Finance of the Republic of Kazakhstan (20%) - being companies based in Kazakhstan, wholly owned by the State of Kazakhstan and listed shareholders (2.94%).

The affiliated parties are indicated below:

1. Companies with the headquarter in Romania

- Oilfield Exploration Business Solutions S.A.
- Rompetrol Downstream S.R.L.
- Rompetrol Rafinare S.A.
- Rompetrol Logistics S.R.L.
- Rominserv S.R.L.
- Rom Oil S.A.
- Global Security Sistem S.A.
- Midia Green Energy S.A.[3]
- Rompetrol Petrochemicals S.R.L.

[1] At this point are listed all the companies within the KMG International Group
[2] Named Rompetrol Group until March 2014
[3] Named Uzina Termoelectrică Midia S.A. until December 2022

- Rompetrol Quality Control S.R.L.
- Rompetrol Financial Group S.R.L.
- Rompetrol Gas S.R.L.
- Midia Marine Terminal S.R.L.
- KMG Rompetrol S.R.L.
- Byron Shipping S.R.L.
- Rompetrol Energy S.A.
- KMG Rompetrol Development S.R.L.
- Fondul de Investitii in Energie Kazah-Roman S.A.
- KMG Rompetrol Services Center SRL[4]
- Rompetrol Renewables S.R.L.[5]

2. Companies with the headquarters abroad

- KMG International N.V.[6]
- Byron Shipping LTD
- Intreprinderea Mixtă “Rompetrol Moldova” S.A.
- Rompetrol Georgia LTD
- Rompetrol France SAS
- Dyneff SAS
- TRG Petrol Ticaret Anonim Şirketi
- Rompetrol Bulgaria JSC
- KazMunayGaz Trading A.G.
- DPPLN SAS (Depot Petrolier de Port-la-Nouvelle SAS)
- Dyneff Retail SAS
- Dyneff Espagne SL;
- Dyneff Gas Stations Network SL;
- Dyneff Trading SL;
- EPPLN SAS;
- NATGAS France SAS;
- CPA (Compagnie Parisienne des Asphaltes);
- DP FOS SA;
- SPR SA;
- ANEO SAS;
- Boissonnade Combustibles SAS;
- “Paul Orriols” Combustibles De Cerdagne SAS;
- ETS Rossignol SAS;
- Plantier SAS;
- Orceyre SAS;
- Aubac SAS;
- TPDT SARL;
- ABC Carburantsallo Beziat Carburants SAS;
- Geraud-Tampier SAS;
- David Recoules SAS;
- Alegri SAS.
- Neel Fraisse SAS

[4] Previously named Rompetrol Exploration & Production S.R.L.
[5] Named Rompetrol Drilling S.R.L. until 28.10.2022
[6] Named The Rompetrol Group N.V. until March 2014

- Travaux Forestiers Zaplotny SAS;
- Bois Energie des Territoires D'auvergne SAS;
- France Habitat ENR SAS;
- Global'ethic Delta

Note: there are also established 7 branches and representative offices and joint ventures of the KMG International Group

CHAIRMAN OF THE BOARD OF DIRECTORS,

Yedil UTEKOV

GENERAL MANAGER,

Georgian Stefan FLOREA

FINANCIAL MANAGER,

Luiza Roxana MOISE

rompetrol well services

ROMPETROL WELL SERVICES

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Appendix no.1

Status of compliance of the BSE Corporate Governance Code as of December 31th, 2024

Corporate Governance Code	Compliance	Not compliant or partial compliant	Reason for the non-compliance
A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES		
A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	YES		
A.3. The Board of Directors or the Supervisory Board should have at least five members.	YES		
A.4. The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgement in practice.		Partial compliance	The majority of the members of the Board are non-executive members. Currently there are no independent directors.
A.5. A Board member's other relatively permanent professional commitments and engagements, including executive and nonexecutive Board positions in companies and not-for-profit institutions, should be	YES		

disclosed to shareholders and to potential investors before appointment and during his/her mandate.			
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	YES		
A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.	YES		
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.		NOT	The company is in process of developing a policy / guidance concerning the Board's evaluation, including the purpose, criteria and frequency of the evaluation process.
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	YES		
A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board	YES		
A.11. The Board of Premium Tier companies should set up a nomination committee formed of nonexecutives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.		N/A	The company is included in the Standard Category.
B.1. The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	YES		
B.2. The audit committee should be chaired by an independent nonexecutive member.	YES		

ROMPETROL WELL SERVICES

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B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.		Partial compliance	See comments presented at B.6.
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.		Partial compliance	See comments presented at B.6.
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.		Partial compliance	The Regulation of the Audit Committee approved contains provisions in relation to this obligation. The Regulation of the Audit Committee will be revised to include provisions on the evaluation of conflict of interest in connection with the Company's transactions with the affiliated parties.
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.		Partial compliance	The responsibility to monitor the efficiency of internal control systems, internal audit and risk management of the company is stipulated in the Regulation of the Audit Committee. Audit Committee evaluates on a continuous bases components of the internal control system.
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	YES		
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by periodical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES		
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES		
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.		Partial compliance	According to the Articles of Incorporation art. 15 alin. 1 letter k, all transactions that respect the mentioned criteria are approved by the Board and are included in current reports according art. 108 Law 24/2017 (R)

B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	YES		
B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES		
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.	YES		
D.1. The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	YES		
• **D.1.1.** Principal corporate regulations: the articles of association, general shareholders' meeting procedures;	YES		
• **D.1.2.** Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and nonexecutive Board positions in companies and not-for-profit institutions;	YES		
• **D.1.3.** Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code	YES		
• **D.1.4.** Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken;	YES		

• **D.1.5.** Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	YES		
• **D.1.6.** The name and contact data of a person who should be able to provide knowledgeable information on request;	YES		
• **D.1.7.** Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semiannual, annual), auditor reports and annual reports.	YES		
D.2. A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.	YES		
D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.		NOT	The requirement will be implemented.
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES		
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES		
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES		

D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES		
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES		
D.9. A company should organize at least two meetings /conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.		Partial Compliance	The regular reports prepared by the company to disclose its financial items are complete, highly transparent and relevant in terms of information necessary for making investment decisions. The organization of such events will be established depending on the requests from investors.
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	YES		

CHAIRMAN OF THE BOARD OF DIRECTORS,

Mr. Yedil Utekov

GENERAL MANAGER,

Mr. Georgian Stefan Florea

FINANCE MANAGER,

Mrs. Luiza Roxana Moise

AFFIDAVIT

The undersigned, **Yedil Utekov,** in capacity of Chairman of the Board, **Georgian Stefan Florea,** in capacity of General Manager and **Roxana Luiza Moise** in capacity of Finance Manager, in consideration of the provision of art. 65 of Law no.24/2017 regarding issuers of financial instruments an market operations and of the provision republished of Regulation no. 5/2018 regarding on issuers of financial instruments and market operations,hereby declare that, from our point of view, the annual financial statements on December 31, 2024 prepared in compliance with the applicable accounting standards offer an accurate and true image of the assets, liabilities, financial standing, profit and loss account of the Company and, the Report of the Board of Directors comprise a correct analysis of the Company's development and performance, as well as a description of the main risks and uncertainties specific to the performed activity.

Chairman of the Board of Directors,
Yedil Utekov

General Manager
Georgian Stefan Florea

Finance Manager,
Roxana Luiza Moise

ROMPETROL WELL SERVICES SA

STANDALONE FINANCIAL STATEMENTS

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

31 December 2024

Contents	**Page**

	Notes	2024	2023
			restated
Revenue		**74,674,449**	**72,563,673**
Revenues from contracts with customers	2	74,196,791	72,067,998
Rental revenues	2.1	477,658	495,675
Other operating income	3.1	2,349,842	923,838
OPERATING INCOME – TOTAL		**77,024,291**	**73,487,511**
Expenses with consumables		(21,349,833)	(19,654,780)
Power and water expenses		(480,638)	(585,961)
Merchandise expenses		(5,542)	(17,280)
Payroll costs, out of which:	5	(23,634,538)	(21,212,561)
- Salaries		(22,325,139)	(20,295,367)
- Social security contributions		(728,693)	(671,446)
Fixed assets' value adjustments, of which	8,9,10,18	(4,297,366)	(5,921,961)
- Depreciation and amortization		(4,806,037)	(5,921,961)
- Impairment of property, plant and equipment		508,671	-
Allowance for inventories	13	(45,090)	65,803
Allowance for expected credit losses	14	(6,596)	(113,053)
Expenses with third-party services	3.2	(17,571,637)	(14,296,892)
Taxes, duties and similar expenses		(763,325)	(702,188)
Other operating expenses	3.3	(261,161)	(243,960)
OPERATING EXPENSES – TOTAL		**(68,415,726)**	**(62,682,833)**
OPERATING PROFIT / (LOSS)		**8,608,565**	**10,804,678**
Interest income		3,760,374	3,839,711
- of which, revenues from related parties		3,746,786	3,825,036
Other financial income		29,419	42,505
FINANCIAL INCOME - TOTAL	**4.1**	**3,789,793**	**3,882,216**
Finance costs		(621,633)	(832,047)
FINANCE COSTS - TOTAL	**4.2**	**(621,633)**	**(832,047)**
FINANCIAL PROFIT / (LOSS)		**3,168,160**	**3,050,169**
PROFIT / (LOSS) BEFORE TAX		**11,776,725**	**13,854,847**
Income tax expense	6	(1,539,418)	(2,086,984)
PROFIT / (LOSS) FOR THE YEAR		**10,237,307**	**11,767,863**
Earnings per share (Basic and Diluted)	7	**0.0368**	**0.0423**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):		**3,041,382**	**(244,129)**
Actuarial gain / (losses) relating to retirement benefits		(116,213)	(173,572)
Remeasurement of fair value of equity instruments measured at fair value through other comprehensive income *		3,157,595	(70,557)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, net of tax		**13,278,689**	**11,523,734**

** See further details in Note 1.6.*

The Financial Statements from page 1 to page 56 were approved by the Board of Directors in 27 March 2025 and are signed in his name by:

Administrator,	**Prepared by,**
FLOREA Georgian Stefan	MOISE Luiza-Roxana
	Finance Manager
Signature	Signature

ROMPETROL WELL SERVICES SA
STATEMENT OF FINANCIAL POSITION
For the year ended as at 31 December 2024
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	31 December 2024	31 December 2023	1 January 2023
			restated	*restated*
Assets				
Non-current assets				
Property, Plant & Equipment	8	22,505,869	21,371,048	24,696,706
Right of use assets	18.1	10,143,052	11,746,246	13,313,521
Investment property	9	395,594	414,197	432,799
Intangible assets	10	20,725	59,652	60,619
Equity instruments at FVOCI*	11	20,079,665	16,320,623	16,404,719
Other financial assets	12	10,851,052	6,580,872	2,539,595
Total non-current assets		**63,995,957**	**56,492,638**	**57,447,959**
Current assets				
Inventories, net	13	5,479,481	5,442,042	5,951,473
Trade and other receivables	14	13,031,556	18,263,004	16,943,438
Availabilities in cash pooling system	21	47,109,341	50,730,823	46,117,041
Other current assets	15	1,018,381	1,053,746	1,099,439
Collateral cash for guarantee letters	16.1	1,203,143	121,112	1,404,000
Cash and deposits	16	298,005	648,543	491,717
Total current assets		**68,139,907**	**76,259,270**	**72,007,108**
Total assets		**132,135,864**	**132,751,908**	**129,455,067**
Capital and reserves				
Capital				
Share capital, of which:		28,557,446	28,557,446	28,557,446
Subscribed and paid in share capital	17.1	27,819,090	27,819,090	27,819,090
Share capital adjustments	17.2	738,356	738,356	738,356
Legal reserves		5,563,818	5,563,818	5,563,818
Other reserves*		33,837,979	30,796,597	31,040,726
Retained earnings		12,854,944	12,854,944	12,854,944
Retained earnings IFRS transition		18,041,378	18,041,378	18,041,378
Current result		10,237,307	11,767,863	2,449,517
Total equity		**109,092,873**	**107,582,047**	**98,507,829**
Long-term liabilities				
Employee benefits liabilities	19	1,249,466	1,175,961	1,032,717
Deferred tax liabilities*	6	2,599,476	2,021,346	2,080,248
Lease liabilities	18.2	3,603,822	6,172,638	8,645,653
Other liabilities		73,635	77,748	93,449
Total long-term liabilities		**7,526,399**	**9,447,693**	**11,852,067**
Current liabilities				
Trade and other payables	20	12,073,500	12,669,755	16,118,478
Income tax payable	6	874,108	419,415	354,898
Lease liabilities	18.2	2,568,984	2,632,998	2,621,796
Total current liabilities		**15,516,592**	**15,722,168**	**19,095,172**
Total liabilities		**23,042,991**	**25,169,861**	**30,947,239**
Total equity and liabilities		**132,135,864**	**132,751,908**	**129,455,067**

** See further details in Note 1.6*

The Financial Statements from page 1 to page 56 were approved by the Board of Directors in 27 March 2025 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 CHANGES IN EQUITY
For the year ended as at 31 December 2024
(all amounts expressed in Lei ("RON"), unless otherwise specified)

For the year ended as at 31 December 2024	Share capital	Legal reserves	Other reserves	Retained earnings	Retained earnings IFRS transition	Current result	Total equity
Balance at 1 January 2024 (restated)	**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**	**-**	**-**	**-**	**3,041,382**
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 the year ended as at 31 December 2023	Share capital	Legal reserves	Other reserves	Retained earnings	Retained earnings IFRS transition	Current result	Total equity
Balance at 1 January 2023	**28,557,446**	**5,563,818**	**25,832,165**	**12,854,944**	**18,041,378**	**2,449,517**	**93,299,268**
Adjustment of Remeasurement of fair value of financial assets measured at fair value through other comprehensive income *	**-**	**-**	**5,208,982**	**-**	**-**	**-**	**5,208,982**
Balance at 1 January 2023 (restated)	**28,557,446**	**5,563,818**	**31,040,726**	**12,854,944**	**18,041,378**	**2,449,517**	**98,507,829**
Profit for the year	**-**	**-**	**-**	**-**	**-**	11,767,863	11,767,863
Other comprehensive income	**-**	**-**	**(244,129)**	**-**	**-**	**-**	**(244,129)**
Remeasurement of fair value of financial assets measured at fair value through other comprehensive income (b) *	-	-	(70,557)	-	-	-	(70,557)
Actuarial gain / (losses) relating to retirement benefits (a)	-	-	(173,572)	-	-	-	(173,572)
Total comprehensive income	**-**	**-**	**(244,129)**	**-**	**-**	**-**	**(244,129)**
Profit distribution	-	-	-	2,449,517	-	(2,449,517)	-
Dividends	-	-	-	(2,449,517)	-	-	(2,449,517)
Balance at 31 December 2023 (restated)	**28,557,446**	**5,563,818**	**30,796,597**	**12,854,944**	**18,041,378**	**11,767,863**	**107,582,046**

** See further details in Note 1.6*

The Financial Statements from page 1 to page 56 were approved by the Board of Directors in 27 March 2025 and are signed in his name by:

Administrator,
FLOREA Georgian Stefan

Signature

Prepared by,
MOISE Luiza-Roxana
Finance Manager

Signature

The legal reserve is in amount of RON 5,563,818 (2023: 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 116,213 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 3,157,595.

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

Retained Earnings IFRS transition 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 25 April 2024, it was decided the distribution of dividends in gross amount of RON 11,767,863.

The Financial Statements from page 1 to page 56 were approved by the Board of Directors in 27 March 2025 and are signed in his name by:

Administrator,	**Prepared by,**
FLOREA Georgian Stefan	MOISE Luiza-Roxana
	Finance Manager
Signature	Signature

Indirect method

Name of item	Note	31 December 2024	31 December 2023
Cash flows from operating activities:			
Net profit before tax		**11,776,725**	**13,854,847**
Adjustments for:			
Depreciation related to tangible assets and investment properties	8, 9	3,170,500	4,222,744
Depreciation related to right of use assets	18.1	1,596,609	1,660,944
Amortization related to intangible assets	10	38,927	38,273
Impairment related to tangible assets and investment properties	8	(508,671)	-
Provisions for post-employment benefits plans and other provisions	19	(143,268)	(63,389)
Provision for inventory	13	45,090	(65,803)
Allowance for trade and other receivables	14	6,596	113,477
Trade receivables and sundry debtors write off	3.3	-	27,337
Earnings from debts write-off (unclaimed dividends)	3.1	(2,129,875)	(787,549)
Interest income	4.1	(3,760,374)	(3,839,711)
Interest expense	4.2	554,057	700,439
Net foreign exchange differences		24,847	66,488
Loss / (gain) from disposal of property, plant and equipment		(59,065)	(135,461)
Operating profit before working capital changes		**10,612,099**	**15,792,636**
(Increase) / Decrease of guarantees letters		(5,352,211)	(2,578,389)
(Increase) / Decrease of trade and other receivables		5,259,839	(1,411,259)
(Increase) / Decrease of inventories		(82,529)	575,234
Increase / (Decrease) of trade and other payables		899,015	(1,909,793)
Payments of interest portion of lease liabilities	18.2	(475,419)	(611,509)
Paid income tax		(1,085,905)	(2,034,869)
Net cash flow from operating activities		**9,774,889**	**7,642,051**
Cash flows from investing activities:			
Purchase of tangible and intangible assets		(3,789,334)	(929,941)
Proceeds from sale of tangible and intangible assets		70,351	149,614
(Increase) / Decrease of cash pooling balance		3,570,481	(4,528,494)
Interest received		3,811,374	3,754,423
Net cash from investing activities		**3,662,873**	**(1,554,398)**
Cash flows from financing activities:			
Payments of principal portion of lease liabilities		(2,653,610)	(2,628,979)
Proceeds from sale of financial assets		-	100
Dividends paid to equity holders		(11,134,689)	(3,301,948)
Net cash flows from financing activities		**(13,788,299)**	**(5,930,827)**
Net (decrease) / increase of cash and cash equivalents		(350,989)	157,077
Net foreign exchange differences		452	(251)
Cash and cash equivalents at the beginning of the financial year		648,543	491,717
Cash and cash equivalents at the end of the financial year		**298,005**	**648,543**

The Financial Statements from page 1 to page 56 were approved by the Board of Directors in 27 March 2025 and are signed in his name by:

Administrator,	**Prepared by,**
FLOREA Georgian Stefan	MOISE Luiza-Roxana
	Finance Manager
Signature	Signature

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES

The financial statements of **ROMPETROL WELL SERVICES SA** for the financial year ended as at 31 December 2024 are approved according to the resolution of the Board of Directors dated 27 March 2025.

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 International 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 KazMunayGas International is the National Wealth Fund JSC "Samruk-Kazyna", an entity based in 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.kmginternational.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 issued by the International Accounting Standards Board (IASB), 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. An additional statement of financial position as at 1 January 2023 is presented in these financial statements due to the restatement of prior years (see Note 1.6).

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

1. INFORMATION ON THE ENTITY, 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 CO_2 emissions, and incorporated this requirements in the investments program. Thus, equipment acquired comply with the latest standards regarding CO_2 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 2024, the Company carried out a number of 112 primary cementing operations (up 18% on the previous year), 192 secondary cementing operations and 448 stimulation operations (up 15% on the previous year), with a total number of works in line with the company's forecasts. 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 2025 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, 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 global earnings, or the profit or loss are also recognised in Other elements of global earnings, profit or loss, respectively).

The exchange rates used to translate the balances denominated in foreign currency as at 31 December 2024 were, for RON:

	31 December 2024	**31 December 2023**
1 EUR	4.9741	4.9746
1 USD	4.7768	4.4958

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, 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 measure 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, 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.

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 considers a financial asset 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.

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.

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

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been 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 intangible 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 - 60
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 disclosed 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 are consequently assessed by an accredited external, independent valuator, by applying a valuation model recommended by the International Valuation Standards Committee. The revaluation 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, 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 dividends is established and it is probable that they will be collected.

The changes in fair value are recognized in other elements of the comprehensive income until the investment is derecognized or depreciated, moment when the cumulative gain or losses are reclassified from other comprehensive income 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, 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, 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 and leases of low-value assets. 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, 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.

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 the framework contract.

The Company has framework agreements concluded with customers, services provided/merchandise sold being made based on purchase 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 and vehicle), ITP services (specific vehicle verification) and other merchandise (distinct goods).

1. INFORMATION ON THE ENTITY, 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 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 other revenue segments (i.e. space rental, ITP services), performance obligation is fulfilled 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, 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, ACCOUNTING POLICIES (continued)

q) Dividends

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

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 (i.e. higher level of primary cementing as well as higher level of stimulation activities). This aspect had a significant positive effect on the Company's results recorded. 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, 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 2024 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 CO_2 emissions, and incorporate these requirements in the investments programs. Thus, equipment acquired comply with the latest standards regarding CO_2 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 2024, 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.

The recoverable amount of the CGU was determined based on the value in use (VIU) calculation using the cash flow projections from the approved 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 anymore the necessity of an impairment for the CGU and therefore reversed the existing impairment, already recorded in prior periods, of RON 508,671. The results of the test performed this year 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, while actual results stabilized matching budgeted level, after a difficult period subsequent COVID-19 pandemic.

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

- Operating profit margin;
- Discount rate.

The estimated operating profit margin is presented below:

	2025	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Operating profit margin*	6.08%	7.79%	7.64%	7.85%	6.14%	6.25%	6.48%

** as included in the impairment test*

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

Operating profit margins are estimated based on the average historical operational results recorded for 2024, further revised to reflect the current appetite for CAPEX investments of the Company's main customers.

The discount rate applied in the model was 10.76% (2023: 11.22%) 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 11.09% obtaining the following operating profit margin.

	2025	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Operating profit margin*	5.40%	6.92%	6.79%	6.98%	5.46%	5.56%	5.76%

** 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 10.76% to 13.17%.

(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.

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.

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

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, a dormant 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 has a prospective effect.

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 periodCash flows beyond the 5-year period are extrapolated using a 0.7% growth rate (2023: 0.4%) that is the same as the long-term average growth rate for the industry. The capitalization rate used for residual values is 10.5% (2023: 11.2%). . The discount rate applied to cash flow projections for Rompetrol Gas is 11.2% (2023: 11.6%).

Minority discount of 12.1% and lack of marketability discount of 15.5% were applied to the fair value.

Considering that Rompetrol Logistics is a dormant company, fair value assessment of the Company's investment is mainly influenced by the operational performance of Rompetrol Gas, that requires the use of estimates and assumptions such as discount rates, gross margin and operating costs.

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.

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

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	15.5% (2023: 20%)	5% increase (decrease) in the marketability discounts would result in a decrease (increase) in fair value by RON 1,323 thousand
Rompetrol Logistics	Adjusted Net Assets method	Minority interest discount rate	12.1% (2023: 15%)	5% increase (decrease) in the minority interest discount would result in a decrease (increase) in fair value by RON 1,323 thousand
Rompetrol Gas	DCF method	Discount rate	11.2% (2023:11.6%)	1% increase (decrease) in the WACC would result in a decrease (increase) in fair value by RON 421 thousand - decrease and respectively RON 508 thousand – increase
Rompetrol Gas	DCF method	Gross margin	n/a.	3% increase (decrease) in the Gross margin would result in an increase (decrease) in fair value by RON 1,557 thousand
Rompetrol Gas	DCF method	Operating expenses	n/a.	5% increase (decrease) in the Operating Expenses would result in a decrease (increase) in fair value by RON 1,230 thousand

1. INFORMATION ON THE ENTITY, 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 2024:

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments),**
- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments),**
- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments).**

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

• **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**
The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied within twelve months after the reporting period. Management has assessed and concluded that the updates included in this standard does not impact the financial statements of the Company.

• **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)**
The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. Under the amendments, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. The amendments apply retrospectively to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. Management has assessed and concluded that the updates included in this standard does not impact the financial statements of the Company.

• **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments)**
The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

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

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.

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**
  The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments are not yet effective, but they have been endorsed by the European Union.

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)**
  The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU.

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)**
  The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments have not yet been endorsed by the EU.

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

- **IFRS 18 Presentation and Disclosure in Financial Statements**
  IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. The standard has not yet been endorsed by the EU.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**
  IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The standard has not yet been endorsed by the EU.

- **Annual Improvements to IFRS Accounting Standards – Volume 11**
  The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards. The standard has not been endorsed by the EU.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

1.6 RESTATEMENT OF PRIOR PERIODS

The Company has a minority participation of 6.98% in Rompetrol Logistics, a dormant entity part of KMG International NV Group ("KMGI Group"). In its turn, Rompetrol Logistics is the sole shareholder of Rompetrol Gas, the LPG distribution company of the KMGI Group. Rompetrol Gas is a profitable company and according to the forecasted figures for the next five years will continue to be profitable.

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 has a prospective effect. In that process, some elements had been identified that required restatement of prior periods.

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

The fair value of the investment in Rompetrol Logistics implied estimating the market/fair value of its assets and liabilities including the fair value of the investment in Rompetrol Gas SRL, and it is based on the valuations performed by an independent accredited valuer who has experience in valuations for similar properties.

The fair value of the investment Rompetrol Gas was estimated using the Income approach – Discounted Cash Flow method using financial budgets approved by senior management of KMGI Group covering a five-year period. The discount rate applied to cash flow projections for Rompetrol Gas is 11.2% (2023: 11.6%). Cash flows beyond the 5-year period are extrapolated using a 0.7% growth rate (2023: 0.4%) that is the same as the long-term average growth rate for the industry. The capitalization rate used for residual values is 10.5% (2023: 11.2%).

Following the reassessment detailed above, the following changes have been performed at the level of the affected financial statement line items for the prior periods, as follows:

Impact of adjustment (increase/(decrease))

	31-Dec-23 *as reported*	**Adjustment**	**31-Dec-23** *restated*	**1-Jan-23** *as reported*	**Adjustment**	**1-Jan-23** *restated*
STATEMENT OF FINANCIAL POSITION						
Assets						
Equity instruments at FV through OCI	**8,966,492**	7,354,131	**16,320,623**	**10,204,052**	6,200,667	**16,404,719**
Total assets	**125,397,777**	7,354,131	**132,751,908**	**123,254,400**	6,200,667	**129,455,067**
Liabilities						
Deferred tax liabilities	**844,685**	1,176,661	**2,021,346**	**1,088,141**	992,107	**2,080,248**
Total liabilities	**23,993,200**	1,176,661	**25,169,861**	**29,955,132**	992,107	**30,947,239**
Equity						
Other reserves	**24,619,128**	6,177,470	**30,796,597**	**25,832,165**	5,208,561	**31,040,726**
Total equity	**101,404,577**	6,177,470	**107,582,046**	**93,299,268**	5,208,561	**98,507,828**
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):	**(1,213,037)**	968,909	**(244,129)**			
Remeasurement of fair value of equity instruments measured at fair value through other comprehensive income	**(1,039,466)**	968,909	**(70,557)**			
Total comprehensive income for year, net of tax	**10,554,826**	968,909	**11,523,734**			

The above change had a corresponding impact in the statement of changes in equity and it did not have an impact on the operating, investing and financing cash flows.

The adjustment detailed above had no impact on the basic/diluted earnings per share.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

Below there is an analysis of Company's revenues:

	2024	2023
Revenue from well services	74,047,624	71,908,951
Revenue from other services	119,000	96,728
Revenue from goods sold	30,167	62,318
Total	**74,196,791**	**72,067,998**

	2024	2023
Europe	1,564,391	404,263
Export	**1,564,391**	**404,263**
Internal market sales	72,632,400	71,663,735
Total sales	**74,196,791**	**72,067,998**

The Company analyzed the criteria for defining an operational segment according to IFRS 8 Operating segments and concluded that business is organized as single cash generating unit, with one 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.

2.1 RENTAL REVENUES

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

	2024	2023
Rental revenue from office space	477,658	495,675
Total	**477,658**	**495,675**

The Company obtains revenues from renting office spaces. The respective contracts have 12 months term.

Contracts concluded for rental of office space include only fixed leases.

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:

	2024	2023
Other operating income:		
- income from debts write-off	2,129,875	787,549
- income from waste sale	23,610	-
- gain from disposal of fixed assets	59,065	135,461
- earnings from compensations and penalties	25,000	828
- other	112,292	-
Total	**2,349,842**	**923,838**

Income from the debts write-off in amount of RON 2,129,875 (2023: RON 787,549) represent mainly 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 17 December 2024.

3.2. Expenses with third-party services

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

	2024	2023
Travel expenses*)	2,304,993	1,754,189
Maintenance and repair expenses*)	1,911,980	1,684,862
Royalties and rental expenses	1,251,276	1,117,051
Insurance premiums	723,919	795,793
Postage and telecommunications	14,870	14,774
Bank commissions and similar charges	25,031	19,299
Entertaining, promotion and advertising	136,499	73,955
Goods transportation services*)	4,307,959	3,558,208
Well services rendered – by subcontractors*)	644,146	360,888
Outsourced activities services	1,987,739	2,020,722
Dedicated management assistance and specialized technical consulting services	1,976,397	886,664
Others	1,236,156	1,070,029
Security services	832,582	778,533
Consultancy and audit	218,089	161,926
Total	**17,571,636**	**14,296,893**

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 directly influenced by the level and type of services rendered.

During 2024, 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 644,146 (2023: RON 360,888).

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:

	2024	2023
Compensations, fines, penalties	6,633	4,236
Amounts or goods granted as sponsorship	208,140	212,378
Write-off trade receivables and sundry debtors	-	27,337
Destroyed / improper stocks	46,381	-
Other operating expenses	7	9
Total	**261,161**	**243,960**

4. FINANCIAL EXPENSES AND REVENUES

4.1. Financial revenues

	2024	2023
Interest income, from which:	**3,760,373**	**3,839,712**
Income obtained from the entities within the group	3,746,786	3,825,036
Income from exchange rate differences	**29,213**	**41,705**
Other financial income	**207**	**799**
Total financial income	**3,789,793**	**3,882,216**

The line "Income obtained from the entities within the group" in amount of RON 3,746,786 (2023: RON 3,825,036) represents interest revenue from cash-pooling. For more details, including EIR please refer to Note 21.

4.2. Financial expenses

	2024	2023
Expenses from exchange rate differences	**67,577**	**131,608**
Other financial expenses, out of which	**554,056**	**700,439**
Interest expense on the lease liability	475,418	611,509
Total financial expenses	**621,633**	**832,047**

5. PAYROLL COSTS

The expenses with salaries and taxes, recorded during 2024 and 2023 are as follows:

	2024	2023
Expenses related to salaries and allowances	22,325,139	20,295,367
Other expenses with employees benefits	580,706	245,748
Contributions to special funds	232,095	197,148
Expenses related to the social insurances	496,598	474,298
Total	**23,634,538**	**21,212,561**

The increase in salaries costs, with 2.4 million RON compared with previous year, was the result of a mixed actions taken by the management in order to stimulate the employees and to prevent and minimize employees' turnover. Approximately 2,1 million RON is the effect of the collective labor negotiation with trade union, that started to produce effects from December 2023 and respectively from November 2024, based on which a new collective labor agreement was concluded, for the increases in wages and other rights.

The average number of employees increased from 135 at 31 December 2023 to 138 employees at 31 December 2024.

The average number of employees has evolved as follows:

	2024	2023
Management personnel	2	2
Administrative personnel	21	16
Production personnel	115	117

The Administrators and Managers

During 2024 and 2023, the Company has paid the following remuneration to the members of the Board of Directors and salaries to the executive directors:

	2024	2023
The Members of the Board of Directors	466,112	462,889
Executive directors	1,029,075	1,205,982
Total	**1,495,187**	**1,668,871**

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 2024, 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 2024 was of RON 1,495,187 (2023: RON 1,668,871), including short-term benefits and bonuses.

At the end of 2024, 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 2024 and 2023 are:

Statement of profit and loss

	2024	2023
Current income tax:		
Expenses regarding the current income tax	1,540,598	2,099,386
Deferred income tax		
Relating to origination and reversal of temporary differences	(1,181)	(12,402)
Expenses regarding the income tax reported in statement of total comprehensive income	**1,539,418**	**2,086,984**

Reconciliation between the expenses regarding the current income tax and the deferred income tax and the accounting profit is as follows for fiscal years 2024 and 2023:

Current income tax

	2024	2023
Accounting profit before tax	11,776,725	13,854,847
At Company's statutory income tax rate of 16% (2023: 16%)	1,884,276	2,216,776
Effect of value adjustments from non-taxable incomes	(82,484)	(20,432)
Non-deductible expenses for tax computation:		
Allowance for trade receivables and inventories	(9,367)	(27,992)
Depreciation of tangible assets	14,191	14,439
Other non-deductible expenses	(57,878)	128,974
Fiscal credit	(208,140)	(212,378)
Expenses with current income tax at effective rate 16% (2023: 16%)	**1,540,598**	**2,099,386**

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 2024	**31 December 2023**	**1 January 2023**	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 2023**
		restated	*restated*				*restated*
Revaluation of assets (fair value as deemed cost) with reserve transfer to retained earnings (at transition to IFRS)	(975,784)	(933,673)	(936,673)	(39,110)	-	-	-
Recognition of right of use assets	(142,120)	(142,120)	(142,120)	-	-	-	-
Recognition of estimates for retirement benefits	199,915	188,154	165,235	(10,375)	(10,142)	22,136	33,061
Recognition of lease liability	143,693	143,693	143,693	-	-	-	-
Fair value valuation of financial assets*	(2,168,785)	(1,567,339)	(1,580,778)	-	-	(601,447)	13,439
Recognition of estimate for untaken holiday	164,677	122,280	107,628	42,397	14,652	-	-
Temporary differences for inventory provisions	61,469	54,254	64,783	7,214	(10,528)	-	-
Temporary differences for expected credit losses	117,459	116,405	97,984	1,054	18,421	-	-
(Expenses regarding) /income from the deferred tax				**1,181**	**12,402**	**(579,311)**	**46,501**
Assets regarding the deferred tax	**687,213**	**624,787**	**579,324**				
Liabilities regarding the deferred tax	**(3,286,689)**	**(2,646,133)**	**(2,659,572)**				
Assets / (Liabilities) regarding the deferred tax, net	**(2,599,476)**	**(2,021,346)**	**(2,080,248)**				

** See further details in Note 1.6*

The reconciliation of deferred tax payable is as follows:

	2024	**2023**
		restated
Beginning of balance (restated)	**2,021,346**	**2,080,248**
Deferred tax expense recognized in profit and loss	(1,181)	(12,402)
Deferred tax expense recognized in other comprehensive income	579,311	(46,501)
Ending Balance	**2,599,476**	**2,021,346**

6. INCOME TAX (continued)

Pillar II

In October 2021 members of the Organization for Economic Co-operation and Development ("OECD") / G20 Inclusive Framework on Base Erosion and Profit Shifting ("BEPS") 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.

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

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

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

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

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

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

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.

6. INCOME TAX (continued)

As of 31 December 2024, the transitional Safe Harbor test was prepared for the entities that are under Romanian jurisdiction with the involvement of an external tax specialist and according to the Routine Profits test, jurisdiction PBT is a loss, therefore Routine Profits Test is met.

Given the requirement for jurisdictional-level computations, an analysis of the safe harbor regimes for 2024 was conducted for the Constituent Entities of the Group located in Romania, based on the indicators that will be included in the CbCR report for the 2024 financial year. Following this analysis, the conclusion is that in Romania, the Group qualifies for the application of the transitional CbCR safe harbor regime, as it records a jurisdictional loss. According to the OECD Administrative Guidance, 2024 consolidated version, Annex A, Chapter I - Transitional CbCR Safe Harbor Regime, paragraph 22 of the Routine Profits Test, if a jurisdiction reports a loss, this test is automatically considered met.

Therefore, the Romanian jurisdiction did not record an additional tax estimate for Pillar Two purposes in the financial statements for the financial year 2024.

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 2024	31 December 2023
Net result attributable to shareholders	10,237,307	11,767,863
Weighted average number of shares	278,190,900	278,190,900
Basic earnings per share (RON / share)	**0.0368**	**0.0423**

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	Advances and Tangible assets in progress	Total
Cost					
On 1 January 2023	**5,440,229**	**8,047,114**	**88,817,523**	**2,258,168**	**104,563,032**
Additions	-	-	61,506	831,130	892,636
Disposals	(1,674)	(21,086)	(36,548)	-	(59,308)
Transfers	-	398,872	2,286,807	(2,685,679)	-
On 31 December 2023	**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**
Depreciation and Impairment					
On 1 January 2023	**-**	**3,717,314**	**76,149,011**	**-**	**79,866,326**
Depreciation charge for the year	-	329,968	3,874,173	-	4,204,142
Disposals	-	(8,607)	(36,548)	-	(45,155)
On 31 December 2023	**-**	**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**
Net book value					
On 31 December 2024	**5,438,555**	**4,476,431**	**10,315,727**	**2,275,159**	**22,505,869**
On 31 December 2023	**5,438,555**	**4,386,224**	**11,142,653**	**403,619**	**21,371,048**
On 1 January 2023	**5,440,229**	**4,329,800**	**12,668,512**	**2,258,168**	**24,696,706**

8. PROPERTY, PLANT & EQUIPMENT (continued)

A percentage of 69% from the increase recorded during 2024 for plant and equipment, in amount of RON 1.3 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 31% from total investments conducted by the company in 2024 were related to rehabilitation and modernization of the operational buildings and replacement of IT equipment.

The Company used own funds in order to finance the budgeted capital expenditure for 2024.

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 needs 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 2024 and 31 December 2023, the Company has not pledged assets and interest rated capitalized.

As of 31 December 2024 total gross book value of property, plant and equipment items that are fully depreciated is RON 23,106,917 (2023: RON 64,184,377). The decrease of RON 41,077,460 is triggered mainly by different modernizations performed to existing assets, thus increasing their useful life.

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.

	2024	2023
Initial balance on 1 January	**414,197**	**432,799**
Depreciation expenses	(18,603)	(18,603)
Ending balance on 31 December	**395,594**	**414,197**

	2024	2023
Income from rents obtained from real estate investments	16,382	13,127
Direct operational expenses (including repairs and maintenance) which generate income from rents	(37,872)	(37,872)
Net result from investment property recorded at cost	**(21,490)**	**(24,744)**

At 31 December 2024, the fair values of the properties determined in 2022 by S.C. FairValue Consulting SRL, a recognised independent evaluator, were in amount of RON 1,800,627.

10. INTANGIBLE ASSETS

	Patents and licenses	Total
Costs		
On 1 January 2023	**781,613**	**781,613**
Additions	37,305	37,305
Disposals	-	-
Transfers	-	-
On 31 December 2023	**818,918**	**818,918**
Additions	-	-
Disposals	(83)	(83)
Transfers	-	-
On 31 December 2024	**818,835**	**818,835**
Amortisation and impairment		
On 1 January 2023	**720,995**	**720,995**
Depreciation charge for the year	38,273	38,273
Disposal	-	-
On 31 December 2023	**759,267**	**759,267**
Depreciation charge for the year	38,927	38,927
Disposal	(83)	(83)
On 31 December 2024	**798,111**	**798,111**
Net book value		
On 31 December 2024	**20,724**	**20,724**
On 31 December 2023	**59,651**	**59,651**
On 1 January 2023	**60,618**	**60,618**

11. EQUITY INSTRUMENTS AT FVOCI

Name of the company	Nature of the relationship	Year of investment	Percent held on 31 December 2024	Percent held on 31 December 2023	Percent held on 01 January 2023	Fair value of the investment on 31 December 2024	Fair value of the investment on 31 December 2023 restated	Fair value of the investment on 01 January 2023 restated
Rompetrol Logistics SRL	Long term investment	2002/2003/2007	6.98%	6.98%	6.98%	19,159,842	14,474,278	14,657,186
Rompetrol Rafinare SA*	Long term investment	2003/2004	0.05%	0.05%	0.05%	919,823	1,846,345	1,747,434
Rompetrol Renewables SRL	Long tern investment	2014	-	-	1%	-	0	100
Total						**20,079,665**	**16,320,623**	**16,404,719**

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

In 2024, the decrease in the fair value of the equity investment in Rompetrol Rafinare, amounting RON 926,522, includes a gross amount of RON 736,617 (net RON 617,078) related to the correction of a human error in the fair value calculation as of 31 December 2023. Specifically, as of 31 December 2023, the number of shares used in the calculation was mistakenly recorded as 21,980,298. Therefore, the related impact was reflected as a change in other comprehensive income, without having any impact in the Company's distributable profit.

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
1 January 2023 (restated)	**1,747,434**	**14,657,186**	**16,404,619**
Remeasurement recognized in OCI	98,911	(182,908)	(83,996)
31 December 2023 (restated)	**1,846,345**	**14,474,278**	**16,320,623**
Remeasurement recognized in OCI	(926,522)	4,685,564	3,759,042
31 December 2024	**919,823**	**19,159,842**	**20,079,665**

For more details regarding equity instruments at FVOCI please refer to Note 1.h) iii) Fair value of financial instruments and Note 1.6 Restatement of prior periods.

12. OTHER FINANCIAL ASSETS

	31 December 2024	31 December 2023
Collateral account for guarantee letters with maturity over one year	9,742,682	5,611,881
Specific account for dividends	1,073,873	941,937
Specific accounts for other guarantee	34,496	27,054
Other financial assets	**10,851,052**	**6,580,872**

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
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**

** 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 2023.*

Collateral account for LG 99008060 was closed on February 10th, 2025 and for LG 99007664, LG 99007665 was closed on March 3rd, 2025. No other collateral account was closed subsequent to 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	883,580	18-Jan-22	31-Dec-24	RON	883,580
LG99007665	OMV PETROM S.A.	RON	2,439,493	18-Jan-22	31-Dec-24	RON	2,439,493
LG9000004272	OMV PETROM S.A.	RON	82,751	6-Jul-22	30-Jun-26	RON	82,751
LG99008693	OMV PETROM S.A.	RON	1,157,059	23-Nov-22	13-Dec-24	RON	1,157,059
LG99008060	OMV PETROM S.A.	RON	290,700	7-Dec-22	31-Dec-24	RON	290,700
LG9000007786	OMV PETROM S.A.	RON	349,242	2-Feb-23	31-Mar-28	RON	349,242
LG00888-02-0938985	OMV PETROM S.A.	RON	246,465	28-Apr-23	18-Jun-24	RON	246,465
43840	S.N.G.N. ROMGAZ S.A.	RON	162,591	23-Nov-23	4-Dec-26	RON	162,591
Total collateral accounts with maturity over one year as of 31 December 2023							**5,611,881**

No collateral account was closed subsequent to 31 December 2023, except for LG00888-02-0938985, which was closed during 2024 financial year.

13. INVENTORIES

	31 December 2024	31 December 2023
Cement and additives	3,343,281	3,461,894
Spare parts equipment	1,902,762	1,700,101
Other inventories	233,439	280,048
Total inventories, net	**5,479,481**	**5,442,042**

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 2023	**404,891**
Additions	1,641
Used during the year	(67,444)
On 31 December 2023	**339,089**
Additions	45,939
Used during the year	(849)
On 31 December 2024	**384,179**

14. TRADE AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
Trade receivables - third parties	14,244,292	18,614,285
Trade receivables with affiliated entities (Note 21)	35,257	31,152
Allowance for trade receivables – third parties	(1,282,951)	(1,276,054)
Allowance for trade receivables – affiliated entities (Note 21)	(7,732)	(8,110)
Total trade receivables, net	**12,988,866**	**17,361,272**
Other receivables – third parties	231,152	1,060,147
Other receivables with the affiliated entities (Note 21)	154,019	154,019
Other receivables with state budget	23,890	53,934
Allowance for other receivables – third parties	(213,790)	(213,790)
Allowance for other receivables – affiliated entities (Note 21)	(152,580)	(152,580)
Total other receivables, net	**42,691**	**901,729**
Total receivables, net	**13,031,556**	**18,263,002**

Other receivables – third parties includes in 2023 the amount of RON 696,920 representing the counter value of a good performance guarantee related to an ongoing litigation (details in Note 22). The amount was collected on April, 2024 after the litigation was won by the Company.

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 2023	**631,729**	**901,838**	**1,533,567**
Charge for the year	36	160,074	160,110
Unused amounts, reversed	(9,699)	(4,345)	(14,044)
Amounts written-off	-	(32,589)	(32,589)
Exchange rate differences	-	3,491	3,491
On 31 December 2023	**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)
Amounts written-off	-	-	-
Exchange rate differences	-	(79)	(79)
On 31 December 2024	**622,628**	**1,034,425**	**1,657,054**

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 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)**

		Total trade receivables						
At 31 December 2023	**Current**	**< 30 days**	**31 – 60 days**	**61- 90 days**	**91 - 180 days**	**181 - 360 days**	**> 360 days**	**Total**
Expected credit loss rate (%)	*0.38%*	*8.42%*	*49.40%*	*82.12%*	*82.12%*	*82.12%*	*100.00%*	
Estimated total gross carrying amount at default	15,338,880	1,921,260	70,387	1,464	18,665	12,929	1,281,851	**18,645,436**
Expected credit loss	(2,485)	(5,227)	(3,903)	(1,203)	(4,208)	(6,236)	(1,260,903)	**(1,284,164)**

15. OTHER CURRENT ASSETS

	31 December 2024	31 December 2023
Advance expenses for car insurance	322,387	375,692
Advance expenses for vignette	105,780	107,505
Advance expenses for business insurance	468,568	456,039
Advance expenses for authorizations, transportation licenses, subscriptions, others	121,645	114,510
Other current assets TOTAL	**1,018,381**	**1,053,746**

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 2024	31 December 2023
Bank accounts in RON	14,081	1,287
Bank accounts in foreign currency	1,742	3,783
Short term deposits in RON	244,032	557,078
Short term deposits in foreign currency	-	56,210
Petty cash in RON	18,359	12,324
Petty cash in foreign currency	19,791	17,860
Total cash and short term deposits	**298,005**	**648,543**

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 2024 to the system for optimization of cash availability between the companies within KazMunayGas International Group, known as cash pooling concept. The amount available in the principal account on 31 December 2024 was of RON 46,818,063 (2023: RON 50,388,545), 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 2024 for the Letters of Bank Guarantee with maturity between less than 12 months is enclosed in the table below:

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**

The collateral deposits as at 31 December 2023 had the following components:

Number	Beneficiary	Currency	Amount equivalent RON	Start Date	Maturity date	Currency collateral deposit	Collateral deposit equivalent RON
40140	S.N.G.N. ROMGAZ S.A.	RON	121,112	20-Jan-23	31-Jan-24	RON	121,112
Total collateral deposits							**121,112**

17. SHARE CAPITAL

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 new 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 2024.

	31 December 2024	**31 December 2023**
	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 2024.

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 2024, as well as on 31 December 2023 and is presented in the table below:

	31 December 2024	**31 December 2023**
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

18. LEASES

18.1 The right-of-use assets

The statement of the identified assets as of 31 December 2024 is presented in the table below:

Cost	**Technical equipment and machinery and other tangible assets**	**Advances**	**Total Right of use assets**
On 1 January 2023	**15,215,209**	**-**	**15,215,209**
Additions	-	-	**-**
Remeasurement	93,670	**-**	**93,670**
Transfers	-	-	**-**
On 31 December 2023	**15,308,878**	**-**	**15,308,878**
Additions	-	-	**-**
Remeasurement	(6,584)	**-**	(6,584)
Transfers	**-**	-	**-**
On 31 December 2024	**15,302,294**	**-**	**15,302,294**
Depreciation and impairment			
On 1 January 2023	**1,901,688**	**-**	**1,901,688**
Depreciation charge for the year	1,660,944	-	1,660,944
Transfers		-	-
On 31 December 2023	**3,562,632**	**-**	**3,562,632**
Depreciation charge for the year	1,596,609	-	1,596,609
Transfers		-	
On 31 December 2024	**5,159,241**	**-**	**5,159,241**
Net book value			
On 31 December 2024	**10,143,053**	**-**	**10,143,053**
On 31 December 2023	**11,746,246**	**-**	**11,746,246**
On 1 January 2022	**13,313,521**	**-**	**13,313,521**

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 2024:

	2024	2023
At 1 January	**8,805,636**	**11,267,449**
Additions during the period	-	-
Remeasurement of lease contract	(7,214)	93,669
Interest associated to lease liability	475,418	611,509
Lease instalments	(3,129,029)	(3,240,489)
Exchange rate difference for liability	27,995	73,497
Balance at 31 December	**6,172,806**	**8,805,636**
Current	**2,568,984**	**2,632,998**
Non-current	**3,603,823**	**6,172,638**

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:

	2024	2023
Depreciation expense of right of use assets	1,596,609	1,660,944
Interest expense on lease liability	475,418	611,509
Expense relating to short-term leases	126,591	73,927
Variable lease payments	16,107	86,461
Total amounts recognised in profit or loss account	**2,214,724**	**2,432,841**

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

19. OTHER POST EMPLOYMENT BENEFITS

	2024	2023
Balance at 1 January	**1,175,961**	**1,032,717**
Included in profit or loss		
Interest expense	78,424	88,130
Service Cost	97,403	67,663
(Gain) / loss on settlement	(240,671)	(219,182)
Included in other comprehensive income		
Actuarial loss/(gain)	138,349	206,633
Balance at 31 December	**1,249,466**	**1,175,961**

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 2024, the amount of the provision for benefits to be granted at retirement is RON 1,249,466. 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 2024	**31 December 2023**
	%	**%**
The turnover of the personnel in one year	4.5	3.7
The contribution of the company to the gross salary	2.25	2.25
The inflation rate of the salary	3.5	4.80
The nominal discounting rate (the interest rate for governmental bonds)	6.9	7.00

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

	Impact on defined benefit obligation 2024	**Impact on defined benefit obligation 2023**
Discount rate assumptions:		
1% increase	(87,845)	(87,318)
1% decrease	98,246	97,749
Salary sensitivity assumption:		
1% increase	100,835	101,147
1% decrease	(91,517)	(91,671)
Longevity sensitivity assumption:		
+ 1 year	2,795	3,166
- 1 year	(4,010)	-

20. TRADE PAYABLES AND SIMILAR LIABILITIES (CURRENT)

	31 December 2024	31 December 2023
Trade payables - third parties	4,812,119	3,584,531
Trade payables with affiliated entities	660,367	737,670
Advances	22,009	-
Salaries	1,921,702	1,774,011
Dividends to be paid	3,926,559	5,419,839
Other taxes	730,744	1,153,704
Other liabilities	-	-
Total	**12,073,500**	**12,669,755**

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 2024.

Name of the company	Transaction type	Country of origin	The nature of relationship
KMG International NV	Payments of dividends	Netherlands	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	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
Global Security Sistem SA	Security services	Romania	Associate of KMG International Group

21. PRESENTATION OF THE AFFILIATED PARTIES (continued)

Receivables

	31 December 2024	31 December 2023
KMG Rompetrol SRL	47,109,341	50,730,823
Rompetrol Logistics SRL	28,194	22,966
KMG Rompetrol Services Center SRL	770	1,515
Total	**47,138,305**	**50,755,304**

Liabilities

	31 December 2024	31 December 2023
KMG Rompetrol SRL	204,311	163,208
Rompetrol Downstream SRL	397,960	549,681
KMG Rompetrol Services Center SRL	58,096	23,239
Rompetrol Quality Control SRL	-	864
Global Security Sistem SA	-	678
Total	**660,367**	**737,670**

Sales

	2024	2023
KMG Rompetrol SRL	3,746,786	3,825,036
Rompetrol Logistics SRL	265,520	245,157
KMG Rompetrol Services Center SRL	7,761	7,718
Oilfield Exploration Business Solutions SA	109	85
Rompetrol Rafinare SA	218	488
Rompetrol Renewables SRL	-	30
Rominserv SRL	143	119
Total	**4,020,538**	**4,078,634**

Acquisition of goods and services

	2024	2023
Rompetrol Downstream SRL	5,349,721	5,360,267
KMG Rompetrol SRL	3,838,523	2,901,536
KMG Rompetrol Services Center SRL	1,088,098	954,900
Global Security Sistem SA	-	17,202
Rompetrol Quality Control SRL	1,815	2,541
Total	**10,278,156**	**9,236,446**

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 47,832,819, generating interest in amount of RON 3,746,786. The value of these receivables as of 31 December 2024 was of RON 47,109,341.

21. PRESENTATION OF THE AFFILIATED PARTIES (continued)

Description	Validity term	Contract Date	Maturity Date	Interest rate	Currency	Principal	Interest receivable as of 31 December 2023	Balance existing as of 31 December 2023	Interest receivable as of 31 December 2024	Balance existing as of 31 December 2024
Cash Optimization System implementation of The KMG Rompetrol Group companies (cash pooling)	12 months, with automatically extension	15-Sep-14	15-Sep-25	Based on ROBOR OVERNIGHT	RON	Depending on the working capital needs	342,278	50,388,545	291,278	46,818,063
Total							**342,278**	**50,388,545**	**291,278**	**46,818,063**

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 2024 and 2023 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.

During 2023, for the same amount, the Company filed a request for the refund of wrongfuly executed guarantee, case in which the court ordered, during 2024, the application to be granted and ordered the company's customer to refund the amount (final decision was issued, no right for appeal anymore). The amount was collected on April, 2024 (details in Note 14).

23. OBJECTIVES AND POLICIES FOR THE FINANCIAL RISK MANAGEMENT

<u>The risk of the interest rate</u>

- 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 2024 would increase / decrease with RON 486,822 (2023: increase / decrease with RON 481,409).

<u>Risk of the exchange rate variations</u>

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.

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

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.

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 RON	5% USD	5% EUR
31 December 2023			
Balance	**(63,333)**	(1,386)	(61,947)
Monetary assets	**31,468**	619	30,849
Monetary liabilities	**(94,802)**	(2,005)	(92,796)
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)

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 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 87% of the total turnover registered for the financial year 2024.

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.

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

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 67% of the Company's debt will mature in less than one year at 31 December 2024 (2023: 48%) 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.

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

Trade payables and similar liabilities	On demand	Under 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Trade payables - third parties	42,473	2,914,858	428,638	198,562	-	**3,584,531**
Trade payables with affiliated entities	316,169	421,501	-	-	-	**737,670**
Lease liabilities	-	435,840	1,986,325	6,383,472	-	**8,805,636**
Dividends to be paid	5,419,839	-	-	-	-	**5,419,839**
Other liabilities	-	-	-	-	-	**-**
Total year 2023	**5,778,481**	**3,772,199**	**2,414,963**	**6,582,034**	**-**	**18,547,676**

Trade payables and similar liabilities	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	-	423,120	1,928,985	3,820,702	-	6,172,807
Dividends to be paid	3,926,559	-	-	-	-	3,926,559
Other liabilities	-	-	-	-	-	-
Total year 2024	**4,424,448**	**4,823,232**	**2,040,447**	**4,283,723**	**-**	**15,571,851**

24. AUDIT EXPENSES

Costs for audit services with the financial auditor recorded during the financial year ended 31 December 2024 were in amount of RON 103,482 (2023: 99,289 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 2025, the Board of Directors approved the proposal to distribute gross dividends in amount of RON 10.237.307 RON, respectively 0,036799 / share, proposal on which the General Ordinary Meeting of the Shareholders that will take place on 28 (29) April 2025 shall decide.

The Financial Statements from page 1 to page 56 were approved by the Board of Directors in 27 March 2025 and are signed in his name by:

Administrator, FLOREA Georgian Stefan	**Prepared by,** MOISE Luiza-Roxana Finance Manager
Signature	Signature

Shape the future
with confidence

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Rompetrol Well Services S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rompetrol Well Services S.A. (the Company) with official head office in Ploiesti, Clopotei Street, No. 2 bis, identified by sole fiscal registration number RO1346607, which comprise the statement of financial position as at December 31, 2024, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of each key audit matter and our procedures performed to address the matter

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Fair value measurement of equity instruments designated at fair value through other comprehensive income (FVOCI)

Disclosures on Fair value measurement for investment in equity instruments are included in Note 1.2 h), 1.3 (iii), 1.6 and Note 11 respectively.</td></tr>
<tr><td>Investments in equity instruments are presented under financial assets having a fair value recognized through other comprehensive income of RON 20,080 thousand as at 31 December 2024.

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 investment held in Rompetrol Rafinare S.A. was measured based on quoted prices in active markets.

The investment held in Rompetrol Logistic S.R.L. is measured at fair value of RON 19,160 thousand as at 31 December 2024, for which quoted prices in an active market are unavailable and whose value is determined by internal valuation techniques that generally use non-observable data (level 3 inputs). Applied internal valuation techniques can be subjective in nature, involving various complex assumptions and estimates, that led to a change in the valuation method applied in current year. In this process, some elements had been identified that required restatement of prior periods.

As of 31 December 2024, the Company involved an external expert to determine the fair value for the Company's investment in Rompetrol Logistic. The measurement involved significant judgement and estimates.</td><td>We audited management's assessment of the fair value of financial assets of RON 20,080 thousand as of 31 December 2024.Specifically, our work included, but was not limited to the following procedures:
We analysed the key assumptions used in the valuation report prepared by an external expert, by analysing their consistency with the relevant available market information and the business plans used, as well as the sensitivity analysis of the fair value to changes in the significant assumptions;
We evaluated if the valuation assessment included all factors that influence the fair value of investment at the end of the reporting period and its compliance with International Financial Reporting Standards requirements;
We involved our valuation specialists to assist us in evaluating specific assumptions applied (i.e. the discount rate, marketability discount, minority discount) and methodologies applied in the valuation of the financial asset presented in the valuation report prepared by the external expert, including the management judgement in the valuation method applied;
We checked the mathematical accuracy of the valuation model for determining the fair value of the financial assets considering the ownership percentage;
We evaluated the competence, capabilities and objectivity of management's external valuator.
Specifically for the fair value of financial asset quoted in an active market, we checked the latest available price/share and the mathematical accuracy of the fair value as of 31 December 2024.</td></tr>
</table>

Key Audit Matter	How our audit addressed the key audit matter
We considered this matter to be a key audit matter due to the magnitude of the amounts involved, the high level of subjectivity in respect of assumptions underlying the fair value assessment and the significant judgements and estimates that need to be made by management over the determination of the fair value of financial assets not quoted in an active market.	Furthermore, we assessed the adequacy of the Company's disclosures about fair value measurement of equity investments, change of estimate and restatement of prior periods.

Key Audit Matter	How our audit addressed the key audit matter
Assessment for impairment of property, plant and equipment and right of use assets Disclosures on property, plant and equipment and right of use assets, including impairment, are presented in Note 1.2 e) and i), 1.3 (ii), Note 8 and Note 18 respectively.	
Property, plant and equipment of RON 22,506 thousand (out of which advances and tangible assets in progress of RON 2,275 thousand) and right of use assets of RON 10,143 thousand are significant to our audit because of the magnitude in the statement of financial position as at 31 December 2024. Also, we considered this matter to be one of most significance in the audit due the high level of subjectivity in respect of assumptions underlying impairment analysis and significant judgements and estimates made by the management. Under the International Financial Reporting Standards, an entity is required to assess whether triggers for potential impairment or reversal of impairment previously recorded exist. The assessment of whether there is an indication that an asset may be impaired, or an impairment may be reversed requires significant judgement, as it involves consideration of various sources of information, including factors related to the economic environment and industry specific factors.	We audited the impairment test performed by management. Specifically, our work included, but was not limited to the following procedures: ▪ We analyzed the key assumptions used for estimating the future cash flows, by analysing their consistency with the relevant available market information and the business plans of the Company, as well as the sensitivity analysis of the recoverable amounts to changes in the significant assumptions; ▪ We evaluated if the impairment assessment included all assets for which impairment indicators existed at the end of the reporting period; ▪ We assessed the historical accuracy of management's budgets and forecasts by comparing them to actual performance and to prior years; ▪ We involved our valuation specialists to assist us in evaluating the discount rate applied and methodologies / models used by the Company for the impairment assessment of property, plant and equipment and rights of use assets;

Key Audit Matter	How our audit addressed the key audit matter
In the current year, local industry of oilfield services has recorded a slight recovery, with a different mix of services being performed in the upstream segment (i.e. higher level of primary cementing operations as well as stimulation activities). This aspect had a significant positive effect on the Company's results. However, the upstream segment continued to record relatively low investments 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 (which have an impact on evolution of interest rates, payroll costs, general increase of prices etc.) that continue to led to uncertainties in the market. These aspects might impact the Company's performance and therefore impairment indicators were identified. As of 31 December 2024, the management has performed an impairment assessment in respect of the Company's property, plant and equipment and rights of use assets. As a result of the impairment assessment, the estimated value in use (VIU) is reasonably higher that the net book value of the assets, resulting in a reversal of the impairment adjustment, of RON 509 thousand, recorded in previous periods. The impairment assessment process is complex, requires significant management judgments and is based on assumptions that are affected by expected future market conditions. For this reason, we have considered this as a key audit matter.	▪ We checked the mathematical accuracy of management's cash flow model for determining the value-in-use and its conformity with the requirements of the International Financial Reporting Standards. Furthermore, we assessed the adequacy of the Company's disclosures about Impairment testing of property, plant and equipment and rights of use assets.

Other information

The other information comprises the Annual Report of the Board of Directors as well as Remuneration Report, but does not include the financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Annual Report of the Board of Directors and Remuneration Report, we have read these reports and report that:

a) in the Annual Report of the Board of Directors we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying financial statements as at December 31, 2024;
b) the Annual Report of the Board of Directors includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, Annex 1 articles 15 – 19;
c) based on our knowledge and understanding concerning the Company and its environment gained during our audit of the financial statements as at December 31, 2024, we have not identified information presented in the Annual Report of the Board of Directors that contains a material misstatement of fact.
d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

Declaration on the Report on corporate income tax information for the year 2023

For the financial year ended December 31, 2023, the Company had an obligation, under articles 60^2-60^6 from Annex 1 of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, to publish a Report on corporate income tax information. The Company published this report in accordance with the requirements of article 60^{10} of the Ministry of Public Finance Order no. 2844/2016 with all subsequent amendments.

Our audit opinion on the financial statements does not cover the Report on corporate income tax information for the year ended December 31, 2023 and we do not express any form of assurance conclusion thereon.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Company by the General Meeting of Shareholders on 25 April 2024 to audit the financial statements for the financial year end December 31, 2024. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 17 years, covering the financial periods end December 31, 2008 till December 31, 2024.

Consistency with Additional Report to the Audit Committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on the same date as the issue date of this report.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Company and we remain independent from the Company in conducting the audit.
In addition to statutory audit services and services disclosed in the annual report and in the financial statements, no other services which were provided by us to the Company, and its controlled undertakings.

Report on the compliance of the electronic format of the financial statements, included in the annual separate report with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the financial statements presented in XHTML format of Rompetrol Well Services S.A. (the Company) for the year ended 31 December 2024, with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation).

These procedures refer to testing the format and whether the electronic format of the financial statements (XHTML) corresponds to the audited financial statements and expressing an opinion on the compliance of the electronic format of the financial statements of the Company for the year ended 31 December 2024 with the requirements of the ESEF Regulation. In accordance with these requirements, the electronic format of the financial statements, included in the annual report should be presented in XHTML format.

Responsibilities of the Management and Those Charged with Governance

The Management of the Company is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the financial statements in XHTML format and for ensuring consistency between the electronic format of the financial statements (XHTML) and the audited financial statements.

The responsibility of the Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process for the preparation of financial statements, including the application of the ESEF Regulation.

Auditor’s Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the financial statements with the requirements of the ESEF Regulation.

We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the financial statements of the Company is prepared, in all material respects, in accordance ESEF regulation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of the financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic reporting format (XHTML) of the financial statements of the Company, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the financial statements of the Company, including the preparation of the financial statements of the Company in XHTML format
- tested the validity of the applied XHTML format
- checked whether the electronic format of the financial statements (XHTML) corresponds to the audited financial statements

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the compliance of the electronic format of the financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, our opinion is that the electronic format of the financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Firma de audit: ERNST & YOUNG ASSURANCE SERVICES S.R.L.
Registrul Public Electronic: FA77

On behalf of,

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania

Registered in the electronic Public Register under No. FA77

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: Ivanovici Alice Andreea
Registrul Public Electronic: AF3617

Name of the Auditor/ Partner: Ivanovici Alice Andreea
Registered in the electronic Public Register under No. AF3617

Bucharest, Romania
28 March 2025