

January 30, 2026

KMG International (Rompetrol): Responsible social dialogue, the protection of jobs, and operational safety remain our priorities.

KMG International (Rompetrol) reaffirms its commitment to responsible social dialogue and to finding sustainable solutions that protect jobs, ensure operational safety, and preserve the long-term stability of our activities on Petromidia Năvodari, Vega Ploiești platforms, Rompetrol Downstream and all other critical operational and support areas.

We acknowledge the requests given by the representative trade union, including a collective wage increase with an estimated annual impact 2026 onwards of over 21 million USD. We stay open to constructive discussions, conducted in a responsible manner, in full compliance with applicable legal provisions and with due regard to the reality of 2026.

A difficult financial reality created by an excessive and unpredictable tax regime

Since the end of 2022, our company has been working under an exceptional and burdensome fiscal framework, dominated by solidarity and turnover-based taxes that do not reflect the economic reality of capital-intensive, low-margin refining. The continuation of the 2024-2025 Oil & Gas turnover tax (ICAS) into 2026 through late legislative changes announced in December-2025 once again undermines predictability and long-term planning. Oil & Gas turnover tax (ICAS) cascades through the economic value chain, the same liter of fuel being taxed multiple times from refinery, wholesale, retail and it applied even in loss-making years such as 2024.

These fiscal measures have had a direct and measurable impact on our financial balance. Between 2022 and 2025, solidarity and turnover taxes recorded for the Rompetrol Group reached 226.4 million USD, with added financing costs generated because tax payments were effectively covered through additional loans. At the refinery level, the structural challenge is clear: refining margins are low by nature, while capital and financing needs are high. This makes turnover-based taxation economically unsustainable.

Operationally solid 2025, but debt and accumulated financial losses have reached an extreme level by 2025-end

Despite an operationally solid 2025 performance, the cumulative impact of the excessive tax regime has pushed the refinery's indebtedness to an unprecedented level. By the end of 2025, Rompetrol Rafinare's debt has reached approximately USD 1.2 billion, +70% since end-2022, a level that severely constrains liquidity, financing capacity, and the ability to absorb additional fixed costs. Accumulated refinery level alone financial losses as of end-2025, exceeds -1.2 billion USD losses.

KMG International N.V.

Registered at the Chamber of Commerce Amsterdam: No. 24297754
Strawinskylaan 1571, Tower Ten, 17th Floor, 1077XX Amsterdam, The Netherlands
fax: +31 205 75 23 99 | phone: +31 205 75 23 90 | email: office@kmginternational.com
www.kmginternational.com

This is particularly alarming given the strategic role of Rompetrol in Romania's energy security and economy: we operate 46% of Romania's refining capacity, supply a significant part of domestic fuel demand, and remain among the top 3 contributors to the state budget, having paid 28 billion USD in taxes since 2007, with a contribution of almost 9.9 billion RON (2.2 billion USD) in 2025 year alone.

Respect for employees: competitive salaries and extensive benefits

KMG International values the professionalism, loyalty, and contribution of each employee. Our people keep national critical infrastructure operating safely, 24/7, under complex technical conditions and strict safety requirements.

That is why income levels at Petromidia reflect the complexity of the work: the average net monthly income exceeds RON 10,900, driven also by shift work, allowances, and overtime, complemented by a significant package of collectively negotiated benefits. These include bonuses for holidays and vacations, medical and life insurance, private healthcare access, professional training, study leave, meal vouchers, and secure transportation.

Why we cannot increase salaries in 2026

Given the continuation of the turnover tax regime into 2026 and the extreme level of indebtedness and accumulated financial losses especially at refinery level, KMG International cannot responsibly commit to a general salary increase in 2026 without jeopardizing financial stability, cash-flow integrity, and the ability to ensure safe operations and job protection.

This is not a matter of willingness; it is a matter of financial reality. Our priority in 2026 must remain the protection of jobs and the safe, uninterrupted functioning of the production and distribution platforms, while navigating a fiscally excessive and unsustainable framework that continues to penalize low-margin industrial activities and consumes liquidity that would otherwise support reinvestments and salaries growth.

At the same time, we reiterate our commitment to continue discussions with trade unions and to revisit salary indexation once the turnover-tax burden is removed and financial predictability is restored, starting with 2027 onward, subject to the economic and legislative framework in force at that time.

The Group management's responsible proposal to support employees in 2026

The Group management is supporting employees with a proposal to grant two bonuses during 2026: one linked to operational performance and the exceptional results of 2025, and another granted on the occasion of Petrochimistul Day, together with a proposal to design and implement a mechanism for annual salary indexation based on the annual inflation rate - a

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mechanism to be applied once the excessive turnover-based taxation is removed (starting in 2027).

The proposal includes a 2025 related performance bonus, addressed to all employees, as a direct and fair recognition of each person's contribution to the exceptional results achieved in 2025. At the same time, this bonus will fully offset the estimated inflation impact in 2026, protecting purchasing power already from now. The amount of this one-off bonus effectively represents 6.3% of each employee's annual net salary (which averages RON 5,000 net for the more than 2,280 colleagues across the five companies represented by Sindicatul Liber Petrochimistul).

In addition, management proposes introducing a recurring "Petrochimistul Day" bonus of RON 500 net, to be awarded annually, starting in 2026, as a sign of continued appreciation for our colleagues' work and contribution.

These are immediate, concrete, and responsible measures, and management's effort to implement them is even more significant given that, in 2026, the Group continues to face considerable, unjust and disproportionate financial pressure due to the cascading excessive turnover-based taxes (the extension of ICAS for 2026, and the unexpected maintenance of IMCA at 0.5% through Government Emergency Ordinance no. 89 of 23.12.2025 amending the Fiscal Code). These taxes, applied to turnover rather than available profit, remove critical resources for salary indexation and put pressure on operational safety and the protection of jobs.

Safety and continuity are non-negotiable

KMG International fully respects employees' right to express their legitimate expectations through legal means and relies on the responsibility of all social dialogue partners so that negotiations do not disrupt normal operations or compromise safety. KMG International stays open to a responsible, fact-based dialogue. Our shared objective should be clear: protect jobs, preserve safety, and ensure the long-term continuity of Romania's strategic refining capacity and refined products fuelling to all Romanian key economic sectors.

Corporate Communication and Public Relations

KMG International

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