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[www.kmginternational.com](http://www.kmginternational.com)**ROMPETROL RAFINARE  
Q4 AND 2019 IFRS CONSOLIDATED UNAUDITED RESULTS****Operational performance maintaining good level trends, while financials heavy pressured by unfavorable market environment**

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its fourth quarter 2019 and full year 2019 financial and operational unaudited results. The figures include unaudited consolidated financial statements for this period prepared by the company in accordance with International Financial Reporting Standards („IFRS”).

Consolidated financial statements of Rompetrol Rafinare include the results of the parent company Rompetrol Rafinare S.A and its subsidiaries Rompetrol Downstream S.R.L, Rompetrol Gas S.R.L, Rompetrol Quality Control S.R.L, Rom Oil SA, Rompetrol Logistics S.R.L and Rompetrol Petrochemicals S.R.L.

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**HIGHLIGHTS – CONSOLIDATED**

		Q4 2019	Q4 2018	%	2019	2018	%
<b>Financial</b>							
Gross Revenues	USD	1,279,444,184	1,121,154,586	14%	5,186,124,223	5,259,166,505	-1%
Net Revenues	USD	937,887,306	824,238,292	14%	3,844,114,179	3,980,543,368	-3%
EBITDA	USD	29,980,018	(10,155,606)	N/A	131,130,649	148,349,935	-12%
EBITDA margin	%	3.2%	-1.2%		3.4%	3.7%	
EBIT	USD	6,783,061	(45,735,885)	N/A	24,234,045	24,801,323	-2%
Net profit / (loss)	USD	(22,058,148)	(60,973,093)	-64%	(48,977,553)	(27,675,188)	77%
Net Profit / (loss) margin	%	-2.4%	-7.4%		-1.3%	-0.7%	

Rompetrol Rafinare consolidated gross revenues reached USD over 1.27 billion in Q4 2019 and over 5.18 billion in 2019, higher by 14% as against Q4 2018 and lower by 1% as against full year 2018 being negatively affected by lower market quotation as against similar periods last year despite the slight increase level of sales volumes reached within full year 2019.

The company's consolidated results in terms of EBITDA and Net result were affected by the high volatility of oil and gas market environment in the period, mainly triggering significant pressure in the gross refinery margins in 2019, decreasing substantially from the comparison benchmark of 2018 (i.e. 39.5 \$/t vs 45.9 \$/t for full year 2018).



**ROMPETROL RAFINARE  
Q4 AND 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**

**ECONOMIC ENVIRONMENT**

		Q4 2019	Q4 2018	%	2019	2018	%
Brent Dated	USD/bbl	63.1	68.8	-8%	64.2	71.3	-10%
Ural Med	USD/bbl	62.8	68.3	-8%	64.2	70.1	-8%
Brent-Ural Differential	USD/bbl	0.3	0.5	-41%	0.0	1.2	-98%
Premium Unleaded 10 ppm FOB Med	USD/tonne	582	597	-3%	595	662	-10%
Diesel ULSD 10 ppm FOB Med	USD/tonne	578	637	-9%	586	638	-8%
RON/USD Average exchange rate		4.30	4.08	5%	4.24	3.94	8%
RON/USD Closing exchange rate		4.26	4.07	5%	4.26	4.07	5%
RON/EURO Average exchange rate		4.77	4.66	2%	4.75	4.65	2%
RON/EURO Closing exchange rate		4.78	4.66	2%	4.78	4.66	2%
USD/EURO Closing rate		1.12	1.14	-2%	1.12	1.14	-2%
Inflation in Romania*		1.08%	0.55%	97%	4.04%	3.27%	24%

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

In 2019, crude oil prices fluctuated between 53.2-74.7 USD/bbl., with an average of 64.2 USD/bbl., compared with 2018 when it fluctuated in a range of 50.2-86.2 USD/bbl., averaging 71.3 USD/bbl.

Brent crude, global crude market benchmark, started 2019 at a level of 53.9 USD/bbl, down by 11% or 6.5 USD/bbl vs one month prior, only to go back up by 15% or 8.3 USD/bbl to 62.2 USD/bbl by month-end, the highest increase for a month since April 2016. This dynamic has been mainly driven by the combined effect of oil production cuts measures taken by the Organization of the Petroleum Exporting Countries (OPEC) and its allies late 2018 after oil prices fell due to global growth anxieties and U.S. economic sanctions initiated against Venezuela, which is home to the world's largest oil reserves.

During February 2019 Brent Dtd price increase up to 67.1 USD/bbl during the month, closing at an average level of 64 USD/bbl, i.e. 8% higher compared to January 2019 average price. This increase has been the effect of OPEC+ production cuts pursued measures and increased optimism at that time in regards to the progress in the trade talks between the U.S. and China, which can influence demand for energy from the globe's largest two economies.

During March 2019 Brent price increased to an average of 66.1 USD/bbl, 3% over February 2019 as OPEC output reached its lowest level in four past years. Brent continues to increase up to 74.3USD/bbl by 25<sup>th</sup> of April 2019 to an average level of 71.3 USD/bbl or 8% higher compared to March 2019, resulting from ending waivers for Iranian crude oil exports and sanctions on Venezuela.

Brent average price in May 2019 has been of 71.1 USD/bbl close to the average level of April, crude price reaching its annual highest daily level of 74.7 USD/bbl during 16<sup>th</sup> of May 2019 and then going down by 9.1 USD/bbl or 12% to 65.6 USD/bbl till the month end. Reason of this negative dynamic has been the increasing concerns around Unites States - China trade dispute, as U.S.'s tariffs on imports from China increased during May 2019. This intensified economic conflict between the world's two largest national economies, China and the United States increased concern of the global economy deceleration.

During June 2019 Brent price remained at a low average level of 64.1 USD/bbl, 10% or 7 USD/bbl below May 2019, being the highest monthly average price drop of 2019. U.S.-China trade tensions have continued to feed expectations for a slowdown in energy demand, the International Energy Agency downgraded its forecast for global oil demand for a second month, to 1.2 million barrels a day from 1.3 million barrels a day the previous



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## ROMPETROL RAFINARE Q4 AND 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

month. Following 20<sup>th</sup> of June 2019 Iran shot down of an United States surveillance drone with a surface-to-air missile over the Strait of Hormuz, Brent price increase to 66.7 USD/bbl on 26<sup>th</sup> of June and ended the month at 66.1 USD/bbl.

Brent price closed July 2019 month with an average level of 64.1 USD/bbl, in line with June monthly average, yet with an intra-month strong volatility price of 6.3 USD/bbl, crude price going up to 67.3 USD/bbl on 11<sup>th</sup> of July then down to the month lowest level of 61.1 USD/bbl on 18<sup>th</sup> of July. Increase dynamic has been triggered by continued tensions in the Middle East and lower reported level of U.S. inventories, while decrease intra-month dynamic has been caused by the increasing demand concerns as global economic data continued to deteriorate.

Crude price continued to decrease during August 2019 to a monthly average level of 59 USD/bbl, -8% below July average level, second highest monthly drop in the year, intensified by US-China trade war tensions, China responding to US increased trade tariffs by adding tariffs of its own to American products.

On 14 September 2019, drones have been used to attack the state-owned Saudi Aramco oil processing facilities in eastern Saudi Arabia. Brent Price increased to 68.2 USD/bbl vs 61.1 USD/bbl prior to this attack, settling at a monthly average level of 62.8 USD/bbl, 6% higher versus August month average.

Following this incident, Saudi Arabia restored production to where it was before the attacks. Trump announced a trade deal with China on 11<sup>th</sup> of October. October closed with an average Brent price level of 59.7 USD/bbl, continued by a gradual increase during November to a monthly average level of 63 USD/bbl and then in December up 67 USD/bbl average. This fourth quarter 2019 crude price trend has been driven by OPEC plans for more cuts, improved expectations about the world economy growth and U.S. relations with China.

Prior to 2019, for the last nine years interval (2010-2018), sour crude has always been traded at a discount to sweeter lower Sulphur content crude – average discount of 1.1 USD/bbl. For the first time since 2010, during 2019, sour crude Urals has been traded at a positive market price differential USD/bbl vs Brent, finalizing 2019 at 0.0 USD/bbl differential for the full year interval.

This negative market driven effect has not been anticipated by the international market research agencies and has been triggered by several key factors:

- Lower sour crude availability triggered by the over-compliance of OPEC+ producers with the targeted cuts, first crude type impacted by cuts being the sour type of crudes;
- the chloride pollution incident on Transneft' Druzhba pipeline during April 2019 triggered a shortage during April-May 2019, reflected in the increased Urals differential vs Brent;
- U.S. sanctions on Venezuela state oil company initiated during January 2019 alongside Iran sanctions resumed added additional upward price pressure on sour crude price, by limiting heavy grade supplies into Europe.

The European margins decreased by -6.44 USD/MT (-15.8%) in 2019 vs. 2018 and settled to an average level of 34.32 USD/MT.

In terms of market refining margin environment, 2019 year has recorded one of the lowest levels of market refining margin in the last decade. Main reasons of such low levels have been:

- the historically high Urals to Brent differential triggered by an unforeseen lower sour crude availability, caused mainly by the new US sanctions against Venezuela and the restart of the sanctions against Iran;
- excess of products into the market, impacting within Europe mainly Gasoline Market Cracks;





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- global economic downturn, accelerated by the US-China trade war - global growth in 2019 has been downgraded to 2.6% (World Bank), 0.5 percentage points below last year forecast, reflecting weaker-than expected international trades.

The main three products (accounting for approximately 75% of the production yields) market cracks year-on-year dynamics has been the following:

- Diesel Market Crack Spread against Ural (KMGI main crude oil type) has recorded a level of 121 USD/tonne in 2019, -9 USD/tonne or 7% below 2018 market crack spread;
- Jet Market Crack Spread has been 147 USD/tonne in 2019, -18 USD/tonne or 11% below 2018 market crack spread;
- Gasoline has been the most affected product from market impact perspective, with an yearly market crack level of 130 USD/tonne, -24 USD/tonne or -16% below 2018 market realities. Gasoline Market Crack vs Urals has accounted an historically low level of 130 USD/ton, never met in the past 10 years average levels, ~-28% below historical level (average 2010-2018 actual market crack of 181USD/ton), which aside from the unfavorable Urals price differential has been particularly impacted by the unforeseen global gasoline surplus. Gasoline exports from US increased, as they outperformed all prior forecasts, becoming 2018-end the largest world oil producer with 10.96 million barrels per day, surpassing Saudi Arabia and Russia; this excess export flow of gasoline added significant pressure on gasoline market margins, especially Europe, which is net exporter of gasoline.

Refinery margins are however set to increase over first half of 2020, for most refinery configurations but will ultimately ease later in 2020. IMO (i.e. International Maritime Organization) new regulation are triggering therefore its impact on crude and product markets, refinery operations, shipping market and trading and are now accelerating with much more to come.

Internally, the EUR/RON exchange rate witnessed a relatively abrupt increase in the last part of the first month of 2019, before remaining close to January's historical peak (i.e. 4.7648 on January 25<sup>th</sup>), on a relatively fluctuating path.

In mid-March, the EUR/RON posted, however, a renewed steeper rise, after which the currency pair stuck to levels in the immediate vicinity of the January peak.

In the first two months of Q2 2019, the EUR/RON exchange rate remained quasi-stable at the higher values recorded at the beginning of the year, before posting a relatively sharp downward correction towards the end of May and in the first days of June and at the beginning of Q3 2019, the downward trend continued and then towards the end of the third quarter an upward trend followed.

Looking at the average annual exchange rate dynamics in 2019, the national currency (i.e. RON) saw its nominal depreciation accelerate versus both the EURO and US dollar in Q4 2019 (the largest nominal depreciation in the past 16 quarters; i.e. maximum EUR/RON exchange rate for the year 2019 was 4.7808 on 21<sup>st</sup> of November 2019 and maximum USD/RON exchange rate for the year 2019 was 4.3605 on the first day of Q4 2019).

The National Bank of Romania kept interest rates on hold at 2.50%, in line with the broad consensus, and pledged to further tighten liquidity control, likely by introducing new policy tools to enable a faster policy reaction.

In Romania the inflation remained during 2019 at a high level of 4.04%, calculated based on CPI - i.e. Consumer Price Index.

*\*The information is based on analysis provided by JBC Energy GmbH and National Bank of Romania*



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**ROMPETROL RAFINARE  
Q4 AND 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**

**REFINING SEGMENT**

		Q4 2019	Q4 2018	%	2019	2018	%
<b>Financial</b>							
Gross Revenues	USD	1,103,240,092	885,359,098	25%	4,417,308,906	4,446,012,518	-1%
Net Revenues	USD	820,794,436	657,811,667	25%	3,304,612,063	3,382,773,261	-2%
EBITDA	USD	36,233,843	(7,793,590)	N/A	108,211,674	127,945,445	-15%
EBITDA margin	%	4.4%	-1.2%		3.3%	3.8%	
EBIT	USD	24,081,940	(36,512,775)	N/A	42,799,069	39,843,613	7%
Net profit / (loss)	USD	(7,078,712)	(48,850,101)	-86%	(16,882,860)	(1,154,989)	1362%
Net profit / (loss) margin	%	-0.9%	-7.4%		-0.5%	-0.03%	
Gross cash refinery margin/tonne (Petromidia)	USD/tonne	45.2	24.4	86%	39.5	45.9	-14%
Gross cash refinery margin/bbl (Petromidia)	USD/bbl	6.2	3.4	86%	5.4	6.3	-14%
Net cash refinery margin/tonne (Petromidia)	USD/tonne	16.5	(5.3)	N/A	13.7	20.4	-33%
Net cash refinery margin/bbl (Petromidia)	USD/bbl	2.3	(0.7)	N/A	1.9	2.8	-33%
<b>Operational</b>							
Feedstock processed in Petromidia refinery	thousand tonnes	1,574	1,187	33%	6,331	5,925	7%
Feedstock processed in Vega refinery	thousand tonnes	111	92	21%	436	406	7%
Gasoline produced	thousand tonnes	416	309	35%	1,628	1,586	3%
Diesel & jet fuel produced	thousand tonnes	824	616	34%	3,323	3,058	9%
Motor fuels sales - domestic	thousand tonnes	654	484	35%	2,557	2,215	15%
Motor fuels sales - export	thousand tonnes	526	400	31%	2,169	2,229	-3%
Export	%	45%	45%		46%	50%	
Domestic	%	55%	55%		54%	50%	

Refining segment comprises the results of the company Rompetrol Rafinare related to Petromidia and Vega refineries. Rompetrol Rafinare computes Gross refinery margin as follows - (Oil Product Sales – Cost of Feedstock) / Quantity of sales. Net Refinery margin is the EBITDA divided by quantity of sales.

Gross revenues of refining segment reached over USD 1.1 billion in Q4 2019 and over USD 4.4 billion in 2019 showing a 25% increase on quarter level, and a 1% decrease year-on-year level. Year on year variance was mainly influenced by the decrease of international oil & gas market quotation evolution of petroleum products, despite a 6% increase in the volume of products sold.



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In Q4 and in 2019, the total throughput for Petromidia refinery was 1.57 million tonnes, respectively 6.33 million tonnes, higher by 32.65% on quarter level and by 6.85% year-on-year level if compared with the same periods last year when the total throughput was 1.19 million tonnes in the quarter, alongside 5.92 million tonnes for full year 2018.

In Q4 and in 2019, the refining capacity utilization in Petromidia refinery was 96.8%, and 97.5%, higher by 26.18% and by 5.53% compared with the same periods last year.

**Petromidia refinery managed to achieve in 2019 a very good operational performance, for its main technological and operational parameters such as:**

- ✓ 2019 total feedstock processed of 6.33 mil tons, the highest level reached by Petromidia refinery, +406 kt above previous year record;
- ✓ Auto gasoline production of ~1.37 mil tons, by +10 kt above previous year record;
- ✓ Jet group production reached a new record of 406 ktons (the highest Jet yield of 6.4%wt), by +89 ktons above previous year record as a result of production optimizations;
- ✓ Diesel production ~2.93 Mil tons, above last year record by 171 ktons;
- ✓ White finished products yield of 86.2%wt;
- ✓ The lowest technological Loss of 0.8%wt, better than previous year record by 0.03%;
- ✓ Energy consumption reached the lowest level of 2.9 GJ/mt, close to previous year.

In respect of Vega refinery (the oldest processing unit operating in Romania (since 1905) and the only domestic producer of bitumen and hexane), the total throughput was 111,355 tonnes in Q4 2019, and 436,018 tonnes in 2019, higher by 20.77% on the fourth quarter, and higher by 7.39% for 2019 full year if compared with the same periods last year when the total throughput was 92,204 tonnes in Q4 of 2018 and 406,004 tonnes in 2018.

**Vega refinery also managed to achieve in 2019 very good performance results, of which the following are emphasized:**

- ✓ Total feedstock processed of 436 kt, above previous record by +30 kt;
- ✓ Record for hexane production which reached 92 kt level, above previous record by 7 kt;
- ✓ Bitumen production of 120 kt, all-time record in Vega refinery history, above previous year record by 18 kt;
- ✓ The lowest technological loss of 0.84%, better than previous year record by 0.1%;
- ✓ Lowest energy consumption of 2.39GJ/mt, slightly below previous year record;

The refining segment's financial results in 2019, were negatively affected by unfavorable market conditions, Petromidia's gross refinery margin was lower in 2019 compared with 2018 (i.e. 39.5 \$/t in 2019 vs 45.9 \$/t in 2018). As commercial measure for partial offset to the negative Refining market margin environment within the year and also as strategic direction of the Company, sales were pushed to for the most profitable channels, thus increasing domestic market full products basket up to the level of 57% from total sales (i.e. +4pp vs. 2018 level of 53%, or 347kt), while diesel & gasoline fuels on domestic market reaching 54% of total fuels sales (i.e. +4pp vs. 2018 level of 50%, or 342kt).

Petromidia refinery continued its production process optimization programs (i.e. increase of processing capacity alongside increased production performance of valuable products yields; reduce technological loss, crude diet optimization; constant supply of the crude, alternative and other feedstock; downstream Units operation optimization; mitigation of slowdown/shutdown/ unplanned events) and operating costs optimization (energy efficiency and processing cost reduction), programs that started in 2014 and successfully continued until present days.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 413 million in Q4 2019 and over USD 1.59 billion in 2019.





**ROMPETROL RAFINARE**  
**Q4 AND 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**

**PETROCHEMICALS SEGMENT**

		Q4 2019	Q4 2018	%	2019	2018	%
<b>Financial</b>							
Revenues	USD	38,491,506	37,633,318	2%	173,446,415	202,703,696	-14%
EBITDA	USD	(9,957,171)	(5,107,064)	95%	(29,149,694)	(17,952,893)	62%
EBIT	USD	(14,016,036)	(9,126,345)	54%	(45,222,718)	(34,055,720)	33%
Net profit / (loss)	USD	(12,617,518)	(10,076,503)	25%	(48,355,331)	(37,441,593)	29%
<b>Operational</b>							
Propylene processed	thousand tonnes	37	28	31%	153	143	6%
Ethylene processed	thousand tonnes	11	12	-2%	38	60	-36%
Total polymers production	thousand tonnes	35	29	19%	127	148	-14%
Sold from own production	thousand tonnes	40	31	30%	162	161	1%
Sold from trading	thousand tonnes	0	1	-100%	1	3	-81%
Total sold	thousand tonnes	40	31	27%	162	164	-1%
Export	%	46%	45%		41%	49%	
Domestic	%	54%	55%		59%	51%	

*Petrochemicals segment comprises the petrochemicals activity from Rompetrol Rafinare and the activity of Rompetrol Petrochemicals SRL*

Starting 1<sup>st</sup> of January 2014, the petrochemicals activity was transferred from Rompetrol Petrochemicals to Rompetrol Rafinare S.A., being fully integrated in the propylene, utilities and logistics flow.

The current petrochemicals activity is carried out through PP and LDPE units.

In terms of low density polyethylene unit (LDPE), the petrochemicals segment works 100% with ethylene from import, and for PP (polypropylene) unit is ensured through raw material produced and distributed entirely by Petromidia refinery.

In Q4 2019 and in 2019, the total polymers production for Petrochemicals area was 34,6 thousand tons and 127 thousand tons, higher by 18.9% and lower by 14.3% as compared with the same periods last year when the total polymers production was 29.1 thousand tons for Q4 2018 and 148 thousand tons for full year 2018. The decrease in polymers production was mainly driven by operation in the polyethylene's units as result of the unfavorable market conditions. However, in line with the strategy of increasing sales on most profitable channels, domestic market sales reached a level of 59% of total petrochemicals sales (vs. 51% in 2018, +8pp), equivalent of 95 kt (vs. 83 kt in 2018).

Petrochemicals division results continued to be affected by the market margin pressure, having reached in 2019 the lowest level in the last decade - i.e. 2019 PolyPropylene crack = 398\$/t; PolyEthylenes crack = 158 \$/ton low density grades, 157\$/ton high density grades; also, as historical key highest references reached in the last decade, was within 2010: PP crack level was 614 \$/t and LDPE crack level was 401\$/t. As such, immediate decision triggered for the Polyethylene Units was to run at most economic run-rate, thus lowering the production in 2019 (i.e. LDPE Unit operational almost six months, HDPE non-operational throughout entire full year 2019).

The petrochemicals segment is the sole polypropylene and polyethylene producer in Romania and has constantly succeeded to increase its market share on secondary categories of products. Its dynamic development strategy has secured the company a competitive position on the domestic market and in the region – the Black Sea and Mediterranean region and the Eastern and Central Europe, aiming to keep the competitive advantage once the market stabilizes.

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		Q4 2019	Q4 2018	%	2019	2018	%
<b>Financial</b>							
Gross Revenues	USD	779,464,978	734,957,325	6%	3,078,017,249	3,087,416,280	0%
EBITDA	USD	2,048,486	396,669	416%	51,571,501	37,721,397	37%
EBIT	USD	(4,510,518)	(4,678,982)	-4%	28,688,248	15,368,434	87%
Net profit / (loss)	USD	(3,365,777)	(5,491,155)	-39%	18,662,421	11,343,003	65%
<b>Operational</b>							
Fuels quantities sold in retail	thousand tonnes	206	182	13%	789	714	11%
Fuels quantities sold in wholesale	thousand tonnes	329	286	15%	1,296	1,248	4%
LPG quantities sold	thousand tonnes	97	96	1%	417	424	-2%

Marketing segment includes the results of Rompetrol Downstream, Rom Oil, Rompetrol Quality Control Rompetrol Logistics and Rompetrol Gas

Rompetrol Downstream, covering the Romanian market, reached record sales in 2019 of 2.11 million tons, increase by 7% against 2018 (1.98 million tons), mainly due to a boost in sales of diesel by 104 thousand tons and opening of 6 new CODO gas stations.

In Q4 and 2019 the marketing segment had a turnover of over USD 779 million, and over USD 3.07 billion, higher by 6% on quarter level and at similar level year-on-year; Marketing Segment result performance for the fourth quarter of 2019 reached a level EBITDA of 2 million USD (i.e. ~1.6 million USD above Q4 2018), while for 2019 a level of 51.6 million USD (i.e. +37%, or ~13.9 million USD above 2018).

In Q4 of 2019, the average Platts quotations (FOB Med Italy) in USD (reference currency) decreased by -9.3% for diesel and by -2.5% for gasoline compared with the similar period of 2018. Due to the 5.4% depreciation of the national currency (i.e. RON) against the US dollar (Q4 2019 vs. Q4 2018, on average) the international gasoline price increased in the national currency by +2.7%, but the international diesel price decrease in the national currency by -4.3% compared to Q4 2018.

In 2019, the average Platts quotations (FOB Med Italy) in USD (reference currency) decreased by -8.2% for diesel and by -10.2% for gasoline compared with 2018 full year. Due to the 7.5% depreciation of the national currency (i.e. RON) against the US dollar (2019 vs. 2018, on average) the international gasoline price decreased in the national currency by -3.5% and the international diesel price decrease in the national currency by -1.3% compared to 2018.

The excise level was higher in 2019 compared to 2018, excise level increased with 3.2% for gasoline and for diesel. Excise duties on fuel increased starting with January 1, 2019 by 6.2 bani/liter for gasoline and by 5.8 bani/liter for diesel.

As of December 2019, the Rompetrol Downstream's distribution segment contained 964 points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.





**ROMPETROL RAFINARE**  
**Q4 AND 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**

**APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q4 2019 AND 2019, UNAUDITED**

Amounts in USD

	Q4 2019	Q4 2018	%	2019	2018	%
Gross Revenues	1,279,444,184	1,121,154,586	14%	5,186,124,223	5,259,166,505	-1%
Sales taxes and discounts	(341,556,878)	(296,916,294)	15%	(1,342,010,044)	(1,278,623,137)	5%
<b>Net revenues</b>	<b>937,887,306</b>	<b>824,238,292</b>	<b>14%</b>	<b>3,844,114,179</b>	<b>3,980,543,368</b>	<b>-3%</b>
Cost of sales	(884,633,677)	(800,823,010)	10%	(3,624,595,337)	(3,724,419,488)	-3%
<b>Gross margin</b>	<b>53,253,629</b>	<b>23,415,282</b>	<b>127%</b>	<b>219,518,842</b>	<b>256,123,880</b>	<b>-14%</b>
Selling, general and administration	(56,093,337)	(59,870,435)	-6%	(210,561,860)	(211,912,916)	-1%
Other expenses, net	9,622,769	(9,280,732)	N/A	15,277,063	(19,409,641)	N/A
<b>EBIT</b>	<b>6,783,061</b>	<b>(45,735,885)</b>	<b>N/A</b>	<b>24,234,045</b>	<b>24,801,323</b>	<b>-2%</b>
Finance, net	(16,328,753)	(13,750,230)	19%	(55,570,767)	(46,437,440)	20%
Net foreign exchange gains / (losses)	123,473	(1,962,441)	N/A	(1,338,706)	(6,088,121)	-78%
<b>EBT</b>	<b>(9,422,219)</b>	<b>(61,448,556)</b>	<b>-85%</b>	<b>(32,675,428)</b>	<b>(27,724,238)</b>	<b>18%</b>
Income tax	(12,635,929)	475,463	N/A	(16,302,125)	49,050	N/A
<b>Net result</b>	<b>(22,058,148)</b>	<b>(60,973,093)</b>	<b>-64%</b>	<b>(48,977,553)</b>	<b>(27,675,188)</b>	<b>77%</b>
<b>EBITDA</b>	<b>29,980,018</b>	<b>(10,155,606)</b>	<b>N/A</b>	<b>131,130,649</b>	<b>148,349,935</b>	<b>-12%</b>

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Q4 AND 2019 IFRS CONSOLIDATED UNAUDITED RESULTS****APPENDIX 2 – CONSOLIDATED BALANCE SHEET DECEMBER 31, 2019, UNAUDITED***Amounts in USD*

	December 31, 2019	December 31, 2018	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	8,524,600	7,606,675	12%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,179,954,903	1,235,103,661	-4%
Right of use assets	62,843,821	-	N/A
Financial assets and other	26,613,222	40,930,859	-35%
<b>Total Non Current Assets</b>	<b>1,360,808,252</b>	<b>1,366,512,901</b>	<b>0%</b>
<b>Current assets</b>			
Inventories	261,673,893	292,898,693	-11%
Trade and other receivables	478,076,540	409,468,591	17%
Derivative financial Instruments	1,171,629	2,608,512	-55%
Cash and cash equivalents	13,196,424	11,477,183	15%
<b>Total current assets</b>	<b>754,118,486</b>	<b>716,452,979</b>	<b>5%</b>
<b>Total assets</b>	<b>2,114,926,738</b>	<b>2,082,965,880</b>	<b>2%</b>
<b>Equity and liabilities</b>			
<b>Total Equity</b>	<b>619,526,864</b>	<b>675,364,584</b>	<b>-8%</b>
<b>Non-current liabilities</b>			
Long-term debt	240,000,000	224,103,204	7%
Hybrid instrument - long-term portion	17,009,920	17,009,920	0%
Provisions	80,361,840	85,664,505	-6%
Net obligations under finance lease	62,098,347	-	N/A
Other	4,198,444	4,345,265	-3%
<b>Total non-current liabilities</b>	<b>403,668,551</b>	<b>331,122,894</b>	<b>22%</b>
<b>Current Liabilities</b>			
Trade and other payables	1,026,909,009	916,648,692	12%
Contract liabilities	21,448,626	25,947,213	-17%
Derivative financial instruments	3,704,969	76,580	4738%
Net obligations under finance lease	3,977,909	-	N/A
Short-term debt	35,690,810	133,805,917	-73%
<b>Total current liabilities</b>	<b>1,091,731,323</b>	<b>1,076,478,402</b>	<b>1%</b>
<b>Total equity and liabilities</b>	<b>2,114,926,738</b>	<b>2,082,965,880</b>	<b>2%</b>



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**ROMPETROL RAFINARE  
Q4 AND 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**

The financial figures are extracted from Company's consolidated unaudited IFRS financial report as of 31 December 2019.

The information contained in this report is provided at the date of this report and may be subject to update, review, modification or change without prior notice.

The analysis of the method of transposing the financial transactions of the company, for the financial year 2019, into the financial statements will continue until the financial statements are finalized and audited, which is why the presented information may change both in terms of value and of the way of presentation and classification.

**Chairman of the Board of Directors  
of ROMPETROL RAFINARE S.A.**

**Saduokhas Meraliyev**



**General Manager**

**Felix Crudu-Tesloveanu**



**Financial Manager**

**Mircea-Stefan Stanescu**



**Prepared by,**

**Cristina Ana Dica  
Financial Reporting Manager**

