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Group  
Member

ROMPETROL RAFINARE S.A.

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[www.kmginternational.com](http://www.kmginternational.com)**November 13, 2020****Contact: Paul Greavu****Tel: 0372 / 276 125****Rompetrol Rafinare results at 9 months, in the context of the pandemic and unprecedented volatility in the oil market**

Consolidated indicators*		Q3 2020	Q3 2019	9 months 2020	9 months 2019
Gross turnover	USD	986,148,085	1,405,292,247	2,511,602,582	3,906,680,039
EBITDA	USD	22,015,783	42,249,333	(21,663,025)	101,150,631
Net result	USD	(29,717,254)	(7,481,293)	(156,188,365)	(26,919,405)

\*Note: The consolidated financial statements of Rompetrol Rafinare are unaudited and include the results of Rompetrol Rafinare S.A. and those of the subsidiaries Rompetrol Quality Control S.R.L., Rom Oil S.A., Rompetrol Downstream S.R.L., Rompetrol Logistics S.R.L. Rompetrol Gas S.R.L and Rompetrol Petrochemicals S.R.L.

Rompetrol Rafinare, member company of the KMG International Group, recorded, in the first nine months of this year, declining financial results due to the influences generated by the new coronavirus, but also due to the unprecedented volatility in the oil market.

In the pandemic context, market demand contracted, generating major pressures on gross refining margins. Thus, in the 3rd quarter and in the first 9 months of 2020, they decreased substantially compared to the indicators for similar periods in 2019 - 19.6 USD / t compared to 41.1 USD / t in Q3 2019, respectively 11 USD / t compared to 37.6 USD / t in the first 9 months of 2019.

At the level of the global business environment, refining margins felt major pressure at the beginning of the year, reaching minimum levels similar to those of 2008. The reduction intensified in the second quarter of 2020, due to large stocks of petroleum products and rising oil prices, based on OPEC reductions in crude oil production, which were coupled with extremely low market demands. Although there was a slight improvement in the refining margin in the third quarter, it was insufficient to adjust the level of gross margins, reported to the 9 months of 2020.

The activity of the Petromidia Năvodari refinery was stopped between March and April for the general turnaround, a mandatory and necessary measure to ensure the operation of the production units in conditions of maximum safety and efficiency. During this period, preventive and corrective maintenance works, technological inspections and verifications, catalyst replacement and other works related to refining and petrochemical installations were performed.

In the first nine months of 2020, the company recorded consolidated a gross turnover of over 2.5 billion dollars, declining as a result of lower market quotations compared to the same period last year, along with a smaller volume of sales, but also due to other important factors - the turnaround, the unprecedented volatility of the oil market and the significant decrease in market demand caused by the measures imposed by the pandemic.

Against the background of the factors that influenced the global environment, the consolidated operational result (EBITDA) decreased to a negative of 21.6 million dollars, and the consolidated net result recorded a negative value of 156 million USD.

The total value of exports made between January and September by the Petromidia, Vega refineries and the Petrochemical Division of Rompetrol Rafinare amounted to approximately 468 million dollars.



Rompetrol Rafinare continued to be an important contributor to Romania's state budget, paying 304 million dollars in Q3 2020 and over 772 million dollars in the first 9 months of 2020.

The main shareholders of Rompetrol Rafinare SA are KMG International (54.63% - directly and indirectly) and the Romanian State, through the Ministry of Economy, Energy and Business Environment (44.7%).

### Refining segment\*

		Q3 2020	Q3 2019	9 months 2020	9 months 2019
Gross turnover	USD	770,244,609	1,159,418,402	1,972,729,430	3,314,068,814
EBITDA	USD	1,783,370	34,169,377	(48,466,218)	71,977,831
Net result	USD	(40,811,501)	(647,895)	(151,116,639)	(9,804,148)
<b>Operational</b>					
Raw materials processed - Petromidia	Kt	1,389	1,630	3,504	4,756
Raw materials processed - Vega	Kt	110	123	265	325
Gasoline production	Kt	310	408	830	1,212
Diesel & Jet Production	Kt	761	866	1,940	2,499
Fuel sales - internal	Kt	700	707	1,737	1,903
Fuel sales - export	Kt	324	520	908	1,643

\*The refining activity includes the results of the company Rompetrol Rafinare regarding the Petromidia and Vega refineries. Rompetrol. Refining calculates the gross refining margin as follows - (Sales of petroleum products - Raw material cost) / Sales volume. Net refining margin is operating profit (EBITDA) divided by sales volume.

The gross turnover of the refining segment reached over 770 million USD in Q3 2020 and almost 2 billion dollars in the first 9 months of 2020, recording a decrease compared to the same periods in 2019.

In the first 9 months of the year, the Petromidia Năvodari refinery processed over 3.5 million tons of raw materials, obtaining over 830 kt of gasoline and almost 2 million tons of diesel and special aviation fuel.

In the first 9 months of 2020, Petromidia refinery managed to obtain good results in the yield of white products (86.4% wt), technological loss (0.889% wt) and energy intensity index (99.3%).

Petromidia Refinery has continued its production process optimization programs (increasing processing capacity along with increasing the productivity of valuable products, reducing technological losses, optimizing raw material recipes, etc.) and streamlining operating costs (energy efficiency and reducing processing costs), programs started in 2014 and continued until now.

Regarding the Vega Ploiești refinery, the only domestic producer of bitumen and hexane, the unit recorded good results in the following chapters: technological loss (0.79% wt), energy consumption (2.56 GJ / t) and mechanical availability (98.7%).

The refinery in Ploiești is in perfect synergy with the Petromidia Năvodari refinery - the largest in Romania and one of the most modern in the Black Sea region. Thus, Petromidia provides the entire refinery in Ploiești with the raw materials / semi-finished products necessary to obtain special products with a high added value.

## Petrochemicals segment\*

		<b>Q3 2020</b>	<b>Q3 2019</b>	<b>9 months 2020</b>	<b>9 months 2019</b>
Gross turnover	USD	37,566,311	44,304,554	100,122,489	134,954,909
EBITDA	USD	(4,340,045)	(9,099,238)	(20,017,287)	(19,192,523)
Net profit / (loss)	USD	(5,492,682)	(16,192,587)	(29,679,108)	(35,737,813)
<b>Operational</b>					
Processed polypropylene	kt	32	40	80	116
Processed ethylene	kt	21	10	49	27
Polymer production	kt	42	33	102	92
Total sales	kt	39	43	111	123

\*The petrochemical segment includes the petrochemical activity of the company Rompetrol Rafinare and the activity of the company Rompetrol Petrochemicals SRL.

The total production of polymers in the Petrochemical Segment was 102 kt in the first 9 months of 2020, increasing compared to 9 months 2019, when the total production of polymers was 92 kt. The increase in polymer production was mainly determined by the operating schedule of the LDPE (low-density polyethylene) plant in 2020.

The petrochemical division managed, in 2020, the successful development of a new product (RMB30H), a special sort of polypropylene dedicated to protective medical masks. It provides the middle layer of the mask, the most important for filtering and protecting against pathogens.

RMB30H is intended, in particular, for obtaining filter material, but also for other applications in the area of medical products (protective masks, disposable equipment) or the industrial area (professional filters with high absorption rate).

The Low Density Polyethylene (LDPE) plant of the petrochemical segment works with 100% imported ethylene, and the Polypropylene (PP) plant works with raw materials produced and delivered internally by the Petromidia refinery.

The petrochemical segment is the only producer of polypropylene and polyethylene in Romania, constantly managing to increase its market share by secondary product categories.

## Distribution segment\*

		<b>Q3 2020</b>	<b>Q3 2019</b>	<b>9 months 2020</b>	<b>9 months 2019</b>
Gross turnover	USD	729,828,230	876,630,346	1,774,823,130	2,298,552,271
EBITDA	USD	24,954,841	22,630,529	44,593,962	49,523,015
Net profit / (loss)	USD	17,259,663	10,730,300	22,773,211	22,028,198
<b>Operational - sales</b>					
Fuel retail	Kt	241	228	587	583
Fuel wholesale	Kt	361	373	864	967
LPG quantities sold	Kt	107	112	251	321

\*The distribution segment includes the results of the subsidiaries Rompetrol Downstream, Rom Oil, Rompetrol Quality Control, Rompetrol Logistics and Rompetrol Gas



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Consolidated gross turnover for the distribution segment was over 729 million dollars in Q3 2020 and over 1.77 billion dollars in the first 9 months of 2020.

Operational profit (EBITDA) between January and September 2020 was 44.5 million USD, and the net profit achieved by the distribution segment was 22.7 million USD, a significant increase compared to the level reached in 9 months 2019.

Total fuel sales for 9 months 2020 amounted to 1.45 million tons, slightly lower than 9 months 2019, as a direct result of two opposite trends - higher sales than last year in January and February, followed by sharp decreases as restrictive measures were applied during the state of emergency.

Quantitatively, total fuel sales were, in Q3 2020, 790 tons higher than in Q3 2019 (602 kt compared to 601 kt), of which in the retail area there was an increase in sales by 6%, and in the area wholesale, a decrease of 3%.

At the end of September 2020, Rompetrol Downstream's distribution segment comprised 1048 points of sale, including its own network of stations, partner stations and mobile stations (express, internal bases of 9 and 20 cubic meters).

## **PR and Communication Department**

### **KMG International**

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The complete version of the Quarterly Report as of September 30, 2020 is available for shareholders, investors and general public starting with November 13th, 2020, 6:00 PM (Romanian time). The printed version is available at RRC's headquarters, located in Navodari, 215 Navodari Blvd, Administrative Facility, room 104, Constanta County, and the online version shall be available on our website [www.rompetrol-rafinare.ro](http://www.rompetrol-rafinare.ro) under the Investors Relations section, Financial Results and Reporting/Quarterly Interim Reports subsection or on the Bucharest Stock Exchange website, at the link below.