



## Rompetrol Rafinare's results in Q1 2021, still pressured by pandemic context

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its first quarter 2021 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.

The document is posted on our website in the Investor Relations section:

[www.rompetrol-rafinare.ro](http://www.rompetrol-rafinare.ro)

### HIGHLIGHTS – CONSOLIDATED

		Q1 2021	Q1 2020	%
<b>Financial</b>				
Gross Revenues	USD	1,006,264,485	929,138,080	8%
Net Revenues	USD	712,648,306	677,570,417	5%
EBITDA	USD	29,454,593	(15,566,832)	N/A
EBITDA margin	%	4.1%	-2.3%	
EBIT	USD	(6,505,735)	(75,777,969)	-91%
Net profit / (loss)	USD	(14,733,140)	(87,782,021)	-83%
Net Profit / (loss) margin	%	-2.1%	-13.0%	

Rompetrol Rafinare consolidated gross revenues reached over USD 1 billion in Q1 2021, higher by 8% as against Q1 2020 as result of a slight increase in sales levels reached within Q1 2021, alongside the volatility of international quotations for petroleum products.

The results have been supported by an increase in the volume of processed raw materials and of the petroleum products sold, as well as by the increase in refining margin (34 USD/to in Q1 2021 as against 21.9 USD/to in Q1 2020).

**ECONOMIC ENVIRONMENT**

		Q1 2021	Q1 2020	%
Brent Dated	USD/bbl	61.1	50.1	22%
Ural Med	USD/bbl	60.0	48.1	25%
Brent-Ural Differential	USD/bbl	1.1	2.0	-46%
Premium Unleaded 10 ppm FOB Med	USD/tonne	561	462	21%
Diesel ULSD 10 ppm FOB Med	USD/tonne	488	457	7%
RON/USD Average exchange rate		4.05	4.35	-7%
RON/USD Closing exchange rate		4.20	4.40	-5%
RON/EURO Average exchange rate		4.88	4.80	2%
RON/EURO Closing exchange rate		4.93	4.83	2%
USD/EURO Closing rate		1.17	1.10	7%
Inflation in Romania*		2.14%	1.16%	84%

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

Dated Brent increased by +11 \$/bbl. (+22%) in Q1 2021 vs. Q1 2020 and settled to an average of 61.1 \$/bbl.

In Q1, the crude prices reached their highest level in 13 months on the back of raising fears of fresh Middle East tensions and after U.S. government data showed a drop of 1.1 mil barrels per day in crude output after a deep freeze disrupted production by mid of February.

At the beginning of March, OPEC+ agreed not to increase supply in April as they await a more solid recovery in demand, even if the start of the COVID vaccination program bolstered the economic outlook.

Saudi Arabia said it would extend its voluntary oil output cut of 1 mil barrels per day and would decide in coming months when to gradually phase it out.

Since the beginning of the year the Urals-Dated Brent differential had a decreasing trend, from 0 \$/bbl. to -2 \$/bbl., as Iranian heavy crude oil exports remained at elevated levels compared to last year. Also, Urals oil exports from Russia increased during this period, keeping pressure on the differential.

European margins decreased by -33.4 \$/MT (-76%) in Q1 2021 vs. Q1 2020 and settled to an average level of 10.4\$/MT.

Even if the margins were lower vs. Q1 2020 due to a long period of pandemic restrictions, they had an increasing trend during Q1 2021, with major positive impact coming from gasoline cracks and low Urals-Dated Brent differential.



European gasoline cracks increased, supported by growing mobility in Italy and Turkey and by numerous bookings from North America, Nigeria, Egypt and especially US, which was hit by very cold temperatures in February, disrupting production.

Diesel cracks experienced moderate gains during Q1, supported by an increasing export to the US. Positive developments on the demand side were almost offset by increasing supply due to switching jet yields into diesel pool.

Jet cracks had some marginal improvement during Q1, reaching their highest level since the start of the COVID pandemic. With the main European airlines expecting to operate at persistently low capacity for the rest of the year, the outlook for jet remains far from rosy.

In terms of exchange rates, internally, the RON/EUR exchange rate continued its upward movement, averaging in Q1 2021 at 4.8787 (the highest average level in the last 5 years) and reaching in the last day of the quarter the level of 4.9251, its maximum level for Q1 2021.

The RON/USD exchange rate also continued its upward movement, averaging in Q1 2021 at 4.0489 and reaching in the last day of the quarter the level of 4.1969, its maximum level for Q1 2021, but below Q1 2020 levels.

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



## REFINING SEGMENT

			Q1 2021	Q1 2020	%
<b>Financial</b>					
Gross Revenues	USD		839,019,396	766,214,400	10%
Net Revenues	USD		586,614,663	560,783,809	5%
EBITDA	USD		6,911,165	(11,148,723)	N/A
EBITDA margin	%		1.2%	-2.0%	
EBIT	USD		(18,497,413)	(63,166,751)	-71%
Net profit / (loss)	USD		(12,577,741)	(71,931,831)	-83%
Net profit / (loss) margin	%		-2.1%	-12.8%	
Gross cash refinery margin/tonne (Petromidia)	USD/tonne		34.0	21.9	55%
Gross cash refinery margin/bbl (Petromidia)	USD/bbl		4.7	3.0	55%
Net cash refinery margin/tonne (Petromidia)	USD/tonne		0.6	(8.1)	N/A
Net cash refinery margin/bbl (Petromidia)	USD/bbl		0.1	(1.1)	N/A
<b>Operational</b>					
Feedstock processed in Petromidia refinery	thousand tonnes		1,265	1,240	2%
Feedstock processed in Vega refinery	thousand tonnes		69	72	-4%
Gasoline produced	thousand tonnes		341	324	5%
Diesel & jet fuel produced	thousand tonnes		628	663	-5%
Motor fuels sales - domestic	thousand tonnes		551	586	-6%
Motor fuels sales - export	thousand tonnes		366	340	8%
Export	%		40%	37%	
Domestic	%		60%	63%	

*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 839 million in Q1 2021, showing a 10% increase on quarter level.

In Q1 2021, the total throughput for Petromidia refinery was 1.26 million tons by 2% higher compared with the same period last year when the total throughput was 1.24 million tons.



In Q1 2021 the refining capacity utilization in Petromidia refinery was 84% higher by 10.6% compared with the same period from last year.

The increasing of the refinery capacity utilization is correlated with continues operation of the refinery vs. last year when it took place the planned turnaround activity and increasing of the refining margin and petroleum products demand after the crisis caused by COVID 19.

**Petromidia refinery managed to achieve in Q1 2021 a good refining operational performance, for its main technological and operational parameters, such as:**

- ✓ White finished products yield of 85.51%wt;
- ✓ Mechanical Availability of 97%;
- ✓ Technological loss of 0.87%wt;
- ✓ Energy Intensity Index of 101.5%.

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 68,962 tonnes in Q1 2021, lower by 4.4%, compared with the same period last year when the total throughput was 72,130 tonnes.

In Q1 2021 the refining capacity utilization for Vega refinery was 83.6%, lower by 3.84% compared with the same period last year.

**Vega refinery also managed to achieve in 2021 good refining performance results, of which the following are emphasized:**

- ✓ Technological loss of 0.66%;
- ✓ Energy consumption of 3.00 GJ/t;
- ✓ Mechanical Availability of 98.7%.

The refining segment's financial results in Q1 2021, were positively affected by favorable market conditions, and as such Petromidia's gross refinery margin was higher in Q1 2021 (i.e. 34 USD/to as against 21.9 USD/to in Q1 2020).

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 successfully continued until present days.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 378 million in Q1 2021.



## PETROCHEMICALS SEGMENT

		Q1 2021	Q1 2020	%
<b>Financial</b>				
Revenues	USD	46,818,604	34,838,770	34%
EBITDA	USD	2,897,612	(8,734,640)	N/A
EBIT	USD	(1,125,265)	(12,374,587)	-91%
Net profit / (loss)	USD	(4,189,759)	(14,534,688)	-71%
<b>Operational</b>				
Propylene processed	thousand tonnes	37	28	31%
Ethylene processed	thousand tonnes	5	14	-66%
Total polymers production	thousand tonnes	28	33	-15%
Sold from own production	thousand tonnes	33	37	-10%
Sold from trading	thousand tonnes	0.46	0.01	5597%
Total sold	thousand tonnes	34	37	-9%
Export	%	40%	36%	
Domestic	%	60%	64%	

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

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 Q1 2021, the total polymers production for Petrochemicals area was 28 thousand tons lower by 15.2 % compared with the same period of last year when the total polymers production was 33 thousand tons, mainly due to LDPE unit shut down during the first two months of 2021.

Progressive results for the Petrochemical division, despite the stop of the LDPE plant for two and an half months, and polymers quotations very abrupt increase positively affecting the results.

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.



## MARKETING SEGMENT

		Q1 2021	Q1 2020	%
<b>Financial</b>				
Gross Revenues	USD	676,530,821	605,188,230	12%
EBITDA	USD	20,080,561	4,150,811	384%
EBIT	USD	13,696,711	(1,893,129)	N/A
Net profit / (loss)	USD	2,615,065	(2,970,994)	N/A
<b>Operational</b>				
Fuels quantities sold in retail	thousand tonnes	195.6	183.2	7%
Fuels quantities sold in wholesale	thousand tonnes	275.7	270.7	2%
LPG quantities sold	thousand tonnes	88.6	78.1	13%

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

In Q1 2021 the marketing segment had a turnover of over USD 676 million, higher by 12% compared with Q1 2020; Marketing Segment result performance for Q1 2021 reached a level EBITDA of 20 million USD (i.e. +384%, or 15.9 million USD above Q1 2020).

In Q1 2021, the average Platts quotations (FOB Med Italy) in reference currency (i.e. USD) increased by +6.7% for diesel and by +21.4% for gasoline compared with the similar period of 2020. Due to the ~7% appreciation of the RON against the US dollar (Q1 2021 vs. Q1 2020, on average) the international diesel quotation decreased in the national currency by just -0.7%, in the same time the international gasoline quotation increased in the national currency by +13% compared to Q1 2020.

Fuel sales (retail and wholesale), for Q1 2021 amounted to 471 thousand tonnes, +4% versus Q1 2020. Overall, sales reached 560 thousand tonnes in Q1 2021, higher as against same period last year by 5%.

As of March 2021, the Rompetrol Downstream's distribution segment contained 1068 points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.

**APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q1 2021, UNAUDITED***Amounts in USD*

	Q1 2021	Q1 2020	%
Gross Revenues	1,006,264,485	929,138,080	8%
Sales taxes and discounts	(293,616,179)	(251,567,663)	17%
<b>Net revenues</b>	<b>712,648,306</b>	<b>677,570,417</b>	<b>5%</b>
Cost of sales	(661,811,222)	(670,453,762)	-1%
<b>Gross margin</b>	<b>50,837,084</b>	<b>7,116,655</b>	<b>614%</b>
Selling, general and administration	(50,220,311)	(50,810,820)	-1%
Other expenses, net	(7,122,508)	(32,083,804)	-78%
<b>EBIT</b>	<b>(6,505,735)</b>	<b>(75,777,969)</b>	<b>-91%</b>
Finance, net	(9,615,848)	(12,633,889)	-24%
Net foreign exchange gains / (losses)	2,645,977	297,827	788%
<b>EBT</b>	<b>(13,475,606)</b>	<b>(88,114,031)</b>	<b>-85%</b>
Income tax	(1,257,534)	332,010	N/A
<b>Net result</b>	<b>(14,733,140)</b>	<b>(87,782,021)</b>	<b>-83%</b>
<b>EBITDA</b>	<b>29,454,593</b>	<b>(15,566,832)</b>	<b>N/A</b>



**APPENDIX 2 – CONSOLIDATED BALANCE SHEET MARCH 31, 2021, UNAUDITED***Amounts in USD*

	March 31, 2021	December 31, 2020	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	10,459,680	10,970,907	-5%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,140,294,764	1,168,350,972	-2%
Right of use assets	79,026,461	76,543,589	3%
Financial assets and other	3,770,531	4,161,618	-9%
<b>Total Non Current Assets</b>	<b>1,316,423,142</b>	<b>1,342,898,792</b>	<b>-2%</b>
<b>Current assets</b>			
Inventories	270,347,908	202,167,399	34%
Trade and other receivables	517,172,900	553,537,032	-7%
Derivative financial Instruments	2,270,781	209,030	986%
Cash and cash equivalents	82,280,981	100,655,956	-18%
<b>Total current assets</b>	<b>872,072,570</b>	<b>856,569,417</b>	<b>2%</b>
<b>Total assets</b>	<b>2,188,495,712</b>	<b>2,199,468,209</b>	<b>0%</b>
<b>Equity and liabilities</b>			
<b>Total Equity</b>	<b>403,936,293</b>	<b>421,297,060</b>	<b>-4%</b>
<b>Non-current liabilities</b>			
Long-term debt	240,000,000	240,000,000	0%
Provisions	79,332,744	79,332,744	0%
Obligations under lease agreements	80,728,000	81,816,635	-1%
Other	4,367,576	4,695,869	-7%
<b>Total non-current liabilities</b>	<b>404,428,320</b>	<b>405,845,248</b>	<b>0%</b>
<b>Current Liabilities</b>			
Trade and other payables	1,324,373,961	1,267,733,760	4%
Contract liabilities	31,783,916	30,912,849	3%
Derivative financial instruments	3,148,423	375,916	738%
Obligations under lease agreements	4,335,947	4,003,884	8%
Short-term debt	11,168,113	65,291,249	-83%
Profit tax payable	5,320,739	4,008,243	33%
<b>Total current liabilities</b>	<b>1,380,131,099</b>	<b>1,372,325,901</b>	<b>1%</b>
<b>Total equity and liabilities</b>	<b>2,188,495,712</b>	<b>2,199,468,209</b>	<b>0%</b>


**ROMPETROL RAFINARE**  
**Q1 2021 IFRS CONSOLIDATED UNAUDITED RESULTS****rompetrol**KazMunayGas  
International  
Group Member

The financial figures are extracted from Company's consolidated unaudited IFRS financial report as of 31 March 2021.

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

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**Finance Manager****Ramona-Georgiana Galateanu**

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