

ROMPETROL RAFINARE S.A.
Q1 2022 IFRS CONSOLIDATED UNAUDITED RESULTS



Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its first quarter 2022 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

HIGHLIGHTS – CONSOLIDATED

		Q1 2022	Q1 2021	%
Financial				
Gross Revenues	USD	1,169,664,830	1,006,264,485	16%
Net Revenues	USD	919,121,407	712,648,306	29%
EBITDA	USD	(86,692,998)	29,454,593	N/A
EBITDA margin	%	-9.4%	4.1%	
EBIT	USD	(123,940,233)	(6,505,735)	-1805%
Net profit / (loss)	USD	(132,802,674)	(14,733,140)	-801%
Net Profit / (loss) margin	%	-14.4%	-2.1%	

Rompetrol Rafinare consolidated gross revenues reached over USD 1.16 billion in Q1 2022, higher by 16% as against Q1 2021 as a result of higher market quotation vs. similar period last year.

The war in the Ukraine and its related short-term consequences is creating increasing geopolitical risks and further challenges for global supply chains. It is expected to observe that these events may affect the activities in various sectors of the economy, and could result in further increases in European energy prices and increased risk of supply chain disturbances. As a consequence of Russia's war over Ukraine the market has become unpredictable and volatile after the invasion, and the company incurred a significant negative hedge result in Q1 2022, as Brent crude price increased to levels last seen in 2008, and Brent-Ural Differential moved in a very wide range reaching the historical levels (up to -30 USD/bbl.). Also, the oil products prices (diesel and gasoline) increased, triggered by the crude price record high levels. These unexpected circumstances lead to the registration of a negative result of hedging financial transactions with impact for Group Rompetrol Rafinare.

Also the impact from utilities prices increase, specifically for natural gas and electricity, significantly impacted the results for Q1 2022 compared with similar period last year.

**ECONOMIC ENVIRONMENT**

		Q1 2022	Q1 2021	%
Brent Dated	USD/bbl	102.2	61.1	67%
Ural Med	USD/bbl	90.2	60.0	50%
Brent-Ural Differential	USD/bbl	12.0	1.1	1018%
Premium Unleaded 10 ppm FOB Med	USD/tonne	929	561	66%
Diesel ULSD 10 ppm FOB Med	USD/tonne	903	488	85%
RON/USD Average exchange rate		4.41	4.05	9%
RON/USD Closing exchange rate		4.45	4.20	6%
RON/EURO Average exchange rate		4.95	4.88	1%
RON/EURO Closing exchange rate		4.95	4.93	0%
USD/EURO Closing rate		1.11	1.17	-5%
Inflation in Romania*		3.99%	2.14%	86%

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

Dated Brent increased by +41.1\$/bbl. (+67%) in Q1 2022 vs. Q1 2021 and settled to an average of 102.2\$/bbl.

During January, the Dated Brent increased from 79 to 92.5\$/bbl., the highest since 2014, and the best January performance in at least 30 years, on signs of sustained global demand together with decreasing US crude inventories to the lowest level since 2018, and because of geopolitical risks driven by warnings Russia may invade Ukraine.

Indeed, the invasion of Ukraine roiled global markets and fueled fears of a supply crunch, driving prices to their highest since 2008. Dated Brent price touched even 137.6\$/bbl. on 8th of March.

OPEC+ is doing its best to ignore the war started by one of its leading members, but it may not be able to manage it for much longer. On 2nd of March, the group ratified the 400,000-bpd production increase that was scheduled for April and wrapped up in a record time of just 13 minutes.

After 10th of March the Dated Brent price corrected as much as -15\$/bbl. and traded in a very wide range (106-118\$/bbl.) as a combination of several factors: COVID concerns in China, Germany's Prime Minister rejects calls to ban Russian oil and gas, some improvement in negotiations between Ukraine and Russia, comments from UAE ambassador about potentially adding more crude production (+800 kbbl./day) and the restart of bilateral talks between Venezuela and US.

Goldman Sachs lowered second half of 2022 Brent price forecast from 135 to 125\$/bbl. and raised 2023 Brent forecast from 110 to 115\$/bbl.



Until the Russia's invasion over Ukraine, the Urals-Dated Brent differential had a normal evolution, averaging around -2\$/bbl. After 24th of February, Russia's flagship crude traded at historical low level (-31\$/bbl.) as traders fret about how the crisis over Ukraine will play out and because nobody wants to buy anymore Russian crude.

European margins increased by +98.6\$/MT in Q1 2022 vs. Q1 2021 and settled to an average level of 107.5\$/MT.

Until the invasion, the Refinery margins were at normal levels, averaging around 33.7\$/MT. But, starting with 24th of February, the margins increased to a record level of 270\$/MT due to collapsed of Urals-Dated Brent differential and strong diesel cracks, following Ukraine invasion, considering that Russia is one of the major middle-distillates suppliers for Europe.

Gasoline cracks increased during Q1 with support coming from U.S. bookings as demand there exceed the five-year average despite pump prices hitting the highest since 2014. Also, the ARA gasoline inventory level was almost 13% below the March 2021 average, helping the European cracks.

Diesel cracks rose to levels not seen since 2008 (350\$/MT). Stocks of middle distillates, which include diesel, at key global hubs were at the lowest seasonal level in five years just as the war began, and the likely loss of Russian flows is set to tighten the market further. Also, the maintenance period at NWE Europe refineries helped the cracks to increase due to low diesel availability.

Jet cracks also reached the historical record value because refiners have continued to minimize jet yields and maximize diesel, especially since Russian invasion. Airline seat capacity was already reaching 77% of 2019 level, while supply continued to be limited. A few airports in Europe and in Nigeria were running low on jet fuel, leading to flights cancelation.

On the other hand, the European refinery margins increased to record levels due to very strong oil products cracks coming from tight supply and increasing mobility in European countries and due to the Urals-Dated Brent differential collapsed to historical low of -31\$/bbl., while its average level of the past 10 years is -1\$/bbl.

In terms of exchange rates, internally, the RON/EUR exchange rate remained relatively stable, on the higher level, reaching an average level of 4.9462 in Q1 2022.

In terms of RON/USD exchange rate, it continued its ascending evolution, reaching an average level of 4.4107 in Q1 2022, the highest quarterly average level in the last years.

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

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REFINING SEGMENT

		Q1 2022	Q1 2021	%
Financial				
Gross Revenues	USD	979,353,940	839,019,396	17%
Net Revenues	USD	772,323,636	586,614,663	32%
EBITDA	USD	(66,720,962)	6,911,165	N/A
EBITDA margin	%	-8.6%	1.2%	
EBIT	USD	(92,615,697)	(18,497,413)	-401%
Net profit / (loss)	USD	(100,349,838)	(12,577,741)	-698%
Net profit / (loss) margin	%	-13.0%	-2.1%	
Gross cash refinery margin/tonne (Petromidia)	USD/tonne	(26.4)	34.0	N/A
Gross cash refinery margin/bbl (Petromidia)	USD/bbl	(3.6)	4.7	N/A
Net cash refinery margin/tonne (Petromidia)	USD/tonne	(78.6)	0.6	N/A
Net cash refinery margin/bbl (Petromidia)	USD/bbl	(10.8)	0.1	N/A
Operational				
Feedstock processed in Petromidia refinery	thousand tonnes	980	1,265	-23%
Feedstock processed in Vega refinery	thousand tonnes	69	69	1%
Gasoline produced	thousand tonnes	260	341	-24%
Diesel & jet fuel produced	thousand tonnes	504	628	-20%
Motor fuels sales - domestic	thousand tonnes	466	551	-15%
Motor fuels sales - export	thousand tonnes	239	366	-35%
Export	%	34%	40%	
Domestic	%	66%	60%	

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 979 million in Q1 2022, showing a 17% increase as against Q1 2021.



In Q1 2022, the total throughput for Petromidia refinery was 0.98 million tons, lower by 23% than previous year the same period when the total throughput was 1.27 million tons, according with planned shutdown of the refinery for 20 days in March and availability of crude supply which was affected by bad weather conditions in the loading port.

In Q1 2022 the refining capacity utilization in Petromidia refinery was 61% lower by 25% compared with the same period from last year correlated with planned shutdown of the refinery for 20 days in March 2022.

Petromidia refinery managed to achieve in Q1 2022 a good refining operational performance for the main operational parameters, such as:

- ✓ White finished products yield of 85.3%wt;
- ✓ Technological loss of 0.84%wt;
- ✓ Energy Intensity Index of 109.6%.

In respect of Vega refinery (the only domestic producer of bitumen and hexane), the total throughput was 69,444 tonnes in Q1 2022, higher by 0.7%, compared with the same period last year when the total throughput was 68,962 tonnes.

In Q1 2022 the refining capacity utilization for Vega refinery was 84.2%, higher by 0.6% compared with the same period last year.

Vega refinery also managed to achieve in 2022 good refining performance results, of which the following are emphasized:

- ✓ Technological loss of 0.59%;
- ✓ Energy consumption of 3.01 GJ/t;
- ✓ Mechanical Availability of 98.72%.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 348 million in Q1 2022.



PETROCHEMICALS SEGMENT

		Q1 2022	Q1 2021	%
Financial				
Revenues	USD	70,294,102	46,818,604	50%
EBITDA	USD	(7,575,157)	2,897,612	N/A
EBIT	USD	(11,224,900)	(1,125,265)	-898%
Net profit / (loss)	USD	(11,322,679)	(4,189,759)	-170%
Operational				
Propylene processed	thousand tonnes	27	37	-27%
Ethylene processed	thousand tonnes	10	5	115%
Total polymers production	thousand tonnes	28	28	2%
Sold from own production	thousand tonnes	40	33	20%
Sold from trading	thousand tonnes	-	0.5	-100%
Total sold	thousand tonnes	40	34	19%
Export	%	38%	40%	
Domestic	%	62%	60%	

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 2022 the total polymers production for Petrochemicals area was 28.2 thousand tonnes higher by 1.7% as against Q1 2021 when the total polymers production was 27.7 thousand tonnes.

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 2022	Q1 2021	%
Financial				
Gross Revenues	USD	772,603,944	676,530,821	14%
EBITDA	USD	(4,544,141)	20,080,561	N/A
EBIT	USD	(12,092,950)	13,696,711	N/A
Net profit / (loss)	USD	(13,122,078)	2,615,065	N/A
Operational				
Fuels quantities sold in retail	thousand tonnes	214	196	9%
Fuels quantities sold in wholesale	thousand tonnes	203	276	-26%
LPG quantities sold	thousand tonnes	75	89	-15%

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

In Q1 2022 the marketing segment had a turnover of over USD 772 million, higher by 14% as compared with Q1 2021.

In the Q1 2022, the average Platts quotations (FOB Med Italy) in USD (reference currency) increased by +85% for diesel and by +66% for gasoline compared with the similar period of 2021. Due to the 8.9% depreciation of the RON against the US dollar (Q1 2022 vs. Q1 2021, on average) the international diesel quotation increased in the national currency by +101.6%, in the same time the international gasoline quotation increased in the national currency by +80.5% compared to Q1 2021.

The sales in wholesale and LPG decreased compared with last year similar period, but in retail segment, the company managed to deal higher volumes with 9% compared with the same period from 2021. The wholesale segment decrease was triggered by factors independent of the company's activity, such as the complex cyberattack that took place on the first part of March and affected several services, including Fill&Go, both for fleets and for private customers.

At the end of March 2022, the Rompetrol Downstream's distribution segment contained 1217 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 2022, UNAUDITED

Amounts in USD

	Q1 2022	Q1 2021	%
Gross Revenues	1,169,664,830	1,006,264,485	16%
Sales taxes and discounts	(250,543,423)	(293,616,179)	-15%
Net revenues	919,121,407	712,648,306	29%
Cost of sales	(989,911,858)	(661,811,222)	50%
Gross margin	(70,790,451)	50,837,084	N/A
Selling, general and administration	(61,824,632)	(50,220,311)	23%
Other expenses, net	8,674,850	(7,122,508)	N/A
EBIT	(123,940,233)	(6,505,735)	-1805%
Finance, net	(13,408,734)	(9,615,848)	39%
Net foreign exchange gains / (losses)	5,454,257	2,645,977	106%
EBT	(131,894,709)	(13,475,606)	-879%
Income tax	(907,965)	(1,257,534)	-28%
Net result	(132,802,674)	(14,733,140)	-801%
EBITDA	(86,692,998)	29,454,593	N/A

**APPENDIX 2 – CONSOLIDATED BALANCE SHEET MARCH 31, 2022, UNAUDITED***Amounts in USD*

	March 31, 2022	December 31, 2021	%
Assets			
Non-current assets			
Intangible assets	8,602,489	9,469,707	-9%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,258,503,327	1,261,644,352	0%
Right of use assets	110,561,086	109,604,968	1%
Financial assets and other	3,962,827	3,139,455	26%
Total Non Current Assets	1,464,501,435	1,466,730,188	0%
Current assets			
Inventories	365,465,884	329,204,005	11%
Trade and other receivables	783,492,731	690,550,529	13%
Derivative financial Instruments	30,478,275	23,958,794	27%
Cash and cash equivalents	14,859,556	50,091,261	-70%
Total current assets	1,194,296,447	1,093,804,589	9%
Total assets	2,658,797,881	2,560,534,777	4%
Equity and liabilities			
Total Equity	311,260,366	462,580,486	-33%
Non-current liabilities			
Long-term debt	240,000,000	191,729,052	25%
Provisions	84,606,213	84,606,213	0%
Obligations under lease agreements	106,792,956	108,237,081	-1%
Other	72,829,703	72,832,895	0%
Total non-current liabilities	504,228,872	457,405,240	10%
Current Liabilities			
Trade and other payables	1,626,990,602	1,543,053,293	5%
Contract liabilities	40,569,557	44,880,252	-10%
Derivative financial instruments	56,821,418	3,478,830	1533%
Obligations under lease agreements	1,107,988	3,679,908	-70%
Short-term debt	114,262,438	42,421,794	169%
Profit tax payable	3,556,641	3,034,974	17%
Total current liabilities	1,843,308,644	1,640,549,051	12%
Total equity and liabilities	2,658,797,881	2,560,534,777	4%

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The financial figures are extracted from Company's consolidated unaudited IFRS financial report as of 31 March 2022.

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

Yedil Utekov

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General Manager

Felix Crudu-Tesloveanu

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Finance Manager

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