



**INDIVIDUAL HALF-YEAR REPORT
OF
THE BOARD OF DIRECTORS
ROMPETROL RAFINARE S.A.
("RRC")
FIRST SEMESTER OF 2022 (H1 2022)**

HALF-YEAR REPORT ROMPETROL RAFINARE S.A.

on the individual financial statements of the Company drafted according to the Order no. 2844/2016 of the Ministry of Public Finance as subsequently amended and supplemented, and according to Law no. 24/2017 on the issuers of finance instruments and market operations and to Annex 14 of Regulation 5/2018 issued by Financial Services Authority (FSA),

for the period January 1st – June 30th, 2022

Half-year report according to: Art. 67 of Law no. 24/2017 on issuers of financial instruments and market operations, republished, and Annex no. 14 to ASF Regulation no. 5/2018 for the 6-month period that ended on June 30, 2021 (First half - year of financial year 2021)

Date: August 11, 2022

Name of the trade company: ROMPETROL RAFINARE S.A.
Registered office: 215 Năvodari Blvd., Pavilion Administrativ, NĂVODARI, Constanța County
Telephone number: 0241/50 61 50
Facsimile number: 0241/50 69 30
Sole registration code with the Trade Register Office: RO1860712
Trade Register number: J13/534/05.02.1991
Subscribed and paid share capital: LEI 2,655,920,572.60
Regulated market on which the securities are traded: Bucharest Stock Exchange
Shares market symbol: RRC



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1. GENERAL DESCRIPTION AND OBJECTIVES

Rompetrol Rafinare S.A. (hereinafter referred to as „RRC” or the „Company”), a company member of KMG International Group, is a joint stock company, managed in a one-tier management system, with registered office in Năvodari, bulevardul Năvodari, nr. 215, Pavilion Administrativ, județul Constanța operating Petromidia refineries, situated in Năvodari, Constanța county, and Vega in Ploiești, Prahova county. The company is registered with the Trade Registry under the number J13/534/1991 and Tax Identification Number 1860712.

Starting with 01.01.2014, Rompetrol Rafinare S.A. took over the operational plants (polymer and utilities production) of Rompetrol Petrochemicals S.R.L.

In accordance with the provisions of the Articles of Incorporation of the Company Rompetrol Rafinare S.A. the main field of activity is „manufacturing of the products obtained from the processing of crude oil” (NACE code 192), and the main object of activity is represented by the “manufacturing of the products obtained from the processing of crude oil” (NACE code 1920). Other secondary objects of activity are detailed in the Articles of Incorporation of the Company. The company develops its activity either directly or by means of related entities of Romania, Switzerland, Netherlands, Bulgaria, Serbia, Republic of Moldova, Turkey, etc.

Rompetrol Rafinare holds the quality as authorized warehouse keeper, in accordance with the applicable tax legislation. Petromidia and Vega Refineries are authorized as production tax warehouses, being manufacturers of energetic products, according to the tax rules governing the production of energetic products.

Rompetrol Rafinare also holds Integrated Environmental Permits, issued by the competent environmental authorities in accordance with the environmental legislation, for the 2 operated refineries: Petromidia and Vega.

The shares of Rompetrol Rafinare are traded freely within the Standard category of the Bucharest Stock Exchange, under market symbol RRC.

Rompetrol Rafinare is the parent company for the branch offices 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. within KMG International Group.

During the first semester of year 2022, the activity of Rompetrol Rafinare, developed under the main budget premises.

The quantity of raw materials processed during the first half of year 2022 by Rompetrol Rafinare (Petromidia and Vega Refineries as well as the Petrochemical Plant) amounted to approximately 2.313 million tons, out of which approximately 2.033 million tons of crude oil, compared to a total level of approximately 2.720 million tons, out of which approximately 2.378 million tons of crude oil, corresponding to the first semester of year 2021.

For the entire year 2022, Petromidia Refinery proposed to process a quantity of raw materials of approximately 5.664 million tons, out of which 4.968 million tons of crude oil, Vega Refinery approximately 0.453 million tons and for Petrochemical area total planned production of polymers is approximately 0.161 million tons.

1.1. Key events during January – June 2022 (S1 2022)

Events that took place during January – June 2022

On 28 April 2022, at the RRC headquarters, the Company's Ordinary General Meeting of Shareholders (OGMS) took place, during which the shareholders approved the following:

- The audited annual financial statements for the year 2021, both individual and consolidated, RRC's revenue and expenditure budget for the year 2022, the production program for the year 2022 and the investment budget for 2022;
- Discharge of the members of the Board of Directors of RRC for the financial year 2021;
- Gross and respectively net monthly remunerations due for the financial year 2022 to the members of the Board of Directors as well as to the members of the Audit Committee and the Strategy Committee;
- Gross monthly remuneration of the Chair of the Audit Committee;
- The Remuneration Report of the Company's management structure, related to the 2021 financial year, subject to the advisory vote of the OGMS, considering art. 107, paragraph (6) of Law no. 24/2017 on issuers of financial instruments and market operations, republished;

- The election of 5 (five) members to the Company's Board of Directors for a 4-year term starting 01.05.2022 following the expiration on 30.04.2022 of the mandates of the current members of the Board of Directors;
- Reappointing Ernst & Young Assurance Services SRL as the financial auditor of Rompetrol Rafinare S.A., for a period of 2 (two) years, respectively for auditing the Company's financial statements for the financial years 2022 and 2023, the duration of the audit services contract being two years;
- The appointment of Mr Dan Alexandru Iancu, financial auditor registered with the Chamber of Financial Auditors in Romania, as an independent member of the Audit Committee, for a mandate equal to that of the Board of Directors, from 1 May 2022 to 30 April 2026.

On the same date, 28 April 2022, the Company's Extraordinary General Meeting of Shareholders (EGMS) was held, during which the shareholders approved the following:

- acknowledging the restoration of the net asset value against the value of the subscribed share capital as a result of the approval of the individual audited financial statements for the financial year ended on 31 December 2021 by the OGMS on 28 April 2022, at 11:00 a.m.
- increasing the number of members of the Company's Board of Directors, from five to seven members, starting 1 May 2022.
- amending, supplementing and updating the Articles of Association of Rompetrol Rafinare S.A., in accordance with item 2 of the EGMS agenda of 28 April 2022. The amendment aims at: increasing the number of members of the Board of Directors from 5 to 7 members in art. 14.1 of the Company's Articles of Association. The other provisions of the Articles of Association remain unchanged.

Main resolutions of the Board of Directors (BoD) of RRC:

During the first semester of 2022, the Board of Directors met in 13 meetings.

The agenda of the meetings of the Board of Directors included issues concerning the current business activity of the Company, for example: to approve the Annual Report (individual and consolidated) and to organize the ordinary general meeting to approve the annual financial results, including documents and information materials to be submitted for approval in the GMS; to approve the documents and information materials to be submitted for approval in the Extraordinary General Meeting of 28 April 2022 regarding the determination of the restoration of the net asset value against the value of the subscribed share capital as a result of the of the approval of the individual audited financial statements for the financial year ended on 31 December 2021 by the General Meeting of Shareholders of 28 April 2022, 11:00 a.m.; to supplement the agenda of the Ordinary General Meeting of Shareholders, at the request made by the majority shareholder KMG International N.V., with the following items: (i) only if the GMS of 28/29 April 2022, 1:00 p.m. approves to increase the number of members of the Board of Directors from five to seven members, to approve the election of 2 (two) new members to the Company's Board of Directors for a 4-year term starting 1 May 2022, (ii) to reappoint Ernst & Young Assurance Services SRL as the Company's Financial Auditor for the audit of the financial statements related to the financial years 2022 and 2023, (iii) to appoint Mr. Dan Alexandru Iancu as an independent member of the Audit Committee, for a mandate equal to that of the Board of Directors elected according to item 7 on the OGM agenda of 28 April 2022, respectively from 1 May 2022 to 30 April 2026, (iv) to approve the monthly gross and respectively net remuneration of the Chair of the Audit Committee; to supplement the agenda of the Extraordinary General Meeting of Shareholders, at the request made by the majority shareholder KMG International N.V., with the following topics: (i) to approve to increase the number of members of the Company's Board of Directors, from five to seven members, starting 1 May 2022, (ii) to approve to amend and/or supplement the Company's Articles of Association for the corresponding amendment of art. 14.1. of the Articles of Association - in the event of EGMS's approval of the proposal to increase the number of members of the Company's Board of Directors, from five to seven members.

The agenda of the meetings of the Board of Directors also included the following items: (i) to elect Mr. Yedil Utekov as Chairmn of the Board of Directors of Rompetrol Rafinare S.A. during the period of membership in the Board of Directors, namely 01.05.2022 – 30.04.2026, following the election by the OGMS on 28 April 2022 of the new Board of Directors for a term of office until 30.04.2026; (ii) to appoint the Company's Executive Management from 1 May 2022 to 30 April 2026, namely Mr. Felix Crudu-Teslovanu, to the position of General Manager, and, respectively, Mrs. Ramona-Georgiana Gălăţeanu to the position of Financial Manager; (iii) to approve the Company's new strategy regarding CO2 certificates and the Company's conclusion of the transactions with KazMunayGas Trading A.G. based on the Financial Services Agreement for CO2 certificates (signed in January 2021); (iv) to approve to supplement the Company's secondary business activity with *NACE code 3511 - electricity production*, to supplement point 5.2 of Article 5 of Chapter II entitled "BUSINESS ACTIVITY" of the Company's Articles of Association with this activity as well as to approve the corresponding update of the Company's Articles of Association, (v) to elect the new members of the Audit Committee, composed as of 1 May 2022 of Mr. Dan Alexandru Iancu, Mr. Askar Abilov and Mr. Nicolae Bogdan Codruţ Stănescu; to elect the new members of the Strategy Committee composed as of 1 May 2022 of Mr. Yedil Utekov, Mr. Felix Crudu-Teslovanu (executive member) and Mr Bogdan-Cătălin Steriopol.

The agenda of the Board of Directors meetings also included: to approve the reports and materials related to the financial results related to the first quarter of 2022; to sign the significant legal documents for the supply of raw materials, electricity, natural gas, etc. and respectively the sale of petroleum products, propylene, for the smooth running of both the Company's business and that of the Company's subsidiaries, the extension of the credit facilities necessary for the proper development of the activity, the exit from the hedge instruments regarding the stocks around the dowry, the partial exit from the hedge instruments regarding the Urals - Dated Brent differential as well as information by the Executive Management regarding, among others: (i) Status of the Rehabilitation Services Agreement for the Lagoons signed by the company with the contractor Pikanore Association; Draft Addendum no. 8 to the Service Agreement no. RR1/18.10.2019 ("Pikanore Contract"); the project team's actions; (ii) proposals submitted by Rompetrol Rafinare SA to the Interministerial Committee in the Energy Field, within the Ministry of Energy, regarding the improvement of legislation in the energy field; (iii) the agreements for the purchase of thermal energy and electricity, which are being discussed within the cogeneration plant construction project, carried out by Rompetrol Energy S.A., a member of the KMG International Group; (iv) the tender procedure after which Addendum no. 14 was signed to the natural gas sale agreement no. RR 1/31.12.2015, between Rompetrol Rafinare S.A., as beneficiary, and OMV Petrom S.A.; (v) the Company's position on the draft Emergency Ordinance regarding the measures applicable to end customers in the electricity and natural gas market in the period 04.01.2022 - 03.31.2023; the Company's correspondence with the Ministry of Energy and the competent environmental authorities regarding the Vega Lagoons Rehabilitation Project; (vi) various information regarding the stages of execution of some resolutions adopted by the Board of Directors; information



regarding the Mandate Order issued by the Ministry of Energy as a significant shareholder of the Company in the OGMS and EGMS of 28 April 2022; etc.

Policies, Reports and Regulations – corporate governance

Following approval by the OGMS on 28 April 2022, the Remuneration Report of the Company's management structure, related to the financial year 2021, was published on the company's website, a report that was subject to the advisory vote of the OGMS, considering art. 107, paragraph (6) of Law no. 24/2017 on issuers of financial instruments and market operations, republished.

The following are the relevant provisions of art. 107, paragraphs (6) and (7) of Law no. 24/2017:

“(6)...The remuneration report related to the most recent financial year is subject to voting at the ordinary general meeting of shareholders provided for in art. 111 of Law no. 31/1990, the opinion of the shareholders in the general meeting regarding the remuneration report, resulting from the vote, having an advisory nature. The issuer shall explain in the following remuneration report how the vote of the general meeting was taken into account”;

“(7)... after the ordinary general meeting, issuers shall make the remuneration report available to the public on their websites, free of charge, for a period of 10 years, and may choose to keep it available for a longer period, provided that it no longer contains the personal data of the leaders...”

On May 4, 2022, following the approval by the EGMS of 28 April 2022, 1:00 p.m., to increase the number of members of the Board of Directors from 5 to 7 members, the Board of Directors updated the Organizational Regulations of the Company's Board of Directors by amending the mentions related to the number of administrators. The Regulations were published on the company's website in the Investor Relations section, Corporate Governance Documents subsection.

After the end of the first semester of 2022, the following major events took place:

Resolutions of the Board of Directors of RRC:

- **5 July 2022**

Meeting of the Board of Directors of 5 July 2022 resolved:

- endorsed all materials and documents that will be subject to debate and approval in the Extraordinary General Meeting of Shareholders scheduled for 19 August 2022 (first meeting) or 22 August 2022 (second meeting), namely:
 - o The Draft Addendum no. 1 and the Information Material regarding the terms and conditions of the ratification in order to approve the content, form, terms and conditions provided for in this Addendum to the Oil Sale Agreement ref. 09046 no. 01/01.01.2021.
 - o The Draft Framework Agreement for the sale of thermal energy and the information material regarding the terms and conditions of the contract between Rompetrol Rafinare S.A., as buyer, and Rompetrol Energy S.A., as seller, for a period of 10 years.
 - o The Draft Framework Agreement for the sale of electricity and the information material regarding the terms and conditions of the contract between Rompetrol Rafinare S.A., as buyer, and Rompetrol Energy S.A., as seller, for a period of 10 years.”

and

- to approve the convening of the Extraordinary General Meeting of Shareholders - for 19 August 2022 (first meeting) or 22 August 2022 (second meeting), from 11:00 a.m. (Romanian time) at the Company's headquarters in Năvodari, Bulevardul Năvodari nr. 215, Administrative Pavilion, Constanța County, for the debate and adoption of resolutions regarding the items on the meeting agenda.

- 19 August 2022

Extraordinary General Meeting of Shareholders of RRC on 19 August 2022:

Shareholders of Rompetrol Rafinare S.A. will meet in the meeting of 19/22 August 2022, during which the following will be subject to debate and approval, mainly:

1. **To ratify the signing of Addendum no. 1 to the Framework Agreement for the sale of crude oil no. 09046/2021**, in order to approve the content, form, terms and conditions provided for in this Addendum between Rompetrol Rafinare S.A., as buyer, and KazMunayGas Trading A.G., as seller, considering the supporting materials related to this item, which will be made available shareholders within the legal term.
2. **To approve the signing of a Framework Agreement for the sale of thermal energy** between Rompetrol Rafinare S.A., as buyer and Rompetrol Energy S.A., as seller, for a period of 10 years, under the terms and conditions presented in the Draft Agreement and the information material related to this item, which will be made available to shareholders within the legal term.
3. **To approve the signing of a Framework Agreement for the sale of electricity**, between Rompetrol Rafinare S.A., as buyer, and Rompetrol Energy S.A., as seller, for a period of 10 years, under the terms and conditions presented in the Draft Agreement and the information material related to this item, which will be made available to shareholders within the legal term.
4. **To approve the power of attorney** of Mr Felix Crudu-Tesloveanu as General Manager and Mrs. Ramona Georgiana Gălățeanu as Financial Manager, having joint signature rights, to sign on behalf of the Company the documents mentioned under items 2 and 3 on the agenda, the documents issued in connection with their execution, as well as any other documents necessary to implement the Resolutions(s) that will be adopted in this regard.

1.2. The objectives of Rompetrol Rafinare investment program for the first half of 2022

The investment program of Rompetrol Refinery accomplished in the first semester of 2022 was in the amount of USD 38.5 million, as follows:

I) From the category of **compulsory investments required by environmental and safety regulations**, in the first semester of 2022:

- The project “**Expire authorization ISCIR (State Inspection for Control of Boilers, Pressure Vessels and Lifting Installations) for static equipment Refinery Platform (ISCIR PEM 2021-2022)**” started, a project that consists in the reauthorization of pipes and technological units equipment, according to the ISCIR requirements in force; in addition will carry out VTP (Technical Periodic Verification) activities and elaborate technical documentation for the extension of ISCIR due date to equipment due in 2021 and 2022. The project will be finalized in December 2022.
- In the frame of the Master Plan for the rehabilitation of the entire infrastructure of the water supply network for the Petromidia refinery it was started the project “**Fire-fighting Water Main Replacement Package 2021 sections T031, T054, T056, T059**”. The project scope is to perform replacement and rehabilitation of the firefighting civil and mechanical infrastructure, according to the established priorities for 2021, for section sections T031, T054, T056, T059, based on the project design. The project was finalized in June 2022. A new package was started based on prioritization performed at the operational level by **Fire-fighting Water Main Replacement Package 2022 – sections T073, T078, T080 project**.

II) In the **Capital Maintenance category**, a important place is “**2022 Refinery Planned Shutdown (SD)**” project, technological shut down for equipment’s periodic inspections, catalysts replacement, maintenance, etc.

To attain, maintain and improve Refinery Objectives, it is imperative and mandatory (compulsory) to enforce control over our refinery Maintenance Plan execution, to improve their technical availability indicator.



A special attention should be paid to energy efficiency and technological losses indicators, as well as to continue the activity of increasing the performance efficiency of some units.

RRC Board of Directors adopted in May 15, 2018 a new strategy for planning the General Turnarounds and Shutdowns between 2018-2026 by reducing the actual cycle of 5 years to 4 years for General Turnaround, respectively to establish a Shutdown between 2 General Turnarounds, every 2 years.

The Refinery Planned Shutdown scheduled for 2022 has taken into consideration a series of cyclical activities:

Works and activities as follows:

- Catalysts replacement/regeneration - All the works related to replacement of catalyst with new one or regenerated for the one who are at the end of lifetime - in order to keep higher diesel/gasoline of yield production, and to obtain more valuable products
- Operational works – Other activities, not related to maintenance repairs or revamp, but are required in order to achieve a good efficiency for Refinery, mandatory activities in order to prevent any damage or failure of equipment due to corrosion, erosion, deposits from technological process.
- Maintenance – Usual repairs and inspection necessary for equipment static/dynamics and pipes that cannot be performed during units operation
- Capital Maintenance – equipment's that will be replaced only in shutdown period.
- Capex or Improvement project – implementation of CAPEX projects that can be done only with plants shutdown

Additional and unexpected/found works – which will appear after we will opening the equipments and/ or will be identified by the inspections programs performed until the date of start for the effective Shut Down 2022.

Project start-up – from commercial point-of-view, project start-up should be aligned with Trading to minimize effect on sales.

Project timeline - due to very high volume of work according to the preliminary Shutdown schedule are necessary 20 days for mechanical works.

Within this project, the benefits are as follows:

- Refinery operation at nameplate capacity, 5 mil t/year and according to the KMG International Group bussines strategy until next planned shutdown and future objectives in terms of increased processing capacities (in 2020 – 5,600,000 t/year feedstock processed) with improved mechanical availability.
- Maintain Refinery at its nominal monthly capacity.



- Reduce routine maintenance costs.
 - Maintain units safe and normal operating conditions until next planned shutdown.
 - Improve efficiency of plant within high mechanical availability.
 - Increase reliability / availability of equipment during operation.
 - Safety—zero incidents (human accidents or damage to equipment)
- It was started the program „**Refinery static equipment rehabilitation**”. The main activity of the program is the execution and replacement of the priority static equipment for a proper functioning of the refinery units. This project aims increasing the mechanical availability of the refinery, in order to have a high level of equipment functioning in safety conditions and to maintain the refinery operating capacity at its nominal level. The estimated finish date is 2022.

1.3. The objectives of Rompetrol Rafinare regarding quality, health, labour security and environment (QHSE), set for 2022

The objectives of Rompetrol Rafinare regarding quality, health, labour security and environment (QHSE), set for 2022 are the following:

- ✓ **"Zero" fatal accidents** and **"Zero" professional diseases** on Petromidia and Vega Platforms
- ✓ **Improving** production indicators:
 - Petromidia refinery by processing **5.66** million tons of raw materials per year and achieving a white product yield of **85.54 %**
 - Vega refinery by processing **453** ktons of raw materials
 - Petrochemistry by obtaining minimum **87.1** ktons of polypropylene
- ✓ **Creating** a multidisciplinary PROCESS SAFETY MANAGEMENT team to identify areas for improving process safety
- ✓ **Achieving** an energy consumption for BU Refining at the planned level of **3.45** GJ /t throughput
- ✓ **Increasing energy efficiency** by obtaining a **95.72 %** energy intensity indicator for the Petromidia Refinery and an energy index of **2.52 GJ / t** for Vega refinery and **18.56 GJ/t** for Petrochemicals
- ✓ **Decreasing** the number of customers complaints by **15%** compared to 2021



- ✓ **Maintaining** certifications / authorizations for:
 - Quality-Environment-Occupational Health and Safety Management System (QHSE) according to **ISO 9001, 14001 & ISO 45001**
 - Energy Management System in accordance with **ISO 50001**
 - International Sustainability & Carbon Certification (ISCC) Management System, in terms of the sustainability requirements of the Directive 2018/2001/CE (RED II)
 - Motor fuels and bitumens, according to legal and regulatory requirements
 - Rescue stations, according to legal requirements
- ✓ **Maintaining / obtaining** environmental protection regulatory acts
- ✓ **Identification** of feasible solutions / projects in order to implement the KMGI decarbonization strategy
- ✓ **Maintaining** the effectiveness of the "1.LIFE" safety project by organizing at least **4** safety workshops / meetings and **2** personal motivation and awareness actions
- ✓ **Solving** by the responsible staff of min. 85% of findings from QHSE audits and inspections

2. FINANCIAL STATEMENT ANALYSIS

The information and the Individual Interim Financial Statements on the date and for the period of 6 months that ended on June 30, 2022 presented in this report are not revised by the financial auditor of Rompetrol Rafinare S.A. and were drafted according to the Order of the Ministry of Public Finance no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards („IFRS”), based on the International Accounting Standard 34 – „Interim financial reporting” passed by the European Union.

The submitted indicators are in Lei (RON) unless otherwise stated.

In the first semester of 2022 the Company recorded a net profit of 94,960,746 lei, compared to a net loss of 256,401,130 lei recorded by Rompetrol Rafinare S.A. in the first semester of 2021.

The net profit recorded by the Company in H1 2022 is due mainly to high record refinery margins registered by the Company after the invasion of Russia over Ukraine starting with February 24, 2022, in line with the refinery margins recorded in Europe due to collapsed of Urals-Dated Brent differential and strong diesel cracks considering that Russia is one of the major middle-distillates suppliers for Europe. The increased financial performance in H1 2022 vs. H1 2021 is registered on the background of a reduced refinery capacity by 14% in the first semester of 2022 vs the same period of the previous year according with the planned shutdown of the refinery for 24 days in March-April 2022 and availability of crude oil supply which was affected by bad weather conditions in the loading port.

The major factors that negatively impacted the financial result in H1 2022 vs H1 2021 are:

- The major prices increase for the utilities, specifically for natural gas and electricity.
- The negative hedge result booked in H1 2022 was a consequence of Russia’s invasion over Ukraine and market volatility after invasion. Crude price increased to levels last seen in 2008 (Rompetrol Rafinare’s hedge strategy for the inventory is protection against price decrease) and the Urals heavy crudes grades spread over Dated Brent moved in a very wide range after Russian invasion, some of them reaching the historical low levels. On the other hand, the 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 -34\$/bbl., while its average level of the past 10 years is -1\$/bbl.



- The continuously depreciation of the national currency against the US dollar (USD) during the first semester 2022, that generated exchange rate differences losses for the Company.

2.1. Financial position statement as of June 30, 2022

The financial position on June 30, 2022 is presented in **Annex 1**

Indicator (RON)	June 30, 2022	December 31, 2021 (audited)	Variation
Non-current assets	7,080,195,106	7,130,477,171	99.29%
Current assets	5,156,748,266	3,098,156,042	166.45%
Total assets	12,236,943,372	10,228,633,213	119.63%
Non-current liabilities	698,686,137	1,117,222,989	62.54%
Current liabilities	9,492,528,864	6,779,602,558	140.02%
Total liabilities	10,191,215,001	7,896,825,547	129.05%
Equity	2,045,728,371	2,331,807,666	87.73%
Total liabilities and equity	12,236,943,372	10,228,633,213	119.63%

At the end of the first semester of 2022, the Company's **non-current assets** amount to RON 7,080,195,106, slightly decrease as compared to December 31, 2021.

As of June 30th, 2022, **current assets** are in amount of RON 5,156,748,266, registering an increase of approximately 66% more than the level at the end of 2021. This is mainly due to the increase in value of the receivables (from RON 1,885,341,204 on 31.12.2021, to RON 3,208,762,705 at June 30, 2022) and the increase in stocks (from RON 1,020,528,534 on 31.12.2021, to RON 1,859,832,981 at June 30, 2022).

The **liabilities payable in a period of 1 year** increased from a value of RON 6,779,602,558 at 31.12.2021 to RON 9,492,528,864 on June 30, 2022 (by approximately 40%). This increase is mainly due to the value increase of commercial debts and other debts (from RON 6,443,715,363 at 31.12.2021 to the value of RON 7,784,757,828 at June 30, 2022) and to the value increase of

short-term borrowings from banks (from RON 185,296,974 at 31.12.2021 to the value of RON 1,121,341,246 at June 30, 2022).

Long-term debts recorder a decrease of about 37% at 30.06.2022 (RON 698,686,137) compared to 31.12.2021 (RON 1,117,222,989) mainly due to the value decrease of long-term borrowings from banks.

As regards **provisions**, they shall record at 30.06.2022 the same value as the 31.12.2021.

2.2. Profit and loss account for the 6-month period that ended on June 30, 2022

In the first semester of 2022 the Company recorded a net profit of 94,960,746 lei, compared to a net loss of 256,401,130 lei recorded by Rompetrol Rafinare S.A. in the first semester of 2021.

The net profit recorded by the Company in H1 2022 is due mainly to high record refinery margins registered by the Company after the invasion of Russia over Ukraine starting with February 24, 2022, in line with the refinery margins recorded in Europe due to collapsed of Urals-Dated Brent differential and strong diesel cracks considering that Russia is one of the major middle-distillates suppliers for Europe. The increased financial performance in H1 2022 vs. H1 2021 is registered on the background of a reduced refinery capacity by 14% in the first semester of 2022 vs the same period of the previous year according with the planned shutdown of the refinery for 24 days in March-April 2022 and availability of crude oil supply which was affected by bad weather conditions in the loading port.

The major factors that negatively impacted the financial result in H1 2022 vs H1 2021 are:

- The major prices increase for the utilities, specifically for natural gas and electricity.
- The negative hedge result booked in H1 2022 was a consequence of Russia's invasion over Ukraine and market volatility after invasion. Crude price increased to levels last seen in 2008 (Rompetrol Rafinare's hedge strategy for the inventory is protection against price decrease) and the Urals heavy crudes grades spread over Dated Brent moved in a very wide range after Russian invasion, some of them reaching the historical low levels. On the other hand, the 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 -34 \$/bbl., while its average level of the past 10 years is -1 \$/bbl.
- The continuous depreciation of the national currency against the US dollar (USD) during the first semester 2022, that generated exchange rate differences losses for the Company.

Turnover recorded in the first half of 2022 was 10,226,300,510 lei compared to 6,016,523,533 lei reached in the first half of 2021, increased by 70%, mainly due higher market quotation for the petroleum products vs. the same period of the last year on the background of decreased level of quantities of products sold in H1 2022 vs. H1 2021 according with the planned shutdown of the refinery for 24 days in March-April 2022 and availability of crude oil supply which was affected by bad weather conditions in the loading port. Also, the increasing exchange rate of RON against USD in the first semester of 2022 generated higher turnover in RON for the export sales denominated in USD currency.

In the first half of 2022 the Company recorded an operating profit of 605,602,932 lei, compared to the first half of 2021 when there was a loss of 35,102,235 lei.

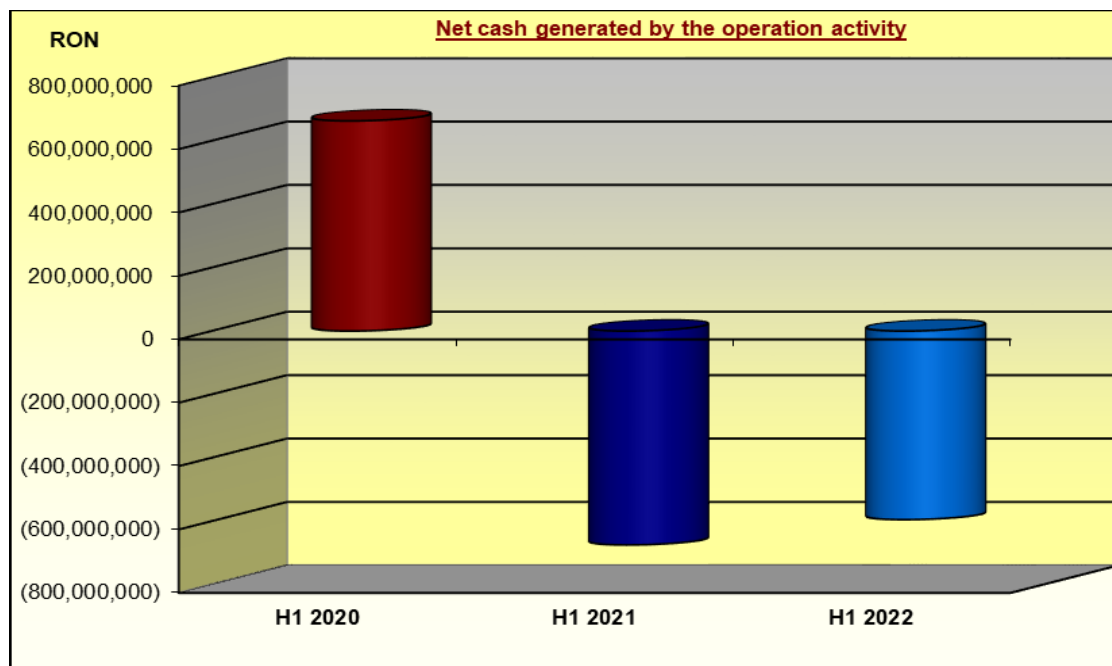
During the first semester of 2022 the financial expenses exceeded the financial income, finally recording a loss from financial activity in the amount of RON 510,642,185 (Semester I 2021: RON 221,298,895). The main increase of the financial loss in H1 2022 vs. H1 2021 is coming from the foreign exchange rate losses recorded by the Company in the first semester of 2022 in amount of RON 379,578,301 vs. RON 149,830,906 registered in the same period of 2021.

The financial indicators recorded on 30.06.2022 include the results of the activity of the Refinery and Petrochemistry Plants on the Năvodari platform, as well as the Vega Ploiesti refinery.

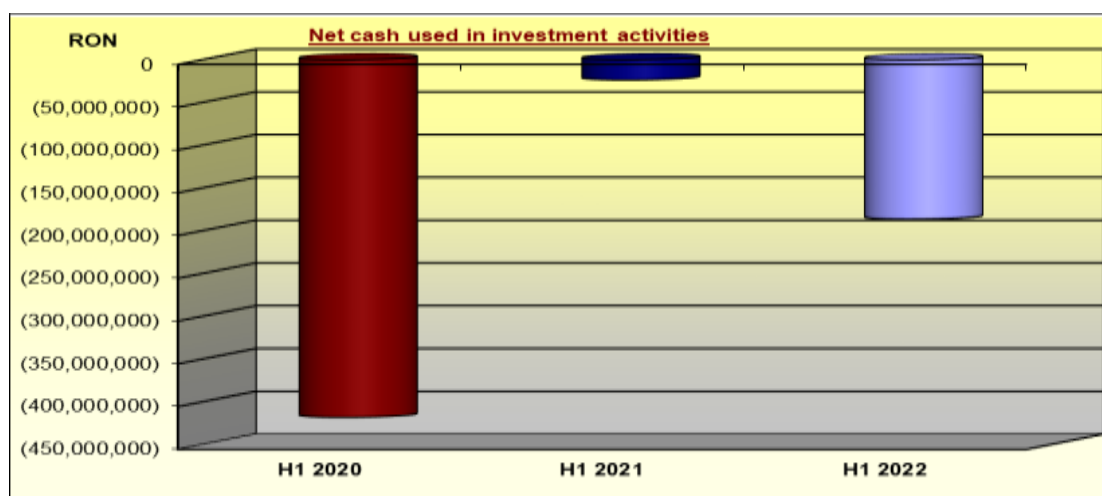
The profit and loss account for the six-month period ending June 30, 2022 is set out in **Annex 2**.

2.3. Statement of cash flows for the period of 6 months ended June 30, 2022

Cash flows from operating activity in the first half of 2022 were significantly influenced by the higher refining margins recorded in the first half of 2022 compared to the first half of 2021, as well as the increase in commercial receivables and debts and the value of stocks compared to the same period of the last year. Significant negative impact in the operating cash flow is coming from increased prices for the utilities in H1 2022 vs. H1 2021, the losses generated by the hedging activities due to the high volatility in the oil & gas international market and from the losses recorded by the Company from exchange rate differences due to continuous depreciation of the national currency against the US dollar (USD) during the first semester 2022.



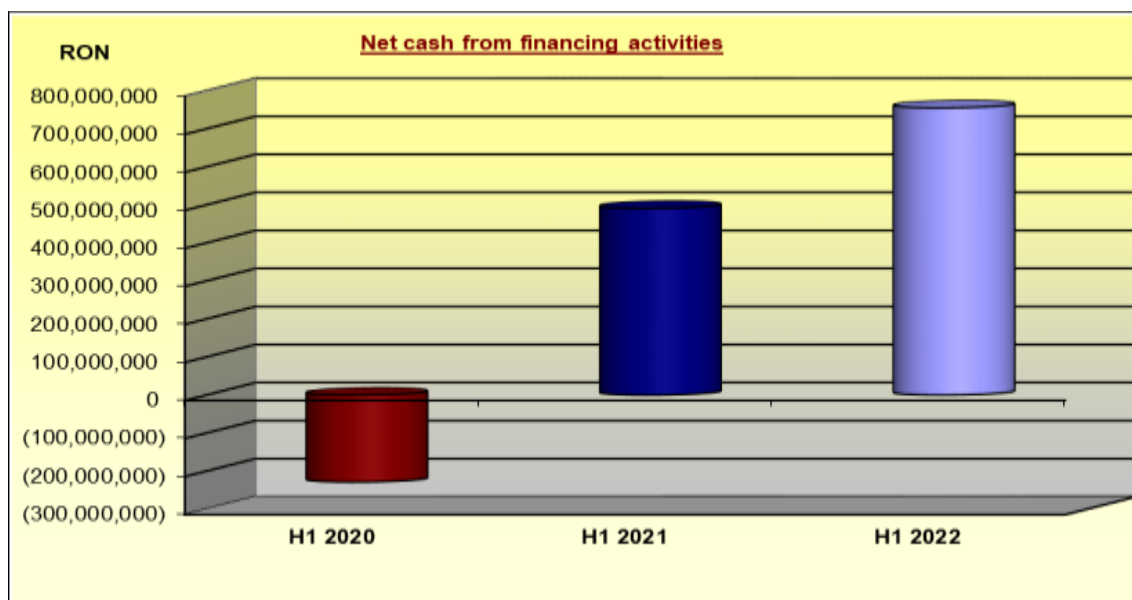
Major investment projects in the first semester of 2022 concerned works related to the authorization/reauthorization of equipment from the point of view of ISCIR, the Refinery and Petrochemicals Planned Shutdown, Restarting the refinery after the incident of July 2021 project, the projects of replacement catalysts, tank rehabilitation projects, the projects of replacement strategic equipment (rotors) and specific projects for optimizing the refinery.





Cash flow from financing activities in the first half of 2022 was influenced by the fact that the Company benefited from a Cash pooling contract – a system for optimising cash balances, in order to support both the needs generated by the investment activity and the development of the operational activity of the refinery.

Other major factor that influenced cash in the financing activity was the significant increased use of short-term loans contracted from banks compared to the previous period mainly due to short-term credit lines utilization and long-term credit facilities utilization reclassified as current portion.





3. ECONOMIC ENVIRONMENT, OPERATIONAL ACTIVITIES AND ANALYSIS OF THE COMPANY'S ACTIVITY

3.1. GLOBAL ECONOMIC ENVIRONMENT

		H1 2022	H1 2021	%
Brent Dated	USD/bbl	107.9	65.0	66%
Ural Med	USD/bbl	84.9	63.6	33%
Brent-Ural Differential	USD/bbl	23.1	1.4	1558%
Premium Unleaded 10 ppm FOB Med	USD/tonne	1,069	604	77%
Diesel ULSD 10 ppm FOB Med	USD/tonne	1,040	519	101%
RON/USD Average exchange rate		4.52	4.07	11%
RON/USD Closing exchange rate		4.74	4.14	14%
RON/EURO Average exchange rate		4.95	4.90	1%
RON/EURO Closing exchange rate		4.95	4.93	0%
USD/EURO Closing rate		1.04	1.19	-12%
Inflation in Romania*		9.98%	3.42%	191%

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

Dated Brent increased by approximately +45\$/bbl. (+65%) in Q2 2022 vs. Q2 2021 and settled to an average of 113.9\$/bbl and increased by approximately +43 \$/bbl. (+66%) in H1 2022 vs. H1 2021 and settled to an average of 107.9 \$/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.

The invasion of Ukraine had a volatile effect on 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.

On 2nd of March, OPEC+ 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 kbbbl./day) and the restart of bilateral talks between Venezuela and US.

During Q2, in a very tight crude market, where the global crude inventories remain near multi-year lows, the European Union leaders agreed to pursue a partial ban on imports of crude from Russia while China further eased anti-virus curbs, aiding demand.

Another support for the crude price came after OPEC+ effectively failed to increase output at all during Q2 as members remained overwhelmed by capacity constraints.

Meantime, Russian crude keeps finding its way into the market and Indian, Chinese, and Turkish refiners ramped up their Urals sourcing during Q2, roughly the amount by which European refiners cut their respective Urals supplies.

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 (-34\$/bbl.) as traders worry about how the crisis over Ukraine will play out and because nobody wants to buy anymore Russian crude.

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.

European margins increased by +302.2\$/MT in Q2 2022 vs. Q2 2021 and settled to an average level of 303.9\$/MT and increased by +188.2\$/MT in H1 2022 vs. H1 2021 and settled to an average level of 188.9\$/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.

Refining margins in Europe are very strong amid robust gasoline and distillate cracks. The ongoing recovery of refined product demand, combined with expectations for a drop in Russian imports and low inventories in Europe, continues to boost cracks to record levels.

Gasoline cracks increased, with support coming from U.S. bookings as demand there exceed the five-year average. Also, the ARA gasoline inventory level was below the 2021 average, helping the European cracks.

Diesel cracks rose to levels not seen since 2008 (425\$/MT). Stocks of middle distillates, which include diesel, at key global hubs were at the lowest level in five years just as the war began, and the likely loss of Russian flows is set to tighten the market further.

Jet cracks also reached the historical record value (470\$/MT) because refiners have continued to minimize jet yields and maximize diesel, especially since Russian invasion. Air mobility is recovering across the region, with European air traffic standing at 86% of 2019 levels.

In terms of exchange rates, internally, the RON/EUR exchange rate remained relatively stable, on the higher level, reaching an average level of 4.9456 in H1 2022.

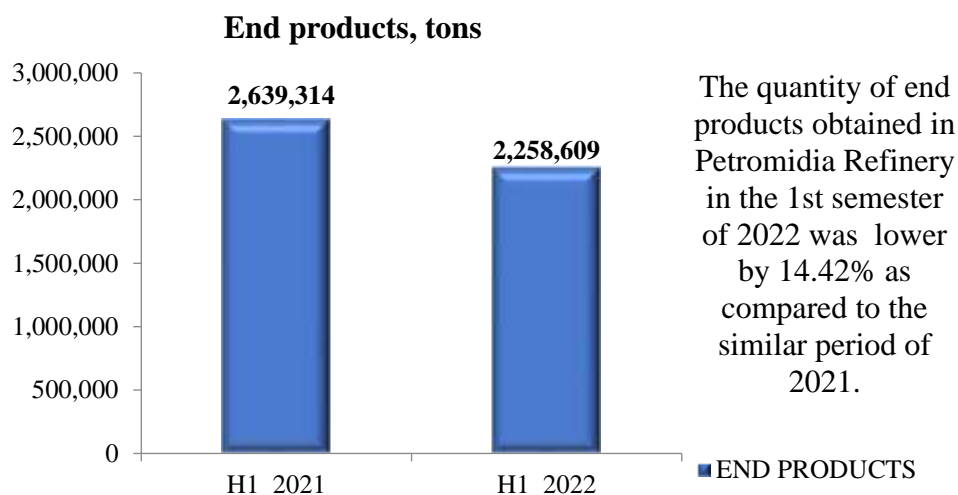
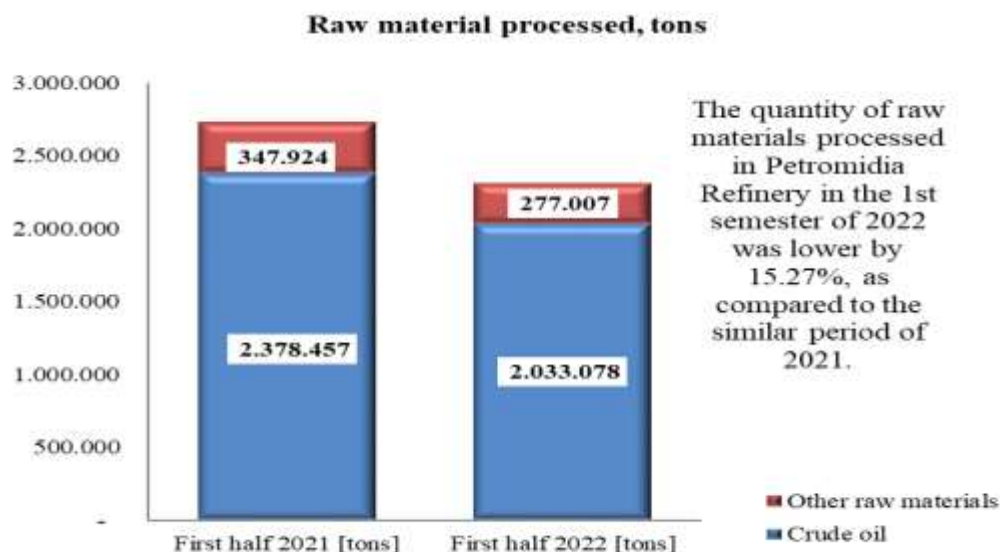
In terms of RON/USD exchange rate, it continued its ascending evolution, reaching an average level of 4.5242 in H1 2022.

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



3.2. PRODUCTION ACTIVITY

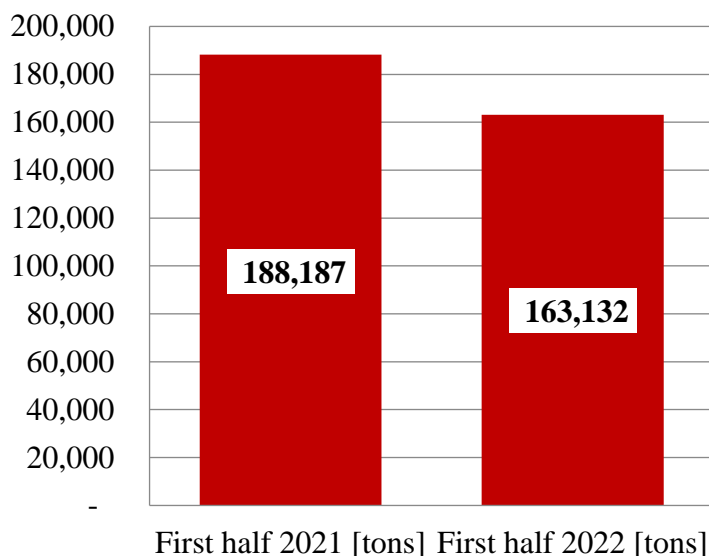
3.2.1. PRODUCTION ACTIVITY of Rompetrol Rafinare – Năvodari Work Point (Petromidia Refinery) – in the 1st Half of 2022



3.2.2. PRODUCTION ACTIVITY of Rompetrol Rafinare – Vega Refinery Work Point (located in Ploiești) – in the 1st Half of 2022



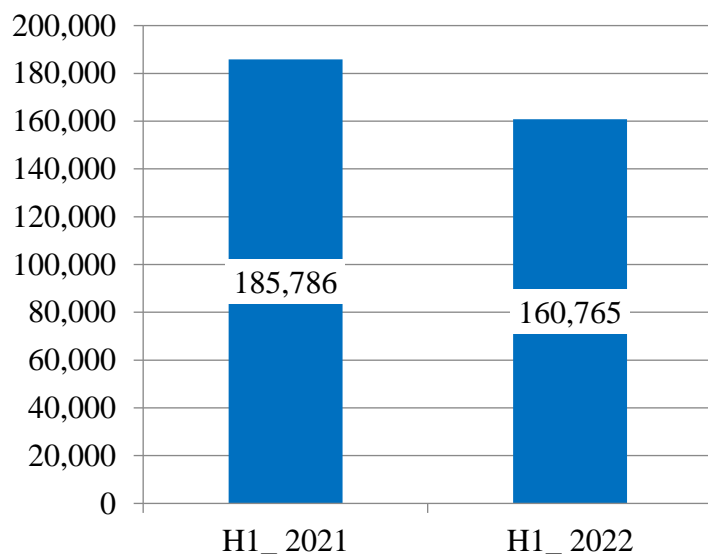
Submitted raw materials, tons



The quantity of raw materials processed in Vega Refinery in the 1st half of 2022 was lower by 13.31% compared to the similar period of 2021

■ Other raw materials
 ■ Crude oil

Finite products, tons



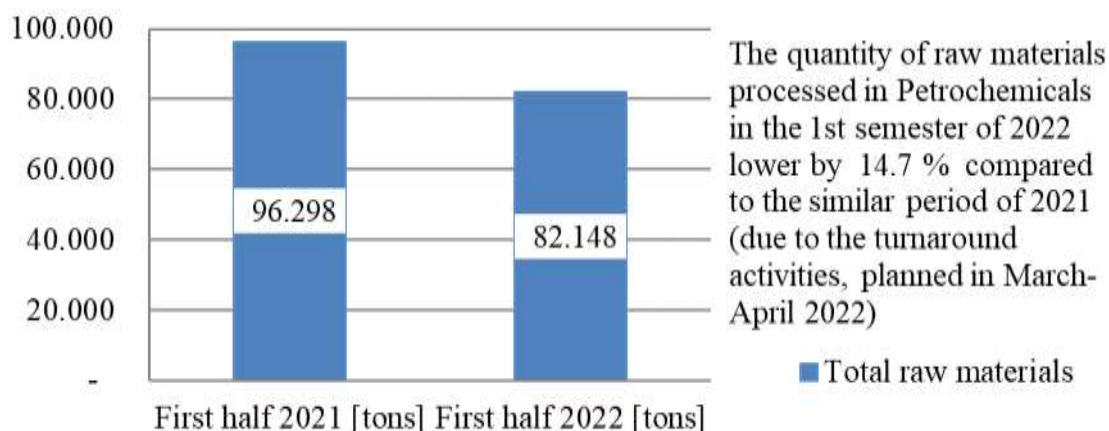
The quantity of finite products obtained in Vega Refinery in the 1st half of 2022 was lower by 13.47% compared to the

■ FINITE
 PRODUCTS

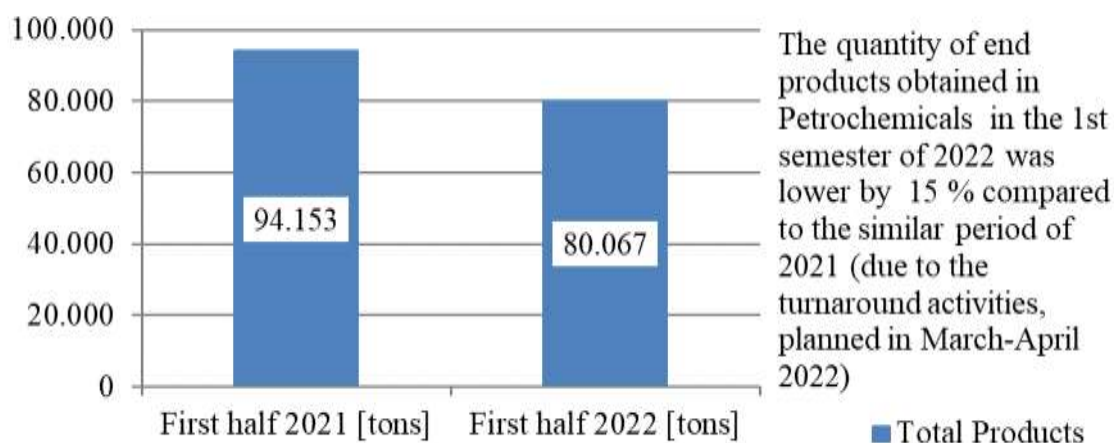


3.2.3. PRODUCTION ACTIVITY of Rompetrol Rafinare – Petrochemicals area - in the 1st Half of 2022

Processed raw materials, tons



End products, tons



3.3. COMMERCIAL ACTIVITY

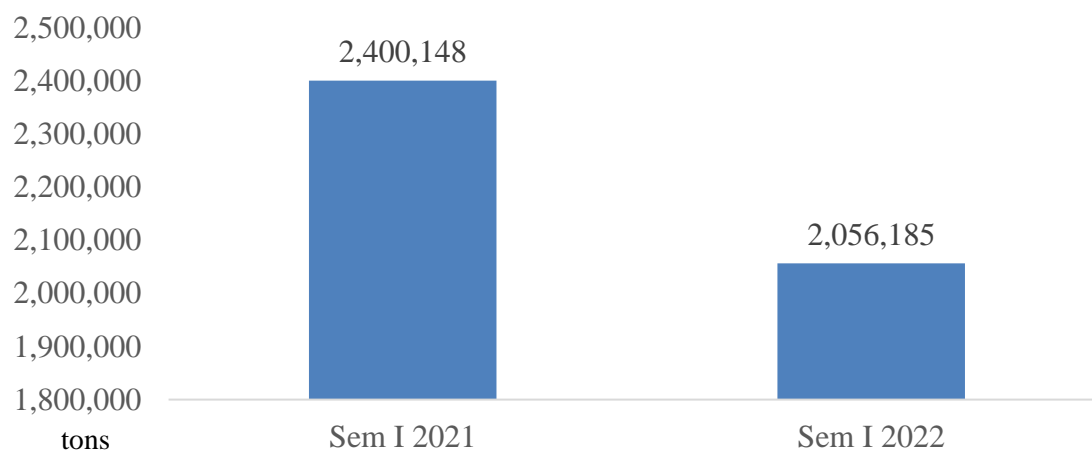
3.3.1. COMMERCIAL ACTIVITY carried out at Năvodari Work Point (Petromidia Refinery) in the 1st Half of 2022

A. Feedstock supply

In the first half of 2022, Rompetrol Rafinare S.A. – Petromidia Refinery purchased crude oil and other feedstock from external and domestic sources, as indicated in the table below:

Feed stock purchases	Quantity (tons)
1.Crude oil	2,056,185
2.Other feedstock	183,582
3.Total external purchases (1+2)	2,239,767
4.Total internal purchases	22,022

Crude oil purchased first half of 2022 vs first half of 2021





In the first half of 2022, crude oil purchases were lower than the same period of last year due to planned turnaround performed in march-april but mainly to the geopolitical factors due to war between Russia and Ukraine.

The supplier of imported feedstock (crude) was KazMunayGas Trading AG.

The main internal suppliers of feedstock were:

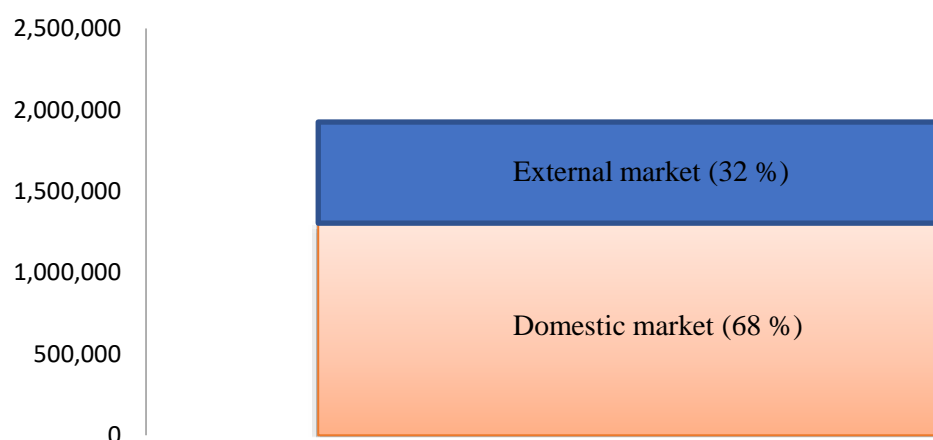
- Prio Biocombustibil
- Expur SA.
- Socar Petroleum

B. Sales

The sales in the first half of 2022 amounted to a total of 1,924,803 tons as compared to 2,298,487 tons in the same period in 2021. The net value of end product sales was 2,000,831,491 USD as compared to 1,246,378,308 USD in the first half of 2021, respectively 9,128,968,936 RON as compared to 5,075,694,146 RON in the first half of 2021. Volumes of sales in 2022 were lower than the same period of the last year, due to planned turnaround performed in march-april but mainly to the external factors affected the whole oil markets as result of the war between Russia and Ukraine.

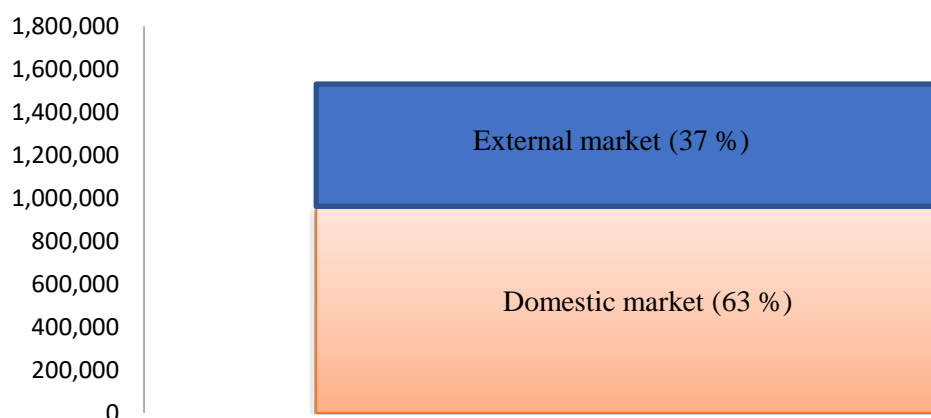
In terms of sales markets, the share of domestic sales was higher (68%) than external market. On the external markets, sales amounted to a total 622,135 tons and a net value of 645,732,314 USD.

Structure of end products sales by distribution channels

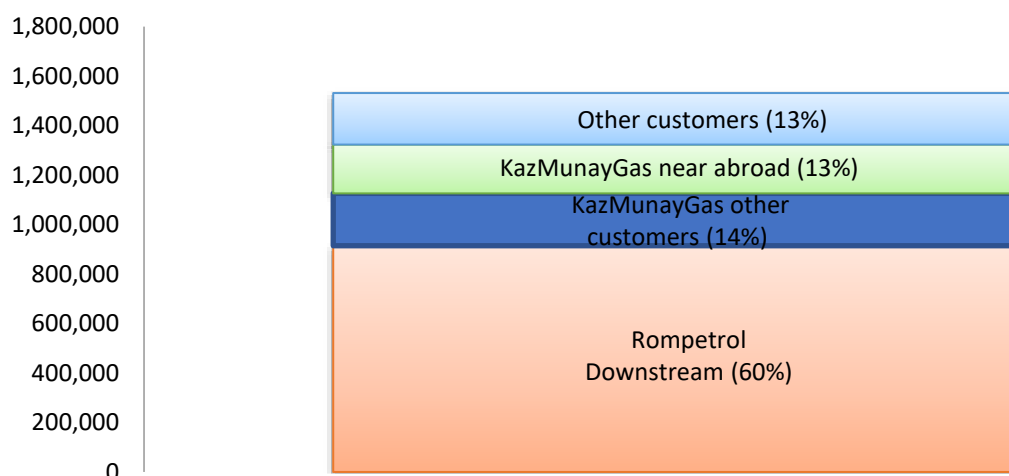


Approximately 80% of the total quantity of end products sold was represented by gasoline and diesel sales (1,531,464 tons). Regarding the distribution channels, the share of domestic market was higher (63%) compared to the external market. On the external market, 570,236 tons of motor fuels (gasoline and diesel) were sold.

Structure of motor fuels sales by distribution channels



As concerns the distribution channels, the highest volume of gasoline/diesel was sold to Rompetrol Downstream (60%).



Gasoline

Of the total quantity of 486,348 tons of gasoline sold, approx. 68% was sold on the external market, whereas the remaining percentage was sold on the domestic market. Approx. 86% of the total quantity of gasoline was unleaded Europlus gasoline 10 ppm sulphur

Diesel

Between January and June 2022, were sold 1,045,116 tons of motor diesel, the percentage of domestic sales (77%) exceeding that of external sales.

LPG

A total of 106,871 tons of liquefied petroleum gases was sold to Rompetrol Gas.

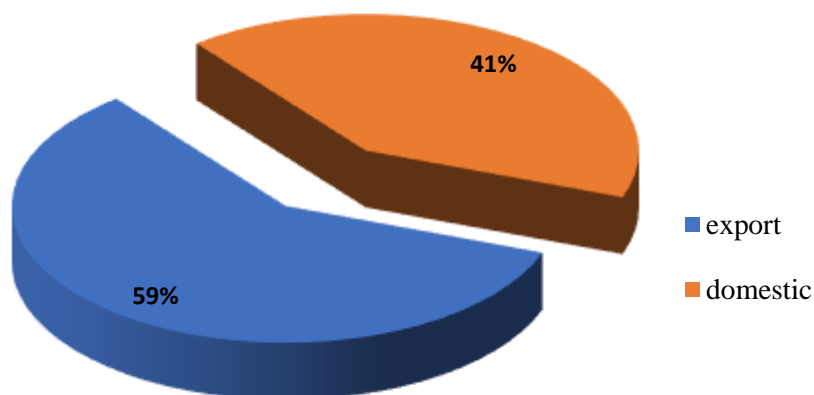
As concerns the other groups of products, the domestic sales were higher than the external ones (jet, petcoke) and lower than the external ones (sulphur).

3.3.2. COMMERCIAL ACTIVITY carried out at Vega Refinery (in Ploiești) in the 1st Half of 2022

The sales of Vega Refinery in Ploiești in the first half of 2022 amounted to a total of 160,260 tons compared to 179,087 tons sold in the same period of the year 2021. By sales market, the external sales were higher (59%) than the domestic sales (41%). 94,272 tons were sold on the external market compared to 110,371 tons sold in first part of 2021.

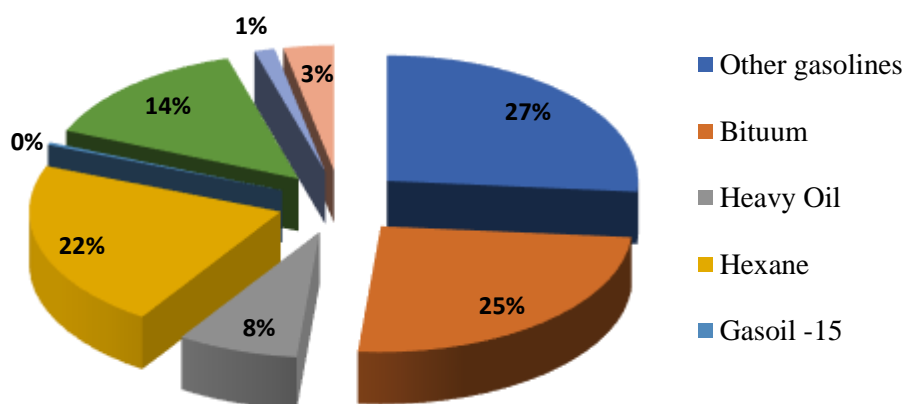


Sales on distribution markets [%]



White product sales (gasoline naphtha, ecologic solvents, n-hexane, white spirit) represented about 64% of the total sales in first half of 2021.

Sales on products [%]



The main external sales markets were: Hungary, Germany, India, Turkey, Italy, Bulgaria.



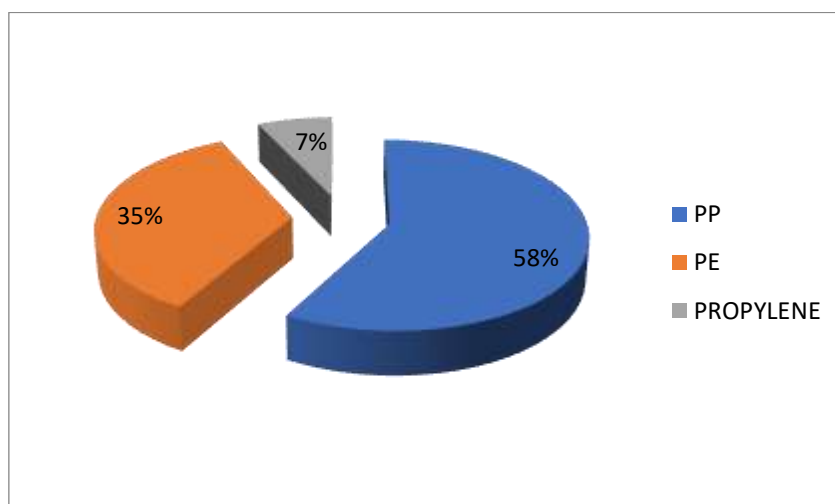
3.3.3. COMMERCIAL ACTIVITY carried out in Petrochemicals Area in the 1st Half of 2022

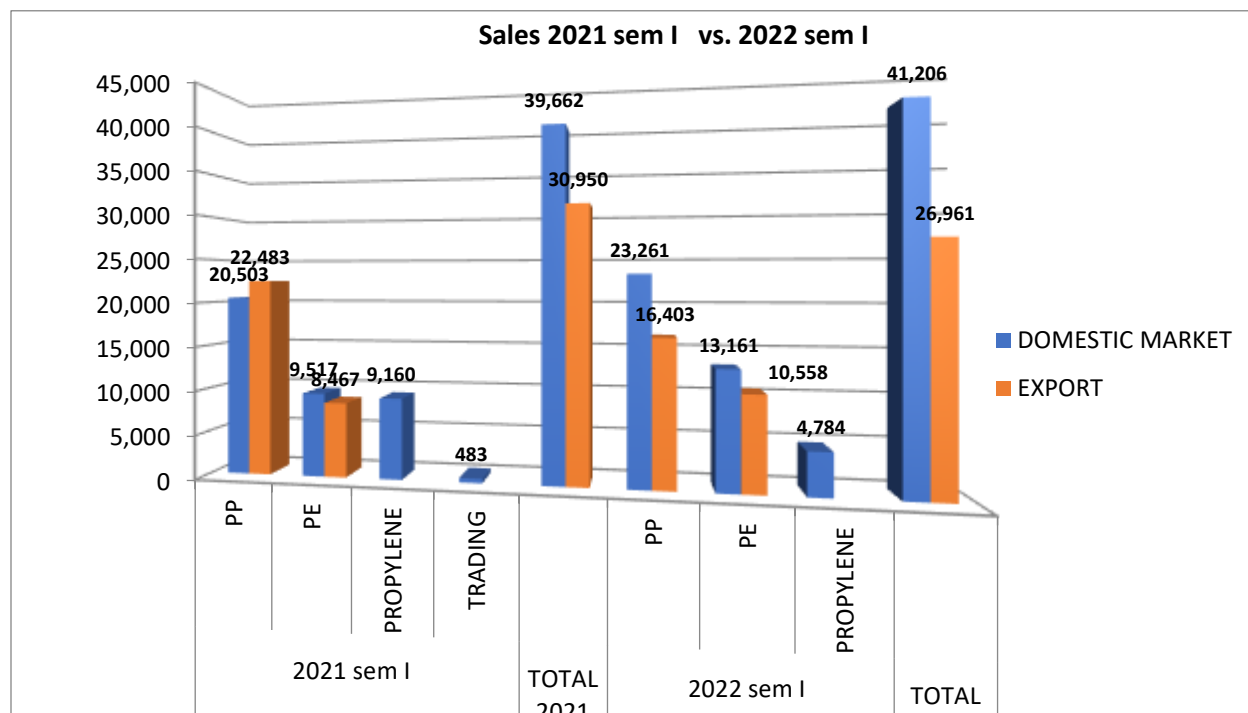
Rompetrol Rafinare – Petrochemicals Area is the single producer of polypropylene (PP) and polyethylene (LDPE, HDPE) in Romania.

Besides its own products, the Company is now actively selling a wide range of petrochemical products which are not currently produced by the Rompetrol Rafinare – the Petrochemical Plant, but which are in demand on the Romanian market, namely: High density polyethylene variants (HDPE pipe variants), linear low density polyethylene (LLDPE), PVC, PET and PP.

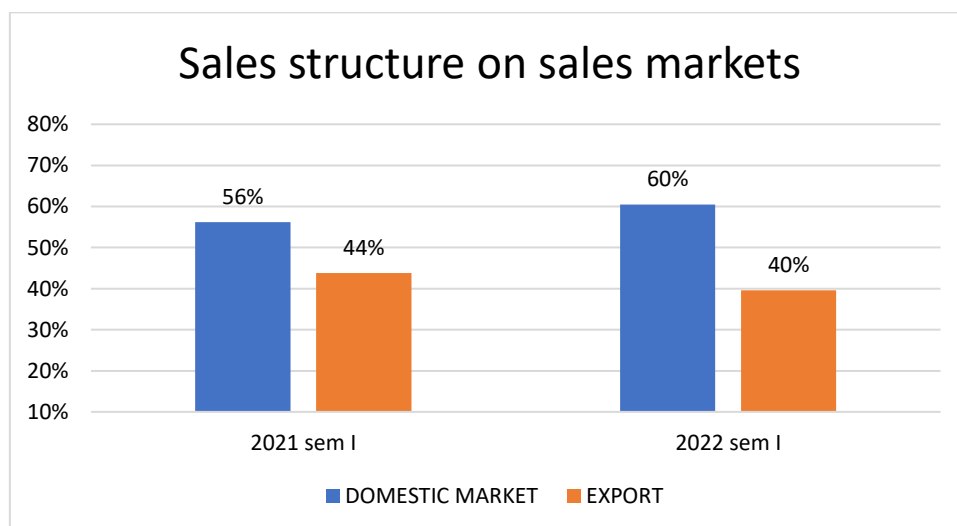
The sales of the Petrochemicals Area in the first half of 2022 amounted to a total quantity of 68,167 tons.

In the first half of 2022, 58% of the total sales were represented by polypropylene (PP), 35% by polyethylene (PE: LDPE and HDPE) and the remaining 7% represents the sales of propylene.





Out of total sales, 60% is the domestic market and the rest of 40% represents exports. There is a change in the sales structure compared to first half of 2021 in terms of distributing a larger percentage of products on the domestic market.



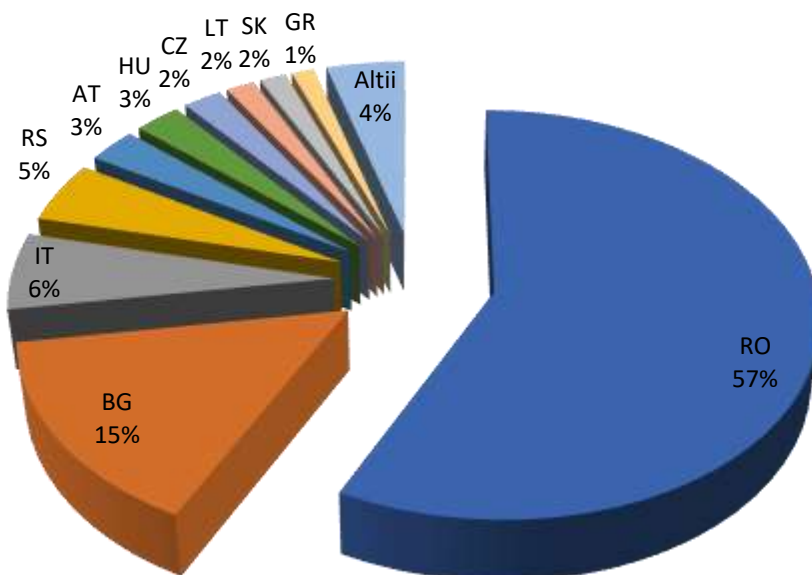


The most important distribution channels for polymers (PP, LDPE and HDPE) are Romania-57%, Bulgaria-15%, Italy-6% and Rep. of Serbia-5%.

The external sales of polymers were targeted to both the European Union and third countries. The intra-communitarian deliveries represented approx. 83% of the total export sales of finished goods, the difference representing the export sales on the non EU markets.

The distribution of petrochemical products sold by Rompetrol Rafinare SA was done by means of auto and railway in the case of sales on the domestic market and, in the case of sales on the foreign market, the distribution of these products was made both by means of automotive and maritime transport through the ports of Agigea and Constanta.

Polymer Sales by Destination 2022 sem I





3.4. Elements, events or factors of uncertainty that affect or could affect the Company's liquidity

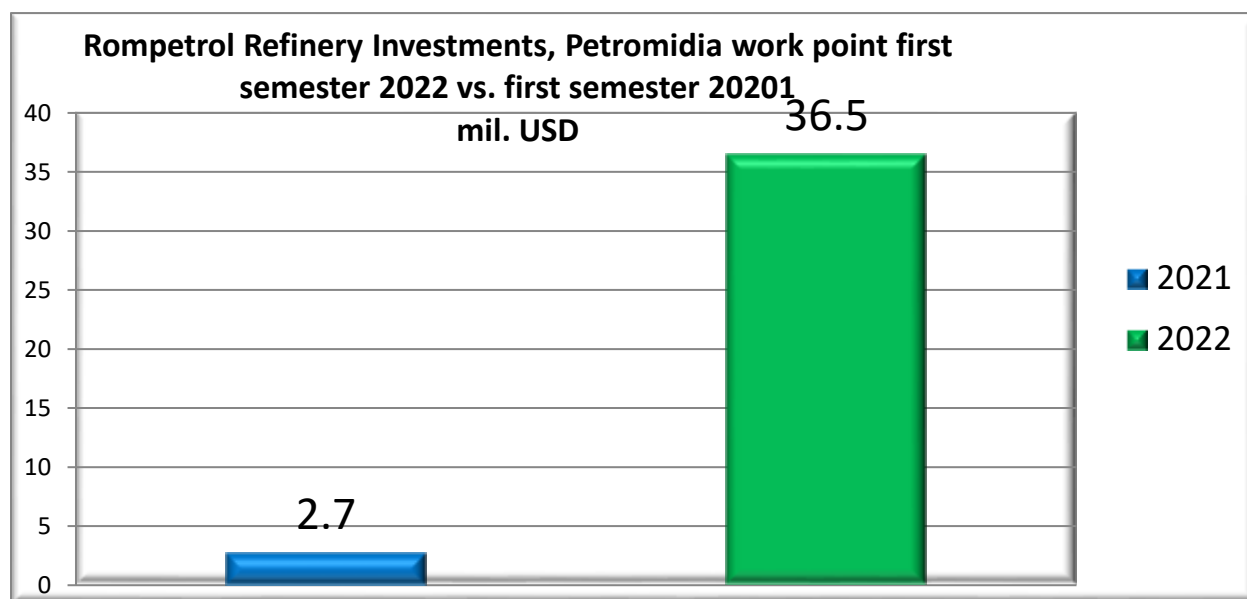
From a liquidity point of view, the company made efforts to maintain the capacity to cover current liabilities from current assets, with the current liquidity indicator increasing compared to the same period last year, 0.54 in the first semester of 2022 versus 0.46 in the first semester of 2021.

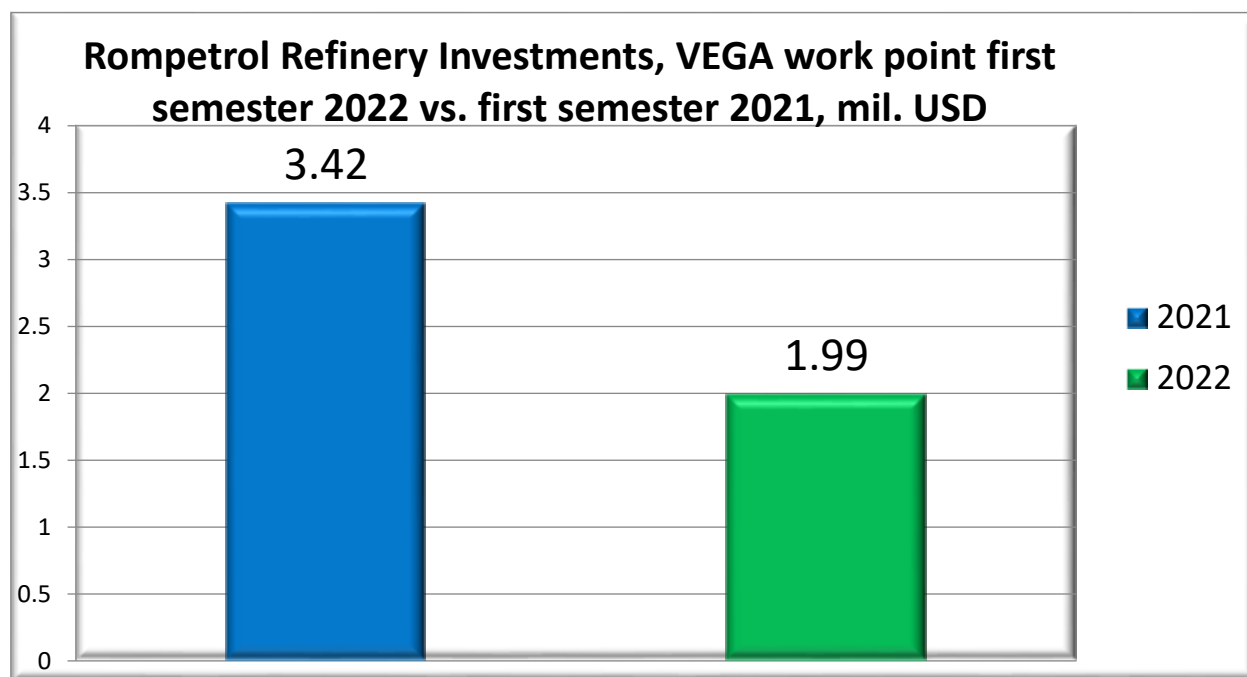
Impact factors on the liquidity of the company relate to current assets and liabilities that are directly influenced by the specific activity and fluctuation of crude oil purchase prices and oil products sales prices.

3.5. Capital expenditures, current - first semester 2022

Between **January and June 2022**, the company has made investments in a total amount of approx. **USD 38.5 million**.

A comparative analysis of the investments in the first half of 2022 vs. the first half of 2021 for both the Petromidia and VEGA refineries is shown in the diagrams below:





3.6. Events, transactions, which affected the income from the core activity

In the first semester of 2022 net turnover increased by 70% compared to the same period last year, the increase being mainly due higher market quotation for the petroleum products vs. the same period of the last year on the background of decreased level of quantities of products sold in H1 2022 vs. H1 2021 according with the planned shutdown of the refinery for 24 days in March-April 2022 and availability of crude oil supply which was affected by bad weather conditions in the loading port. Also, the increasing exchange rate of RON against USD in the first semester of 2022 generated higher turnover in RON for the export sales denominated in USD currency

The level of crude oil processed in the first half of 2022 was 345,379 tonnes lower than in the first half of 2021, with a decrease of almost 14.5%.

4. CHANGES AFFECTING THE SHARE CAPITAL AND THE COMPANY MANAGEMENT

During the period under review, there were no cases where the company was unable to comply with its obligations.

Changes meant to influence the value of the share capital of the Company did not interfere during the period analysed.

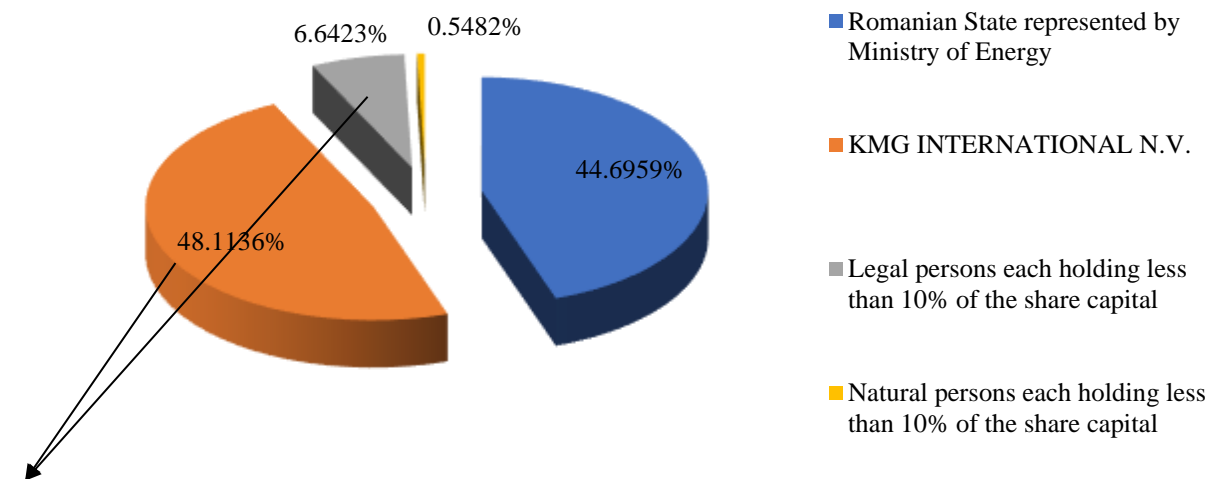
As at 30.06.2022, the share capital of the Company registered with the Depozitarul Central S.A. was represented by 26,559,205,726 shares, with a face value of RON 0.10 /share, amounting to RON 2,655,920,572.60.

The consolidated synthetic structure of the shareholders of ROMPETROL RAFINARE S.A., according to the consolidated Shareholders Register as at 30.06.2022 issued by Depozitarul Central S.A. is the following:

SHAREHOLDER (as of 30.06.2022)	NUMBER OF SHARES (as of 30.06.2022)	PARTICIPATION PERCENTAGE IN THE SHARE CAPITAL (as of 30.06.2022)
KMG INTERNATIONAL N.V.	12,778,577,732	48.1136%
ROMANIAN STATE represented by the Ministry of Energy	11,870,877,580	44.6959%
Shareholders – Legal entities – holding each one less than 10% of the share capital, holding together:	1,764,151,231	6.6423%
Shareholders – Natural entities – holding each one less than 10% of the share capital, holding together:	145,599,183	0.5482%
TOTAL	26,559,205,726	100%



The structure consolidated by Depozitarul Central S.A. as at 30.06.2022



Note:

As at 30.06.2022, the shareholders belonging to the KMG International Group hold 14,510,324,147 shares, representing 54.6339% of shares capital of Rompetrol Rafinare S.A.

We mention that Rompetrol Rafinare S.A. (part of KMG International Group) operates Petromidia and Vega Refineries and holds the control position in the following companies:

directly:

- Rompetrol Downstream S.R.L. (holding of 99,994688898%)
- ROM OIL S.A. (holding of 99,9998508%);
- Rompetrol Quality Control S.R.L (70,91%)
- Rompetrol Logistics S.R.L (holding of 66,1911%)
- Rompetrol Petrochemicals S.R.L. (holding of 100%)

indirectly:

- Global Security Sistem S.A. (by Rompetrol Logistics S.R.L.);
- Rompetrol Gas S.R.L. (by Rompetrol Logistics S.R.L.).

Therefore, the holdings of the shareholders of Rompetrol Rafinare S.A. reflect automatically on the companies in which Rompetrol Rafinare holds the control position directly and indirectly. Rompetrol Rafinare operates Petromidia Refinery and Vega Refinery, Rompetrol Downstream operates the Rompetrol filling stations network, and Rom Oil, the warehouse network of the company.

At the end of semester, I 2022, the Company holds two points of work, namely:

- i) Work point situated in Navodari, 1-283 Navodari Av., Constanta County, named *“Rompetrol Rafinare – Work point Petromidia Refinery”*;
- ii) Work point in Ploiesti, 146 Valeni street, Prahova county, which carries on its activity in the premises owned by the company named *“Rompetrol Rafinare - Work point Vega Refinery”*.

4.1. Changes in the administration of the Company

• Changes in the composition of the Board of Directors

During the first semester of 2022, changes did not take place at the level of the Board of Directors:

- *April 28, 2022*: pursuant to Decision no. 3/2022 adopted by the Ordinary General Meeting of Shareholders, as a result of the termination by expiration on 30.04.2022 of the mandates of the members of the Board of Directors, the election of five new members to the Board of Directors of the Company was approved for a term of 4 years starting dated 01.05.2022, namely: Yedil Utekov, Askar Abilov, Felix Crudu-Tesloveanu, Nicolae Bogdan Codrut Stanescu and Bogdan Catalin Steriopol. The first three administrators were nominated candidates for the position of administrator on the proposal made by the majority shareholder KMG International N.V., and the last two on the proposal made by the Romanian State through the Ministry of Energy.



As a result, the **composition of the new Board of Directors for a 4-year mandate starting on 01.05.2022** is as follows:

- Mr. Yedil Utekov, Kazakh citizen, with the residence in Bucharest;
 - Mr. Askar Abilov, Kazakh citizen, with the residence in Bucharest;
 - Mr. Felix Crudu-Tesloveanu, Romanian citizen, with the domicile in Constanta;
 - Mr. Nicolae Bogdan Codrut Stanescu, Romanian citizen, with the domicile in Bucharest;
 - Mr. Bogdan-Catalin Steriopol, Romanian citizen, with the domicile in Bucharest.
- *May 2, 2021:* by Decision no. 1 from May 2, 2021, the Board of Directors appointed Mr. Yedil Utekov as the Chairman of the Board of Directors of Rompetrol Rafinare S.A. during the period of membership in the Board of Directors, respectively 01.05.2022 – 30.04.2026.

As of June 30, 2022 the Administrators of the Company who are in office are as follows:

- **Yedil Utekov¹**, Kazakh citizen, Chairman of the Board of Directors - Non-Executive Director;
- **Askar Abilov**, Kazakh citizen, Chairman of the Board of Directors - Non-Executive Director;
- **Felix Crudu-Tesloveanu²**, Romanian citizen, Member of the Board of Directors – Executive Director;
- **Nicolae Bogdan Codrut Stanescu³**, Romanian citizen, Member of the Board of Directors, appointed by the Ministry of Energy – independent Non-Executive Director.
- **Bogdan-Catalin Steriopol⁴**, Romanian citizen, Member of the Board of Directors, appointed by the Ministry of Energy – independent Non-Executive Director.

¹ He was also a member of the Board of Directors from 01.10.2014 – 30.04.2022, of which in the period 01.10.2014 – 03.03.2015 he was an interim member.

² He also held the capacity of non-independent executive member of the Board of Directors of the RRC from October 1, 2020 until April 30, 2022

³ Proposed to the Board of Directors of the Company by the significant shareholder the Romanian State through the Ministry of Energy. He was elected as a member of the Board of Directors by Decision no. 3/2018 adopted by the Ordinary General Meeting of Shareholders on April 27, 2018 and re-elected by Decision no. 3/2022 AGOA of April 28, 2022. He also held the position of administrator of the Company between 12.06.2015 and 27.04.2016.

⁴ Proposed to the Board of Directors of the Company by the significant shareholder the Romanian State through the Minister of Energy. Mister. Bogdan Catalin Steriopol was interim administrator of the Board of Directors between June 4, 2020 and September 18, 2020, then elected permanent administrator by Decision no. 6/2020 of the Ordinary General Meeting of Shareholders of September 18, 2020, for a term that expired on April 30, 2022, being re-elected

- **Committees set up at the level of the Board of Directors**

As of June 30, 2022 the Advisory Committees composition at the level of the Board of Directors is the following:

➤ **The Audit Committee having the following structure:**

- **Dan Alexandru Iancu**, financial auditor registered with the Romanian Chamber of Financial Auditors, independent member of the Audit Committee, elected based on OGMS Decision No. 3/2022 from April 28, 2022 for a term equal to that of the Board of Directors, respectively from May 2022 until April 30, 2026 - *Chairman*;
- **Askar Abilov**, non-executive Administrator, elected by the Decision no. 6 adopted by the Board of Directors on May 4, 2022, for a term of 4 years, starting with May 1, 2022 and until April 30, 2026 - *Member*;
- **Nicolae Bogdan Codrut Stanescu**, independent non-executive administrator, appointed by Decision no. 6 adopted by the Board of Directors on May 4, 2022, for a term equal to that of the Board of Directors, respectively from May 1, 2022 until April 30, 2026 - *Member*.

➤ **The Strategy Committee having the following structure:**

- **Yedil Utekov**, non-executive administrator, re-elected by the Decision adopted by the Board of Directors on May 9, 2022, for a term of office until April 30, 2026- *Chairman*;
- **Felix Crudu-Tesloveanu**, executive administrator, elected by the Decision adopted by the Board of Directors on May 9, 2022, for a term of office until April 30, 2026- *Member*;
- **Bogdan-Cătălin Steriopol**, independent non-executive administrator, elected by the Board of Directors Decision of May 9, 2022, for a term of office until April 30, 2026 - *Member*.

on April 28, 2022, for a new 4-year term, respectively from May 1, 2022 to April 30 2026.

- **Changes regarding the Executive Management**

In accordance with the provisions of the Acts of Association of the Company, the only functions to which the management of the Company is delegated under the provisions of art. 143 of Law 31/1991 on companies are those of General Director and Economic Director. Any other position of director within the Company (human resources director, commercial director, administrative director, IT director, etc.), regardless of its name, does not involve the management of the Company.

During the analysed period, as a result of the expiry of the mandates of the Company's Executive Management, the General Director and the Economic Director were re-elected, namely:

- *May 2, 2022:* pursuant to Decision no. 2 adopted by the Board of Directors approved the reappointment of Mr. Felix Crudu-Tesloveanu as General Manager of the Company and Mrs. Ramona-Georgiana Galateanu, in the position of Economic Director of the Company, starting from May 1, 2022. The term of office of both the General Director and the Economic Director is 4 years starting from May 1, 2022, respectively until April 30, 2026.

As a result, on June 30, 2022, the two directors to whom management was delegated in the sense mentioned above were:

Name and surname	Function
Felix Crudu-Tesloveanu	Director General
Ramona-Georgiana Galateanu	Director Economic

As mentioned above, both members of the Executive Management exercise their positions for a term that will expire on April 30, 2026 (together with the Administrators who appointed them).

- **Changes regarding the Financial Auditor of the Company**

During the analysed period, the Ordinary General Meeting of Shareholders from April 28, 2022, which, by Resolution no. 4/2022 approved the re-appointment of ERNST & YOUNG ASSURANCE SERVICES S.R.L. (Romanian legal entity, headquartered in Mun. București, Bvd. Ion Mihalache, nr 15-17, Cladirea Bucharest Tower Center, etaj 21, Sector 1, registered at

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OF BOARD OF DIRECTORS
FOR THE 1ST HALF OF 2022**



rompetrol

KazMunayGas
International
Group Member

the Trade Register Office attached to the Bucharest Court of law under no. J40/5964/1999, having TIN 11909783, having the authorization No. 77 dated 15.08.2001, issued by the Chamber of Financial Auditors of Romania), **having a permanent representative Mr. SABRAN NICOLAS MARIE MICHEL**, French citizen, resident in Bucharest, **as financial auditor of the Company, for the financial years 2022 and 2023, the duration of the audit contract being two years.**

5. IMPORTANT EVENTS – FIRST SEMESTER 2021

5.1. RELATED PARTIES

Sales and purchases to and from related parties are part of the current business and are made on a basis that considers that the market terms and conditions are applicable to the nature of the goods and services supplied or received.

A. At 30 June 2022 and 31 December 2021, Rompetrol Rafinare SA had the following balances with the related parties:

	Receivables and other assets	
	June 30, 2022	December 31, 2021
KazMunayGas Trading AG	788,961,240	421,042,370
Rompetrol Downstream S.R.L.	1,213,962,444	746,166,159
Rompetrol Petrochemicals S.R.L.	481	7,903
KMG International N.V.	4,433,579	9,339,055
Rompetrol Gas SRL	12,644,399	3,148,828
Rompetrol Moldova ICS	96,500,011	-
Rompetrol Bulgaria JSC	1,731,175	6,751,967
Rominerv S.R.L.	2,461,774	4,491,040
Rompetrol Quality Control S.R.L.	171,257	230,409
Rompetrol Logistics S.R.L.	1,611	37,584
Midia Marine Terminal S.R.L.	901,612	939,811
Uzina Termoelectrica Midia S.A.	274,985	4,683,854
KMG Rompetrol SRL	314,638,353	290,674,236
Global Security Systems S.A.	606,897	697,184
Rompetrol Energy S.A.	54,090,445	34,750,631
Byron Shipping Ltd.	2,188	3,644
Oilfield Exploration Business Solutions S.A.	2,970,301	3,005,223
Romol S.A.	88,313	74,222
Rompetrol Financial Group SRL	11,253	11,089
KMG Rompetrol Services Center SRL	46,547	55,743
KMG Rompetrol Development S.R.L.	330,623	197,539
Total	2,494,829,487	1,526,308,491

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	Payables, loans and other liabilities	
	June 30, 2022	December 31, 2021
KazMunayGas Trading AG	4,472,026,215	3,853,944,850
Rompetrol Downstream S.R.L.	28,301,385	48,951,426
Rompetrol Petrochemicals S.R.L.	8,315,590	8,315,590
KMG International N.V.-trade debts	8,657,735	16,851,825
Rompetrol Gas SRL	2,247,508	2,955,168
Rompetrol Moldova ICS	78,371,568	16,476,350
Rominserv S.R.L.	171,408,605	65,123,193
Rompetrol Quality Control S.R.L.	13,869,733	14,811,620
Rompetrol Logistics S.R.L.	16,295	16,295
Midia Marine Terminal S.R.L.-trade debts	48,462,991	44,441,494
Uzina Termoelectrica Midia S.A.	3,000	17,018,694
KMG Rompetrol SRL- debt cash pooling	1,966,239,191	1,491,593,678
KMG Rompetrol SRL-interest cash pooling	13,818,867	5,996,779
KMG Rompetrol SRL-trade debts	4,264,625	-
Global Security Systems S.A.	-	756,025
Global Security Systems Fire Services S.R.L.	1,199,341	546,503
Rompetrol Energy S.A.	24,800,399	47,391,779
KMG Rompetrol Services Center SRL	1,018,661	1,447,320
TRG Petrol Ticaret Anonim Sirketi	10,346	10,346
Total	6,843,032,054	5,636,648,936

The company concluded a Cash Pooling agreement for implementing a cash balance optimization system, in which KMG Rompetrol SRL is the “Coordinating company” and Rompetrol Rafinare SA is a participating company; maturity on 4 August 2022, with annual automatic prolongation of maturity.

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B. In the first semester of 2022, respectively in the first semester of 2021, Rompetrol Rafinare had the following transactions with the related parties.

Name of related party	Nature of transaction , sales / purchases	Sales		Purchases	
		H1 2022	H1 2021	H1 2022	H1 2021
KazMunayGas Trading AG	Raw materials / Petroleum products	2,304,543,441	1,315,018,430	8,956,356,687	5,530,818,228
Rompotrol Downstream S.R.L.	Petroleum products, rent, utilities and other	4,580,697,854	2,671,364,168	1,387,102	1,086,903
KMG International N.V.	Loan interest, management services	-	-	5,142,718	4,700,840
Rompotrol Gas SRL	Platform operation, propane / Petroleum products, rent, other	311,505,226	204,524,029	368,848	267,630
Rompotrol Moldova ICS	Sales intermediary services	718,028,634	303,764,139	-	-
Rompotrol Bulgaria JSC	Sales intermediary services	57,213,355	47,728,596	-	-
Rominserv S.R.L.	Acquisition and maintenance of fixed assets	1,747,678	1,319,464	209,759,117	76,420,936
Rompotrol Quality Control S.R.L.	Laboratory analysis/Rent, utilities, other services, dividends	913,202	700,737	16,353,539	15,045,082
Rompotrol Logistics S.R.L.	Transport, rent/Rent, utilities	7,488	7,528	82,162	82,162
Midia Marine Terminal S.R.L.	Handling services/ Rent,utilities, re invoicing, loan interest ,others	919,180	733,522	31,135,689	28,201,284
Rompotrol Well Services S.A.	Loan interest	-	-	155	77
Uzina Termoelectrica Midia S.A.	Acquistion of utilities	-	34,275,167	21,189,697	61,029,652
Rompotrol Energy S.A.	Acquistion of utilities	103,651,491	-	123,621,953	-
KMG Rompetrol S.R.L.	Loan interest, management services	7,930,067	2,881,714	81,637,371	47,412,301
Global Security Systems S.A.	Security and protection services	816	730	6,772,340	4,106,648
Global Security Systems Fire Services SRL	Security and protection services	-	-	3,287,418	3,829,721
Byron Shipping S.R.L.	Demurrage /Rent, re invoices of other services	13,983	11,609	-	-
Romoi S.A.	Reinvoicing bank loan fees	-	-	-	3,304
KMG Rompetrol Services Center SRL	Shared services	227,375	261,329	4,761,954	8,507,405
		8,087,399,790	4,582,591,163	9,461,856,751	5,781,512,173

The Ministry of Public Finance of Romania ("MFPR") held 44.6959% of the share in Rompetrol Rafinare SA from September 2010 until July 2012. Starting July 2012, based on a Government Ordinance, the Ministry of Economy Trade and Business Environment ("MECMA") became shareholder until May 2013 when, following the reorganization of MECMA, the Ministry of Economy ("ME") became the new shareholder. The ministry was later renamed as Ministry of Energy, Small- and Medium-sized Enterprises and Business Environment ("MEIMMMA") and later on renamed as Ministry of Energy ("ME"). According to OUG 68/06.11.2019 it has been renamed to the Ministry, Energy and Business Environment ("MEEMA") and is currently called the Ministry of Energy ("ME").

As a result, MFPR, MECMA, ME, MEIMMMA, MEEMA and Other Authorities are considered to be a related party of the The Group. There are no transactions, balance sheets at the year-end in relation with MFPR, MECMA, ME, MEIMMMA, MEEMA and other Romanian authorities

during the time of their affiliation, other than those arising from Romanian fiscal and legislation requirements.

With regard to **purchases in relation to related parties amounting to 9,461,856,751 lei registered in the first semester of 2022 compared to 5,781,512,173 lei in the first semester of 2021**, recorded an increase of 64% mainly due to transactions with KazMunayGas Trading AG, the main supplier of crude oil and other raw materials for Rompetrol Rafinare S.A. In the context of the increased quotations of crude oil purchased and processed by the Company in the first semester of 2022 compared to the same period in 2021, the value of transactions with KazMunayGas Trading AG increased by almost 62% in the first 6 months of 2022 compared to the value recorded in the same period in 2021.

With regard to **sales in relation to related parties of 8,087,399,790 lei recorded in the first semester of 2022 compared to 4,582,591,163 lei in the first semester of 2021**, characterized by an increase of 76%, these are mainly due to transactions in the sale of petroleum products. The main clients of Rompetrol Rafinare S.A. are represented by the parties KazMunayGas Trading AG, Rompetrol Downstream S.R.L, Rompetrol Gas SRL, Rompetrol Bulgaria and Rompetrol Moldova ICS. The increase in transactions in relation to related parties in the first 6 months of 2022 compared to the same period of 2021 was determined by the higher quotations for the petroleum products sold to the related parties in H1 2022 vs. H1 2021.

5.2. LEGAL ASPECTS

Litigation with the State involving criminal charges

Starting with 22 March 2005, a number of criminal investigations have been initiated against certain former shareholders directors, managers and external censors of Rompetrol Rafinare S.A. and other individuals; these investigations were carried out at a formal level and materialized into different criminal proceeding activities (including specialized judicial expertise), currently undergoing the criminal prosecution phase. At the present date, only one of the directors of the Company who is involved in the investigation, still works for KMG International Group.

The charges brought against the defendants upon the initiation of the criminal investigations were:

- a) failure to fulfill the investment commitments undertaken under the privatization contract concerning the Parent;
- b) unlawful statement of excises and other debts to the state budget;
- c) incorrect keeping of accounting registries regarding the technological products operations undertaken at the oil terminal owned by Oil Terminal, charges which concern events that took place during April 2001 – October 2002;



d) adoption of GEO no. 118/2003.

Considering the above-mentioned charges, a freezing order were issued by DIICOT and received on 9- 10 May 2016 (the “Orders”), whereby it was decided to impose a distraint (freezing of the assets) on the movable and immovable assets of KMG International N.V., Rompetrol Rafinare SA and Oilfield Exploration Business Solutions SA (former Rompetrol SA) as well as over the shares these companies held in their Romanian subsidiaries.

The freezing of the assets does not impact the inventories, receivables and the bank account of Rompetrol Rafinare and this allows to the company to continue normally the day by day operations.

Rompetrol Rafinare challenged the asset freeze in Court. After two hearings in front of the Constanta Court, the case was assigned to be settled by the High Court of Justice and Cassation, who rejected in full the challenging submitted by Group’s subsidiaries on 17 June 2016.

Meanwhile, the companies also challenged on 30 May 2016 the Orders to the superior prosecutor. The submission was rejected in December 2016.

Considering the nature of the allegations submitted by DIICOT, the KMG companies applied for a motion of disjoining (*cerere de disjungere* in Romanian) in order to have two different cases which shall settle the allegations for Rompetrol Rafinare S.A.’ privatization and post-privatization period – one file and a second one for the allegations related to the issuance of the bonds by Rompetrol Rafinare S.A. (OUG 118/2003). No reply received yet from DIICOT on this topic.

Since the KMG companies had no capacity in the file till 2016 and it seems the entire process (with minor exceptions) of gathering the evidences by DIICOT have been performed before May 2016, the Companies submitted on April 7, 2017 their own application for, on the one hand, evidences to be attached to the file in order to defend and on the other hand to be redone some evidences (such as expertise report) performed before 2016. No reply received yet from DIICOT on this topic.

On 12 April 2017, the companies submitted also their application by which they asked the dismissals of the allegations regarding the OUG 248/200 (regarding the privatization of Rompetrol Rafinare S.A.) and OUG 118/2003 (the issuance of bonds) taking into consideration the recent Constitutional Court decision no. 68/2017 by which the Court settled that the legislative process, as well as the aspects regarding the opportunity and/or lawfulness of a deed issued either by the Parliament and Government cannot be subject of a criminal inquiry and the Constitution provides other leverages assigned to other public authorities to control such kind of things. No reply received yet from DIICOT on this topic.

On 10 May and 28 June 2017, the Companies submitted their Statement of claims against the DIICOT allegations for the following topics: Libya receivables, Rompetrol Rafinare S.A. privatization and post-privatization period, privatization of Vega refinery and the issuance of bonds (OUG 118/2003), intra-companies transactions and budgetary taxes and duties.

On 17 July 2017 DIICOT issued an Ordinance which generally keeps the approach of the Orders issued in 2016 but let the civil parties namely, Ministry of Energy and Ministry of Finance, to provide the figures for the alleged damage they incurred as well as the evidences for supporting any alleged damage. The only alleged damage party which requested the alleged damage is Faber Invest & Trade, by its legal representative, for an amount of USD 96.6 million.

A statement of defense against the July 2017 Ordinance has been submitted on December 22, 2017 as well a challenge against it submitted in front of the higher prosecutor on September 29, 2017.

On 12 April, 2018 DIICOT issued an Ordinance which cancelled the previous Ordinances dated 17 July 2017, 18 September 2017 and December 6, 2017 issued by the in-charge prosecutor of the file by which it was an extension of the inquiry to various individuals and/or some of the criminal offences have been approached in a worse manner for some of the defendants. Considering that those 3 ordinances cancelled have as background the April 2016 Ordinance issued by in-charge prosecutor by which the freezing orders were imposed over the assets of KMGI, the Group companies KMG International N.V., Rompetrol Rafinare S.A., OEBS have submitted on April 20, 2018 a new challenge in front of the High Court of Cassation and Justice for lifting the asset freeze. On May 22, 2018 the Court rejected again the challenges submitted by the Group. An appeal against this court resolution was submitted to assess from constitutional point of view if a legal provision based on which the challenges were rejected match with the Constitution principles. The first hearing of the appeal was scheduled for October 8, 2018. The court postponed the issuance of a resolution for October 22, 2018 when the Court rejected the forwarding of the case to the Constitutional Court as well.

A similar challenge was submitted on 23 November 2018. On 4 December 2018 the prosecutor agreed in principle with a partial release of the seizure provided that an expertise will be performed, and the final report will show that the value of the assets frozen exceed the alleged claims. The report was submitted to DIICOT on 15 March 2019. A new request for partial release of seizure was filled in on April 8, 2019.

A new ordinance was issued by DIICOT on 9 November 2018 which changes the legal framework for all deeds investigated in the case.

On 22 April 2019 DIICOT issued an ordinance whereby all participations held by the company to its subsidiaries, as well as part of the movable and immovable property of the company were released from the criminal seizure.

On 22 July 2016, NC KMG and KMGI submitted to the Romanian authorities the Notice of Investment Dispute based on the Agreement between the Government of Romania and the Government of the Republic of Kazakhstan, the Agreement between the Government of the Kingdom of the Netherlands and the Government of Romania and the Energy Charter Treaty.

The submission of the aforementioned Notice represents the first procedural step that might give rise to an arbitration dispute between an investor and the country where the investment was made. Should a settlement between KMGI and Romania fail to be reached, the case will be referred to and settled by the International Centre for Settlement of Investment Disputes under World Bank, headquartered in Washington, D.C or to the Arbitration Institute of the Stockholm Chamber of Commerce, in line with the provisions of the treaties and with KMG companies' envisaged reliefs and measures to be obtained.

As of October 23, 2019, all the shares seized back in May 2016 as well as the KMGI assets, and assets of Refinery located on the Vega, Ploiesti Platform and OEBS assets were released from seizure (on April 22, 2019). Therefore, the only assets still remaining under freezing orders are the ones of Rompetrol Rafinare S.A. located in Navodari on the Petromidia refinery Platform. On June 12 and July 29, 2019 the Group submitted another statement of defence by challenging the allegations mentioned within the case.

On 5 December 2019, DIICOT issued another Ordinance by which all criminal charges have been dismissed either on merits or because of passing the status of limitation period.

The seizure is lifted entirely but to protect the civil parties, namely Faber and State Authority which manages the State assets, a temporary seizure is kept up to USD 106 million over 4 Rompetrol Rafinare S.A.' installations for a limited period of 30 days. If the said civil parties will not fill in a civil claim to the civil courts against Group companies, this temporary seizure is also null and void. If they still do, then it is up to the civil court to assess the grounds for keeping such a seizure in place until the civil claim will be settled.

Both Faber and AAAS and the Group challenged it. The Group challenged the Ordinance on December 27, 2019, requiring having the relevant criminal charges dismissed on merits and not because of passing the status of limitation. On February 7, 2020 DIICOT rejected the Group challenge against December 5, 2019 Ordinance. The group submitted to Supreme Court challenge against the DIICOT rejection, and the first hearing is scheduled for April 8, 2020. The last term

was schedule for May 29, 2020 and the Court postpone it for June 26, 2020 to allow the parties to prepare their defenses. On July 10, 2020, the Supreme Court issued the final decision according to which all the complaints formulated against the dismissal ordinance issued on December 5, 2019, were rejected as inadmissible.

Faber submitted a civil claim to the Bucharest court against both the Group companies and defendants.

On May 25, the Bucharest Court rejected the request of Faber for settlement of the stamp fee that Faber should pay for its claim (for the time being is \$530,000). On July 8, Bucharest Court annulled Faber's claim as unstamped.

Against the maintenance of the criminal seizure on four installations of Rompetrol Rafinare SA, worth USD 106 million, the company filed a civil action which, judging in the council chamber, was admitted in part, in contradictory AVAS, but was rejected. in contradiction with Faber. Rompetrol Rafinare SA filed an appeal against the rejection solution.

On the other hand, Faber resumed one of the older files by which Faber challenged the increasing of the Rompetrol Rafinare S.A. share capital back in 2003-2005. The hearing was scheduled for April 14 but the case has been suspended due to the emergency enforced since March 16, 2020. The next hearing was settled for April 27, 2021. On July 20, 2021, Ialomita Tribunal rejected Faber's and Balkan's claim. On February 28, 2022, the Bucharest Court of Appeal admitted the appeal filed by Rompetrol Rafinare, changed the sentence in the sense of admitting the exceptions invoked by Rompetrol Rafinare and rejected the appeal filed by Balkan Petroleum.

Also, please note that in December 2020, Faber resumed some files out of those suspended back in 2005/2006. The hearings were scheduled during April and May 2021.

By the Decisions pronounced by the Constanta Tribunal, respectively the Constanta Court of Appeal, the exceptions invoked by Rompetrol Rafinare were admitted, the actions were found as obsolete and the requests for resuming the claims as being formulated by a person without quality.

Briefly, the files regard the followings:

1. Cancellation of the statutory documents issued in 2001 when the share capital was increased due to the evaluation of fixed assets. The first stage of the file was won, now Faber is asking to resume the appeal;
2. Cancellation of the statutory documents issued in 2001 regarding the change of the name of the company (Rompetrol Rafinare S.A.), additional activities and change the AoA according to the company law;
3. Cancellation of the statutory documents issued in 2003 regarding the evaluation of land and increasing the share capital by RPSA with this land;

4. Cancellation of the statutory documents issued in 2002 regarding the evaluation of assets (construction, equipment) by which RPSA contributed to Rompetrol Rafinare S.A. share capital increase
5. Cancellation of the statutory documents issued in 2003 regarding the contribution in kind made by DWS, RWS, RPSA to Rompetrol Rafinare S.A. share capital;
6. Cancellation of the statutory documents issued in 2001 regarding the share capital increase according to the privatization contract;

Against the Decisions pronounced in the above cases, Faber together with Balkan filed appeals, the files being already registered with the Constanta Court of Appeal and the High Court of Justice, with trial terms being established during November and December 2021. Following the admission of the appeals filed by Faber, the files are to be registered with the Constanta Tribunal and Court of Appeal in order to resume the trial on merits. The Cases were registered on the role of Constanta Tribunal and trial terms were set during September and October 2022. Also, in these Cases, before the High Court of Cassation and Justice, Faber formulated requests for relocation of the case as well as requests for their suspension until the settlement of relocation requests. During April and May, the High Court of Cassation and Justice rejected, in three such cases, both the request for relocation and the request for suspension. One more such request is registered at the High Court and suspended during May 2022 due to the absence of the parties involved.

Plus, Faber submitted a request for the revision of a decision by which the court closed a file being out of date/obsolete (when Court asked the plaintiff to do something and it doesn't within 6 months /1 year). On April 28, 2021, Constanta Tribunal admitted the exception raised by Rompetrol Rafinare and decided that the revision filed by Faber is late. During December 2021, Constanta Tribunal Decision for rejecting the claim for review remained final by the rejection by the Constanta Court of Appeal of Faber's appeal.

Litigation on Tax Assessments received by Rompetrol Rafinare S.A. in 2017

In December 2017, the National Agency for Tax Administration finalized the tax inspection in Rompetrol Rafinare (covering the period 2011 - 2015) for: VAT fiscal group (all entities from fiscal group were under fiscal control), income tax, withholding tax and excise.

Through the Assessment Decision (received in January 2018), there were imposed the following additional taxes: RON 26.1 million representing VAT (of which RON 13.1 million related to VAT of Rompetrol Rafinare SA the rest belonging to the VAT group companies), RON 6.5 million representing Rompetrol Rafinare SA withholding tax and decrease of Rafinare's fiscal loss with RON 144.4 million. The related penalties assessed are in amount of RON 16.3 million for all VAT

group companies. The principal additional taxes and related penalties were partially paid and partially compensated with receivable taxes and the remaining, the difference being paid in cash.

The tax assessment on VAT group and Rompetrol Rafinare S.A. was challenged on February 26, 2018. On January 23, 2019 the fiscal authority D.G.S.C. – A.N.A.F. issued the settling decision upon Company's administrative appeal by which the fiscal authority decided the followings:

- i. out of RON 20 million representing VAT (out of which RON 12.8 million related to VAT of Rompetrol Rafinare SA) the fiscal authority rejects the appeal for the amount of RON 11.6 million (RON 11.07 million related to Rompetrol Rafinare SA) and cancels the imposing decision for the amount of RON 8.4 million (RON 1.75 million related to Rompetrol Rafinare SA);
- ii. rejects the appeal for the amount of RON 6.5 million representing Rompetrol Rafinare SA withholding tax and the related accessories in amount of 0.2 million RON;
- iii. out of RON 16.3 million representing penalties related to VAT (out of which RON 12 million related to Rompetrol Rafinare SA) the fiscal authority rejects the appeal for the amount of RON 11.05 million (RON 10.6 million related to Rompetrol Rafinare SA) and cancels the imposing decision for the amount of RON 5.3 million (RON 1.4 million related to Rompetrol Rafinare SA);
- iv. rejects the appeal against the decrease of The Company's fiscal loss with the amount of RON 140 million.

The Company submitted to Constanta Court of Appeal a claim by which it challenged the amounts rejected by ANAF - DGSC in the Decision regarding the Company's administrative appeal.

The amounts for which ANAF - DGSC annulled the Decision and ordered a re-verification are not subject of the court claim.

The claim submitted by Rompetrol Rafinare S.A. was registered on 25 July 2019 at the Constanta Court of Appeal, forming Case file no. 393/36/2019, the Court set the first hearing for November 13, 2019. On December 11, 2019 the Court approved Rompetrol Rafinare S.A.'s request to carry out a financial – accounting expertise in the Case file and set the next term for January 15, 2020 when the Court will nominate three experts to perform the expertise and will set the term for the Expertise Report to be filled. On 15 January 2020, the Court nominated the experts and set the next term for 12 February 2020 for the expertise to be initiated. The Court set the next term for March 11, 2020 for the Expertise Report to be issued.

The file was suspended, based on art. 42 point 6 of the Decree of the President of Romania no. 195/2020 regarding the establishment of the state of emergency on the territory of Romania and of the Decision of the Court of Appeal Constanta, without performing any procedural act. Following the submission of the Expertise Report, ANAF submitted objections, Constanta Court of Appeal establishing a trial term on March 24, 2021 in order to discuss them. On April 28, 2021,

Constanta Court of Appeal rejected Rompetrol Rafinare claim as ungrounded. The Company will file an appeal in 15 days after the motivated Decision will be communicated. The Company filed an appeal, registered with the High Court of Cassation and Justice, which established the first trial term for 25.05.2023.

Regarding this legal matter Rompetrol Rafinare booked a provision in amount of USD 3.44 million.

Litigation regarding CO2 emission allowances

On 28 February 2011 Rompetrol Rafinare S.A. won the court case against The Romanian Government and The Ministry of Environment which required the Romanian authorities to allocate to Rompetrol Rafinare an additional number of 2.577.938 CO2 emission certificates for the entire period 2008-2012 (Decision 69/CA/2011). This first decision issued by the Constanta Court of Appeal was challenged by the Ministry of Environment and The Romanian Government, but the appeals were rejected by the High Court of Cassation and Justice on October 30, 2012 and the first court decision became final.

According to the current Romanian and European legislation, the certificates obtained for 2008 – 2012 period may be owned and used also for the next period of 2013 – 2020.

Considering that the Ministry of Environment and the Romanian Government did not fulfil the Court decision according to the deadline, Rompetrol Rafinare SA started a court claim against them, having as object damages in amount of EUR 36 million. – File no. 917/36/2013*.

The last hearing was on February 25, 2019 and a decision was released on March 19, 2019. The court admitted Rompetrol Rafinare S.A claim and found liable both the Romanian Government and Ministry of Environmental for damages in amount of EUR 31,806,598.74 in RON at the payment date for failure to observe the final Supreme Court decision issued in October 2012.

Taking in consideration that according with the decision the court awarded a lower amount than the one requested, a final appeal was formulated within the legal time limit. The defendants also submitted final appeals against the same decision of the Court of Appeal Constanta. The Supreme Court set the first hearing for November 11, 2021, but the Company submitted an application at the beginning of October to ask for an earlier hearing considering that already passed 7 years since the Supreme Court decision issued in the favour of the company. It is expected the Supreme Court decision on this topic.

On June 17, 2020, the Supreme Court issued the final decision according to which the appeals declared by Rompetrol Rafinare S.A. and the Ministry of Environment, Waters and Forests and

the Government of Romania - General Secretariat of the Government against the decision issued by the Court of Appeal Constanta in 2019 were rejected. The favorable decision of the first court will be enforced for obtaining the amount granted.

On December 17, 2020 Rompetrol Rafinare received as a partial payment from the Environmental Ministry the amount of RON 30 million. On May 30, 2022, the General Secretariat of the Government paid the company the remaining part, the Sentence being thus executed in full.

Litigation between Rompetrol Rafinare and Navodari City Hall

On 19 November 2015, it was finalized the local taxes fiscal audit of the local taxes, performed by Navodari City Hall, for the period of 2012 - 2014. The only non-compliant finding refers to revaluation of buildings made by the company on 31 December 2009 and 31 December 2011, namely that not all fixed assets accounted for in the account 212 "Construction" were revalued, and therefore it was not in accordance with the accounting regulations stipulated by OMFP 3055/2009. As a result, the inspection team considered that for year 2012, certain buildings were not revalued within three years of the previous revaluation and applied a higher local tax rate of 10% for the buildings, and as a consequence assessed an additional tax on buildings and related penalties in total amount of RON 20.4 million, out of which the principal is RON 11.2 million and the penalties and accessories are RON 9.2 million (calculated until the date of the report):

- a) Against the Imposing Decision issued by Navodari City Hall, the company has been filed an administrative complaint with the fiscal authorities. The administrative complaint filed by Rompetrol Rafinare S.A. was dismissed as being lack of object, without any judgment pronounced on the merits of the case. Rompetrol Rafinare submitted in court the challenge against this decision. This judicial procedure was under court investigation proceedings with Constanta Court of Appeal who has completed judicial investigation into the case and delivered a sentence on March 16, 2017, when the challenge submitted by Rompetrol Rafinare was rejected. The solution has been appealed by Rompetrol Rafinare. The appeal is in currently pending court investigation proceedings, and the first hearing term before the High Court of Cassation and Justice is established for 30 January 2020. At the request of the legal representative of Navodari City Hall, the Court set a new trial term for 7 May 2020. The next term in the case file was set for July 16, 2020, when the appeal filed by Rompetrol Rafinare was judged, the ruling being postponed until July 21, 2020. At that time, the Supreme Court admitted the appeal and completely change the solution of the first court, admitting the action filed by Rompetrol Rafinare SA. The Decision will be enforced for obtaining the amount granted. Also the Supreme Court admitted Rompetrol Rafinare S.A.'s request for clarifications and decided to complete the Decision with the clear obligation of City Hall of Navodari to pay back Rompetrol Rafinare S.A. the amounts paid by the Company.



- b) Because the decision issued by Navodari City Hall of rejection the administrative complaint as being lack of object is based on Navodari Local Council Decision no.435/21 December 2015, under which Rompetrol Rafinare has obtain the annulment of 73% of penalties, Rompetrol Rafinare submitted a second action for partial annulment of Navodari Local Council Decision no. 435/21 December 2015. This action was admitted by Constanta Tribunal. This solution has been appealed by Navodari Local Council on Constanta Court of Appeal, where the first hearing term was set on 16 January 2017, when the appeal was rejected. The solution is final.
- c) Rompetrol Rafinare also filed the request for suspension the enforceable effects of the imposing decision, pursuant to the Law 554/2004 and Government Ordinance 92/2003, file no.788/36/2015. The statement of defense was submitted by Navodari City Hall and the first hearing term was established for 22 February 2016. The court granted Rompetrol Rafinare claim and suspended the effects and the enforcement of the Tax Inspection Report and Tax Decisions issued by Navodari City on 19 November 2015. The solution was appealed by Navodari City Hall. On November 2, 2018, the case has been suspended. On January 10, 2020, by Decision 73/2020, the High Court of Cassation and Justice found the appeal filed by the Navodari City Hall outdated. The solution is final.

Litigations between Rompetrol Rafinare and National Company – Constanta Maritime Port Administration S.A.

In consideration of the violation by Compania Nationala Administratia Porturilor Maritime Constanta (*National Company of Constanta Maritime Ports Administration*) of the legal provisions regulating its activity, in the sense that it does not ensure the maintenance in operational parameters of the Midia port found under its administration, so as to ensure the safety of navigation, the preservation of at least the technical features designed for the port, the assurance of safe access and operation, the company initiated several legal remedies against it, as follows:

- a) Complaint against National Company "Administratia Porturilor Maritime" SA for violating the provisions of art. 9 of the Law no 21/1996 which caused to Rompetrol Rafinare SA damages consisting of USD 1.8 mil USD - dredging expenditures and 3.3 mil USD - commercial loss. The complaint leads to an investigation launched in April 2016 by the Competition Council. Competition Council is entitled to acknowledge the violation by Administrația Porturilor Maritime of the provisions of art. 9 of Law no. 21/1996, to sanction the said company in accordance with the law and to render it liable to perform, subject to legal terms and conditions, the obligations resting upon it as administrator of port areas and supplier of goods and services specific to the exploitation of national maritime areas, in particular with respect to Midia Port. By Decision 21/2018, the Competition Council rejected the complaints formulated by Rompetrol Rafinare SA and Midia Marine Terminal SRL. Both companies challenged this decision at Bucharest Court



of Appeal, first term being scheduled for May 13, 2019, in order to communicate to the parties the statement of defense issued by National Company "Administratia Porturilor Maritime" SA. Next term was established October 21, 2019, when the court dismissed the complaints filed by the plaintiffs. The solution was appealed by Rompetrol Rafinare SA and the first hearing was set by the High Court on April 12, 2022. On April 12, 2022, the High Court of Cassation and Justice dismissed the appeal filed by the plaintiffs Rompetrol Rafinare S.A. and Midia Marine Terminal S.R.L. against the civil sentence no. 2427 of October 21, 2019 of the Bucharest Court of Appeal. The solution is final.

b) Court claim against the Constanta Port Administration for Rompetrol Rafinare damages related to lower port drafts during January - May 2015 (0.8 mil USD) and for restitution of dredging expenses (USD 1.7 million). On 19 May 2017, the Court partially admitted the claim of the plaintiff Rompetrol Rafinare SA against the defendant Constanta Port Administration and obliged the defendant to pay to the plaintiff:

- The amount of EUR 1.57 million, representing dredging expenditures paid by Rompetrol Rafinare SA, during the period 30 April 2015 - 11 May 2015;
- The amount of RON 0.079 million representing legal costs.

Both parties filed for appeal against the solution pronounced by first court. On 27 December 2017, Constanta Court of Appeal admitted the appeal filed by Constanta Port Administration, reject the appeal filed by Rompetrol Rafinare SA and changed the sentence pronounced by the first court, so all the claims of Rompetrol Rafinare against APMC have been rejected. Rompetrol Rafinare will submit the appeal within 30 days since the communication of the decision issued by Constanta Court of Appeal. The decision has been communicated and the recourse has been filled by Rompetrol Rafinare SA on 6 August 2018. The case is in filter proceedings, and the first hearing term will be established later. During the filter proceedings, National Company "Administratia Porturilor Maritime" SA has raised the exception of inadmissibility of our recourse, motivated by the fact that, according to art. 483 paragraph 2 of the Civil Procedure Code, the decisions regarding the civil navigation and port activity processes are exempted from the right of recourse. Rompetrol Rafinare SA has raised the exception of unconstitutionality regarding the art. 483 paragraph 2 of the Civil Procedure Code. From this reason, The High Court of Cassation and Justice has suspended the procedure until the Constitutional Court solves the exception submitted by Rompetrol Rafinare.

Procedure in which is involved Rompetrol Rafinare SA, Rominserv SRL, and employees of the two companies, following of a technical incident occurred in of Petromidia refinery on 22 August 2016

On August 22, 2016 a technical incident occurred within the DAV plant. Following the event, two employees of a Group' subsidiary Rominserv SRL suffered burns and two employees passed away.



Following the completion of the criminal prosecution, Rompetrol Rafinare S.A., Rominserv SRL and four employees were put on trial for: the non-observance of the legal labour health and safety measures, bodily harm by negligence, manslaughter and accidental pollution. At the same time Rompetrol Rafinare S.A. and Rominserv S.R.L has quality as civilly liable party.

The criminal file was finalized by the prosecutor and sent into court twice, on which occasion the judges of the preliminary chamber decided to send back the file to the Prosecutor's Office attached to the Constanta Court of Appeal due to the fact that the prosecutor indictment contain irregularities and therefore the object and frame of the legal proceeding cannot be established, found the relative nullity of the document.

The company was summoned to the prosecutor's office on June 2, 2020 in order to be informed the quality of suspect of the company in the file.

According with prosecutor third indictment, the following offenses were retained for ROMPETROL RAFINARE, ROMINSERV, STANCIU DANIEL, MARGINEAN ION and CARAMAN VASILE:

- a. the non-observance by negligence of the legal labour health and safety measures, as per art 349 alin.2 of Criminal code;
- b. bodily harm by negligence as per art. 196 alin. 1 and 4 of Criminal code;
- c. manslaughter as per art. 192 alin. 1,2 and 3 of Criminal code;
- d. accidental pollution, as per art. 98 alin.1 lit.b of EGO no 195/2005.

On June 24, 2020 the company received the prosecutor indictment from the Constanta Court. Taking in consideration that the court has been notified with a new indictment, for the third time the preliminary chamber procedure is to be carried out. On September 17, 2020 the judge of preliminary chamber rejected as unfounded the claims and exceptions made by all defendants- i.e. RR, RIS and individuals involved- and noted the legality of court investment with the indictment no 586/P/ 2016 of the Prosecutor's office attached to the Constanta Court of Appeal, of the administration of evidences and of the performance of criminal investigation and ordered the commencing of the trial. The court decision was appealed, the appeals were rejected, and the next hearing scheduled by Constanta court (Judecatoria) is on September 12, 2022.

Relating Rompetrol Rafinare S.A. employees, Andrei Felicia and Oancea Cornel, the file has been disposed.

On the other hand, it was admitted the request filed by Rominserv for the plea of unconstitutionality of certain provisions to be settled further by the Constitutional Court. The respective provisions concern the possibility to rectify the document instituting court proceedings during the preliminary chamber procedure.



As at current date the maximum exposure, for each company, is in amount of USD 1.7 million (RON 7.2 million).

Regarding this legal matter Rompetrol Rafinare booked a provision in amount of USD 0.43 million.

Criminal case concerning Petromidia Refinery accident on July 2nd 2021

On July 2, 2021 there was an explosion followed by a fire in the Petromidia refinery, HPM plant. As a result of the accident, 3 employees of the company died and one employee was hospitalized due to a hip fracture. The criminal investigations are carried out by the Prosecutor's Office attached to the Constanta Tribunal, a technical expertise was performed by INCD INSEMEX Petrosani, at the request of the criminal investigation bodies, the company has the quality of a civilly responsible party, were heard employees involved in the event. At the same time, the collective work accident is being investigated by the Territorial Labor Inspectorate according to the incident legislation.

DIICOT Criminal Investigation File

During the investigation carried out by the Directorate for the Investigation of Organized Crime and Terrorism ("DIICOT"), investigation which is the subject of criminal case 279 / D / P / 2020, to the Company were communicated during 2021 year a series of ordinances by which was requested to provide the documents to the criminal investigation bodies in connection with the works contracted for the greening of the lagoon 18 from the VEGA refinery. For all 14 lagoons, the Company obtained the Environmental Agreement no. 1 / 18.02.2015, revised on 14.01.2021, issued by the competent environmental authority for the execution of greening. The company has no quality in the criminal case. The suspicions of the criminal investigation bodies concern the alleged fictitious character of some services for which the Company would have unjustifiably paid the amount of approximately 10 million lei. On 23.02.2022, DIICOT informed the Company if it intends to become a civil party in the criminal proceedings mentioned above, the Company reserve right in relation to the evolution of the criminal case that is the subject of criminal case 279 / D / P / 2020, to make such a request to become a civil party if the case.

5.3. Other significant transactions

Significant transactions in form of supplies of goods and services take place on a constant and regular basis with companies from KMG International Group.

Rompetrol Rafinare reported the legal documents concluded during the first semester of 2022 by the Company in accordance with art. 108 of Law no. 24/2017, republished, and with art. 144 lit. B of the FSA Regulation no. 5/2018, through the current Reports registered at the Company with no. 1087 dated 18.02. 2022, no. 3765 dated 16.06.2022, no. 3999 dated 30.06.2022 and no. 4574 dated 29.07.2022. The reports were sent to the market operator (respectively to the Bucharest Stock Exchange), posted on the company's website in the Investor Relations section www.rompetrol-rafinare.ro, the Current Reports subsection as well as on the FSA website (www.asfromania.ro) in the section: Surveillance / Capital market / Electronic reporting.

Also, other major transactions concluded by the Company with the persons with whom it acts in concert or in which these persons were involved during the reported period of time, were those subject to the approval of the Board of Directors according to the legal provisions and the provisions of the Constitutive Act, information presented in the section regarding:

- *on February 25, 2022.* According to the Decision of the Board of Directors of the previously mentioned date, it was approved the conclusion of the Contract for the purchase of about 24,000 t of diesel component with KazMunayGas Trading A.G. (source Litasco);
- *on March 4, 2022.* According to the Decision of the Board of Directors of the previously mentioned date, it was approved the conclusion of the Contract for the purchase of approximately 150,000 t of diesel component with KazMunayGas Trading A.G. (source Litasco);
- *on March 11, 2022.* According to the Decision of the Board of Directors of the previously mentioned date, it was approved the suspension of the execution of Contract no. RR3/29.12.2021 regarding the execution of financial transactions regarding crude oil, alternative raw materials and petroleum products;
- *on April 12, 2022.* According to the Decision of the Board of Directors of the aforementioned date, it was approved the conclusion of two contracts between the Company and OMV Petrom S.A. having as object the sale of diesel and the sale of JET A1. The extension of Credit Facility C until April 23, 2023 was also approved;
- *on June 22, 2022.* According to the Decision of the Board of Directors of the previously mentioned date, it was approved the conclusion of the Contract for the purchase of 9,000 t of biofuel with Bunge Biocombustibil S.R.L. and the Contract for the purchase of 15,000 t MTBE with KazMunayGas Trading A.G.

5.4. Subsequent events

- Rompetrol Rafinare S.A credit facility in amount of EURO 30 million granted by Banca Transilvania was extended until July 29, 2023.
- Rompetrol Rafinare S.A credit facility in amount of EURO 27,96 million granted by Banca Transilvania was extended until July 29, 2023.

5.5. Amendment of the Articles of Association of the Company

- I) By Resolution no. 6/2022 of the Extraordinary General Meeting of Shareholders from April 28, 2022, the amendment and update of the Articles of Association of Rompetrol Rafinare S.A. was approved, in accordance with the proposal of the significant shareholder of the Company, KMG International N.V., to complete the agenda of the EGMS of April 28, 2022 (items 1¹ and 1² of this EGMS). The amendment aims at: **increasing the numerical composition of the Company's Board of Directors, from a number of five members, to a number of seven members from May 1, 2022** and updating the corresponding articles of the Company's Articles of Association, in this case point 14.1 of article 14 named "Organization" from the Articles of Association of the Company as follows:

„Art. 14.1. The Company's activity is managed by a Board of Directors composed of 7 (seven) members, appointed by the Ordinary General Meeting, who may also be shareholders of the company, natural or legal persons, of Romanian or foreign citizenship, respectively nationality. The Administrators appoint the Chairman of the Board of Directors from among themselves. When a legal person is appointed as Administrator, at the time of that appointment, the legal person is obliged to appoint a permanent natural person as representative".



II) By Decision no. 2 adopted by the Company's Board of Directors on May 4, 2022, there was approved **the addition of the Company's secondary activity with CAEN code 3511** - electricity production.

The amendment concerned the **addition to the point 5.2 of Article 5 of Chapter II called "ACTIVITY OBJECT" of the Company's Articles of Association**, with the secondary activity object **CAEN code 3511 - electricity production**.



6. MAIN FINANCIAL INDICATORS AS OF 30.06.2022

Indicators	Calculation	U.of M	Value 30.06.2022 ^{*)}
1. Current liquidity indicator	Current assets/Current liabilities	X	0.54
2. Debt liquidity indicator			
2.1. Debt ratio indicator (1)	Borrowed capital/Own capital x 100	%	0%
2.2. Debt ratio indicator (2)	Borrowed capital/Committed capital x 100	%	0%
2.3. Debt ratio indicator (3)	Net Borrowings*** / Equity (including shareholder and related parties loans)	%	51.8%
3. Rotation tempo of debits – clients	Average balance for receivables/Revenues x 180	Days	33.69
4. Assets rotation tempo **)	Revenues/Non-current assets		2.89

**) Based on the Individual Interim Financial Accounting on the date and for the period of 6 months closed on June 30, 2022;*

***) Assets rotation tempo is calculated based on annualized turnover for the period January-June 2022 (360 days/180 days).*

****) The difference between Debt (excluding shareholder and related parties loans) and Cash and cash equivalents*

7. ANEXE

Annex 1 – Statement of financial position as of 30 June 2022

Lei

	June 30, 2022	December 31, 2021
Intangible assets	18,491,885	22,835,858
Goodwill	152,720	152,720
Property, plant and equipment	4,373,713,616	4,419,108,095
Rights of use assets	55,081,291	55,624,904
Investments in subsidiaries	2,632,755,594	2,632,755,594
Total non current assets	7,080,195,106	7,130,477,171
Inventories, net	1,859,832,981	1,020,528,534
Receivables and prepayments, net	3,208,762,705	1,885,341,204
Derivative Financial Instruments	26,539,956	104,688,216
Cash and cash equivalents	61,612,624	87,598,088
Total current assets	5,156,748,266	3,098,156,042
TOTAL ASSETS	12,236,943,372	10,228,633,213
Subscribed share capital	2,655,920,573	2,655,920,573
Share premium	232,637,107	232,637,107
Revaluation reserves, net of deferred tax impact	1,362,457,240	1,362,457,265
Other reserves	3,132,780,090	3,513,820,106
Accumulated losses	(5,433,027,385)	(4,982,039,271)
Current period result	94,960,746	(450,988,114)
Total equity	2,045,728,371	2,331,807,666
Long-term borrowings from banks	-	418,023,119
Provisions	356,577,369	356,577,370
Long-term lease debts	55,730,323	56,244,055
Deferred tax liability	286,378,445	286,378,445
Total non-current liabilities	698,686,137	1,117,222,989
Trade and other payables	7,784,757,828	6,443,715,363
Contract liabilities	279,232,867	132,163,640
Short-term lease debts	2,804,846	2,517,639
Derivatives	304,392,077	15,908,942
Short-term borrowings from banks	1,121,341,246	185,296,974
Total current liabilities	9,492,528,864	6,779,602,558
TOTAL LIABILITIES AND EQUITY	12,236,943,372	10,228,633,213

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Annex 2 – Profit and loss account for the 6-month period closed on June 30, 2022 profit and loss

	Lei	
	January - June 2022	January - June 2021
Net revenues from contracts with customers	10,226,300,510	6,016,523,533
Cost of sales	(9,354,064,939)	(5,884,129,865)
Gross profit	872,235,570	132,393,668
Selling, general and administrative expenses	(243,269,715)	(129,263,015)
Other operating expenses	(672,859,715)	(47,038,975)
Other operating income	649,496,792	8,806,087
Operating profit / (loss)	605,602,932	(35,102,235)
Financial expenses	(140,735,527)	(77,032,127)
Financial revenues	9,671,643	5,564,138
Net foreign exchange gains / (losses)	(379,578,301)	(149,830,906)
Profit / (Loss) before income tax	94,960,746	(256,401,130)
Deferred tax	-	-
Net Profit / (Loss) for the period	94,960,746	(256,401,130)
Earnings per share (<i>bani/share</i>)	0.36	(0.58)
Basis		

ROMPETROL RAFINARE S.A.
INDIVIDUAL HALF-YEAR REPORT
OF BOARD OF DIRECTORS
FOR THE 1ST HALF OF 2022



Annex 3 – Cash flow

	Lei	
	June 30, 2022	June 30, 2021
Net result before income tax	94,960,746	(256,401,130)
<i>Adjustments for:</i>		
Depreciation and amortisation	237,822,585	194,297,738
Provisions for receivables and inventories (incl write-off)	42,718,327	12,313,877
Expenses with penalties	9,838,248	2,899,194
Interest expenses	140,735,526	77,032,127
Inrerest income	(9,671,643)	(5,564,138)
(Gain)/Loss on sale or disposal of assets	-	(1,050)
Other non-monetary adjustments	-	(65,353)
Unrealised foreign exchange (gain)/loss	109,292,822	140,058,850
Cash generated from operations before working capital changes	625,696,611	164,570,115
<i>Net working capital changes in:</i>		
Receivables and prepayments	(1,596,982,586)	(393,263,685)
Inventories	(881,882,572)	(468,668,172)
Trade and other payables and contract liabilities, including payables variation for capital expenditures	1,258,162,724	22,556,701
Change in working capital	(1,220,702,434)	(839,375,156)
Net cash used in operating activities	(595,005,823)	(674,805,041)
Cash flows from investing activities		
Purchase of property, plant and equipment	(186,296,178)	(19,584,060)
Purchase of intangible assets	(21,438)	(3,888,193)
Purchase of investments	-	(3,304)
Receipts from selling of assets	-	1,050
Net cash used in investing activities	(186,317,616)	(23,474,507)
Cash flows from financing activities		
Cash pooling movement	452,559,621	517,667,789
Short - term loans received from banks	863,009,733	86,186,668
Long - term loans paid to banks	(418,023,119)	-
Short - term loans repaid to shareholders and related parties	-	(34,452,042)
Lease repayments	(2,413,713)	(2,340,582)
Interest and bank charges paid, net	(139,794,547)	(76,069,702)
Net cash from financing activities	755,337,975	490,992,131
Increase / (Decrease) in cash and cash equivalents	(25,985,464)	(207,287,417)
Cash and cash equivalents at the beginning of period	87,598,088	365,595,493
Cash and cash equivalents at the end of the period	61,612,624	158,308,076



Note:

I) During the period under review the Articles of Association of the Company was changed on April 28, 2022 and May 4, 2022, as described in section 5.5.

II) Please note that the individual financial statements were prepared in accordance with the Order of the Ministry of Public Finance No. 2844/2016 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards ("IFRS") and have not been audited

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

Yedil UTEKOV

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**General Manager and
Member of the Board of Directors**

Felix CRUDU-TESLOVEANU

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Financial Manager

Ramona-Georgiana GĂLĂȚEANU

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