



Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its second quarter and first semester 2023 financial and operational unaudited results. The figures include unaudited consolidated financial statements for this period prepared by the company in accordance with International Financial Reporting Standards („IFRS”).

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

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

<https://rompetrol-rafinare.kmginternational.com/>

HIGHLIGHTS – CONSOLIDATED

		Q2 2023	Q2 2022	%	H1 2023	H1 2022	%
Financial							
Gross Revenues	USD	1,422,299,550	1,802,422,782	-21%	2,706,480,066	2,972,087,612	-9%
Net Revenues	USD	1,111,825,185	1,513,853,224	-27%	2,144,059,245	2,432,974,631	-12%
EBITDA	USD	16,011,664	261,084,856	-94%	116,907,213	174,391,857	-33%
EBITDA margin	%	1.4%	17.2%		5.5%	7.2%	
EBIT	USD	(36,940,170)	201,997,399	N/A	28,926,279	78,057,166	-63%
Net profit / (loss)	USD	(48,594,272)	191,192,660	N/A	(34,145,040)	58,389,986	N/A
Net Profit / (loss) margin	%	-4.4%	12.6%		-1.6%	2.4%	

Rompetrol Rafinare consolidated gross revenues reached over USD 1.4 billion in Q2 2023, and over USD 2.7 billion in H1 2023, lower by 21%, respectively lower by 9% as against same periods last year, on the background of the volatility of international quotations for crude oil and refined products. The international quotations for petroleum products continued their downward trend in the second quarter as well (gasoline quotations decreased by 32%, and those for diesel decreased by 40% in Q2 2023 compared to Q2 2022), reaching in the first semester of 2023 a decrease of 22% for gasoline and a decrease of 26% for diesel compared to the same period last year.



ECONOMIC ENVIRONMENT

		Q2 2023	Q2 2022	%	H1 2023	H1 2022	%
Brent Dated	USD/bbl	78.1	113.9	-31%	79.7	107.9	-26%
CPC Blend CIF	USD/bbl	74.5	105.0	-29%	75.9	99.8	-24%
Brent-CPC Differential	USD/bbl	3.5	9.0	-61%	3.7	8.2	-54%
Premium Unleaded 10 ppm FOB Med	USD/ton	822	1,215	-32%	830	1,069	-22%
Diesel ULSD 10 ppm FOB Med	USD/ton	709	1,184	-40%	773	1,040	-26%
RON/USD Average exchange rate		4.55	4.64	-2%	4.57	4.52	1%
RON/USD Closing exchange rate		4.58	4.74	-4%	4.58	4.74	-4%
RON/EURO Average exchange rate		4.95	4.94	0%	4.93	4.95	0%
RON/EURO Closing exchange rate		4.96	4.95	0%	4.96	4.95	0%
USD/EURO Closing rate		1.08	1.04	4%	1.08	1.04	4%
Inflation in Romania*		1.80%	5.76%	-69%	4.19%	9.98%	-58%

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

Dated Brent decreased by -35.8\$/bbl. (-31%) in Q2 2023 vs. Q2 2022 and settled to an average of 78.1\$/bbl. In the meantime for H1 2023 Dated Brent decreased by -28.2\$/bbl. (-26%) as against H1 2022 and settled to an average of 79.7\$/bbl.

The CPC quotation decreased by -30.4\$/bbl. (-29%) in Q2 2023 as against Q2 2022 and settled to an average of 74.5\$/bbl. and for H1 2023 decreased by -23.8\$/bbl. (-24%) as against H1 2022 and settled to an average of 75.9\$/bbl., as the oil market corrected from the highest level reached in March 2022, level that was not seen since 2008.

Looking only into Q1 2023 Dated Brent movement, the crude price had a volatile evolution, reaching 88.21\$/bbl. on 23rd of January, the highest level since early December on optimism that Chinese demand will recover rapidly following the abandonment of Covid Zero restrictions and due to a weaker US currency. The crude price also increased following some supply disruptions in the Middle East and Turkey (after the two earthquakes from February).

On the other hand, at the mid of March the crude price decreased to the level of 71.71\$/bbl. following the bankruptcy of the Silicon Valley Bank, the biggest US bank collapse since 2008.

However, the downward movement didn't last too much, as in the end of Q1, the OPEC+ announced a "voluntary" collective output cut totaling 1.66 million b/d, which started taking effect from May, until the end of 2023.



After that, the Dated Brent sharply decreased around 75\$/bbl. and stayed around this level for the entire Q2 because of concerns over China's economic outlook, a cooling US labor market, renewed concern about the US banking sector as the Federal Reserve signaled that rate increases it's not yet over.

The downside of crude prices, erasing all the gains that the OPEC+ production cut brought about, has put many in the oil markets in a difficult spot.

According to JP Morgan the new crude price regime will be \$75-80\$/bbl. + rather than the \$70-75\$/bbl. The OPEC+ production cuts mean that the global oil market will be tight in the second half of the year even if China continues to show "sluggish" economic growth, according to IEA (i.e. International Energy Agency).

European margins decreased by -125.2\$/MT (-64%) in Q2 2023 vs. Q2 2022 and settled to an average level of 70\$/MT and decreased by -22.8\$/MT (-18.3%) in H1 2023 vs. H1 2022 and settled to an average level of 101.4\$/MT.

The refinery margins had a downward trend during January-April, and reached 38\$/MT, the lowest level since the geopolitical situation began in February 2022 due to a combination of factors: rising diesel stocks in Europe before the Russian diesel embargo from 5th of February, weak macroeconomic indicators which have reduced expectations of demand in the market, consistent price increase of crude oil following OPEC+ agreement to cut production, refineries starting to emerge from maintenance season, especially in the Mediterranean region.

After that, the margins constantly recovered until June, to the level of 105\$/MT due to some unplanned outages at European refineries and increasing demand as the summer season started.

Gasoline cracks were high during H1, as European gasoline demand appears to close to levels of a year ago (and 2019 levels).

Diesel cracks were under pressure in H1 as ARA (Amsterdam-Rotterdam-Antwerp) diesel inventories are above both 2021 and 2022 levels, despite the fall in imports from the Russian Federation. This highlights a flat European diesel demand, which is usually a good leading indicator for economic performance, pointing to ongoing economic headwinds up ahead.

Jet cracks were high during H1 with considerable increase in travelers over Easter period in Europe, Eid Mubarak celebrations in the Middle East and with holiday season started in June. European air traffic reached 88% of 2019 levels (Platts) with ARA (Amsterdam-Rotterdam-Antwerp) jet stocks coming relatively close to the lower bound of the 5-year range.

In JBC Energy view, European refining margins will come under significant pressure, especially towards the end of 2023 and early next year, as domestic demand for petroleum products declines and supply from added competitive refining capacity in the Middle East and Asia increases.

In terms of exchange rates, internally, the RON/EUR exchange rate remained relatively stable, on the higher level, reaching an average level of 4.9485 in Q2 2023 and an average level of 4.9335 in H1 2023.

In terms of RON/USD exchange rate, it continued its downward evolution, reaching an average level of 4.5451 in Q2 2023 and an average level of 4.5654 in H1 2023.

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



REFINING SEGMENT

		Q2 2023	Q2 2022	%	H1 2023	H1 2022	%
Financial							
Gross Revenues	USD	1,204,020,929	1,582,858,251	-24%	2,321,144,589	2,562,212,191	-9%
Net Revenues	USD	954,523,837	1,351,680,752	-29%	1,858,441,948	2,124,004,388	-13%
EBITDA	USD	12,964,759	266,641,301	-95%	113,026,448	199,920,339	-43%
EBITDA margin	%	1.4%	19.7%		6.1%	9.4%	
EBIT	USD	(28,218,702)	219,164,260	N/A	47,574,233	126,548,563	-62%
Net profit / (loss)	USD	(36,858,498)	218,604,096	N/A	(14,611,717)	118,254,258	N/A
Net profit / (loss) margin	%	-3.9%	16.2%		-0.8%	5.6%	
Gross cash refinery margin/ton (Petromidia)	USD/ton	54.4	272.7	-80%	92.9	142.7	-35%
Gross cash refinery margin/bbl (Petromidia)	USD/bbl	7.5	37.5	-80%	12.8	19.7	-35%
Net cash refinery margin/ton (Petromidia)	USD/ton	9.6	219.7	-96%	44.4	90.2	-51%
Net cash refinery margin/bbl (Petromidia)	USD/bbl	1.3	30.3	-96%	6.1	12.4	-51%
Operational							
Feedstock processed in Petromidia refinery	thousand tons	1,403	1,331	5%	2,681	2,310	16%
Feedstock processed in Vega refinery	thousand tons	117	94	25%	193	163	19%
Gasoline produced	thousand tons	375	344	9%	717	605	19%
Diesel & jet fuel produced	thousand tons	715	693	3%	1,336	1,197	12%
Motor fuels sales - domestic	thousand tons	679	613	11%	1,251	1,079	16%
Motor fuels sales - export	thousand tons	368	352	4%	697	592	18%
Export	%	35%	36%		36%	35%	
Domestic	%	65%	64%		64%	65%	

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



Gross revenues of refining segment reached over USD 1.2 billion in Q2 2023 and over USD 2.3 billion in H1 2023, showing a 24% decrease, respectively 9% decrease as against same periods last year.

Petromidia refinery is one of the most modern in the Black Sea region and represents approximately 40% of the refining capacity in Romania. The unit in Navodari city has a stable flow of raw materials, mainly thanks to deliveries of Kazakh crude oil made with the support of KazMunayGas, the national oil and gas company of Kazakhstan.

In Q2 and H1 2023, the total throughput for Petromidia refinery was 1.4 million tons, respectively 2.68 million tons higher by 5% and higher by 16% as against same periods last year when the total throughput was 1.33 million tons for Q2 2022 and 2.31 million tons for H1 2022.

In Q2 2023 the refining capacity utilization in Petromidia refinery was 93.9%, higher by 4.9% as against Q2 2022 and in H1 2023 this indicator reached 89.83%, higher by 14.9% as against same period last year.

This increase is correlated with higher numbers of days of operation for the refinery in H1 2023 as against discontinuous operation in 2022 caused by the scheduled shutdown of 24 days in the months of March - April 2022 for decoking heater in Delayed Coker unit, catalyst regeneration in Reformer unit as well as for activities imposed by ISCIR.

On June 21, 2023, a technical incident, followed by a fire, occurred in the Diesel Hydrocracking (MHC) unit. There were no victims, all the employees who worked in the affected installation, as well as all the non-essential personnel of the Petromidia refinery were evacuated immediately. In close collaboration with the authorities, the company made every effort to extinguish the fire and immediately remedy the situation.

Despite the incident, all Petromidia Refinery installations are in operation, except MHC, so that Rompetrol Rafinare continues to provide the petroleum products needed on the Romanian market. Also, the rehabilitation works of the affected unit are carried out by the company's contractor, Rominserv, with the support of specialized subcontractors from the region, to be completed in the fall.

Even so, Petromidia refinery managed to achieve in H1 2023 a good refining operational performance for the main operational parameters, such as:

- ✓ White finished products yield of 84.39%wt;
- ✓ Technological loss of 0.65%wt;
- ✓ Energy Intensity Index of 96.06%.

In respect of Vega refinery (the only domestic producer of bitumen and hexane), the total throughput was 117,053 tons in Q2 2023, respectively 193,350 tons in H1 2023, higher by 24.94% and higher by 18.52%, compared with the same periods last year when the total throughput was 93,688 tons for Q2 2022 and 163,132 tons for H1 2022.

In Q2 and H1 2023 the refining capacity utilization for Vega refinery was higher by 28.32%, respectively higher by 18.31% compared with the same period last year.

Vega refinery also managed to achieve in H1 2023 good refining performance results, of which the following are emphasized:

- ✓ Technological loss of 0.58%;
- ✓ Energy consumption of 2.27 GJ/t;
- ✓ Mechanical Availability of 98.50%.

Considering that Rompetrol Rafinare is subject to the solidarity contribution regulated by Government Emergency Ordinance 186, issued December 28th, 2022 ("GEO 186"), a measure grounded on the provisions of Council Regulation (EU) 2022/1854, Rompetrol Rafinare estimated a contribution for H1 2023 of USD 17.7 million, taking in account the present norms of the "GEO 186". The company also considers steps regarding the tax, in the sense



of analyzing from the legal perspective the level of the tax and in order to protect the interests of the shareholders, the company makes financial efforts, in order to support this tax.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 539 million in Q2 2023 and over USD 907 million in H1 2023 of which USD 128 million representing solidarity contribution for year 2022, paid on June 23, 2023.

PETROCHEMICALS SEGMENT

		Q2 2023	Q2 2022	%	H1 2023	H1 2022	%
Financial							
Revenues	USD	29,432,227	49,447,925	-40%	70,951,317	119,742,027	-41%
EBITDA	USD	(18,026,641)	(10,628,368)	-70%	(37,750,617)	(18,203,525)	-107%
EBIT	USD	(21,627,497)	(14,159,793)	-53%	(44,788,551)	(25,384,693)	-76%
Net profit / (loss)	USD	(20,420,629)	(17,275,120)	-18%	(40,323,022)	(28,597,799)	-41%
Operational							
Propylene processed	thousand tons	30	32	-6%	61	59	5%
Ethylene processed	thousand tons	9	13	-30%	14	24	-41%
Total polymers production	thousand tons	31	35	-9%	58	63	-8%
Sold from own production	thousand tons	27	28	-4%	63	68	-7%
Sold from trading	thousand tons	-	-	N/A	0.0	-	N/A
Total sold	thousand tons	27	28	-4%	63	68	-7%
Export	%	47%	42%		46%	40%	
Domestic	%	53%	58%		54%	60%	

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

The polypropylene (PP) plant operates with raw material produced and delivered internally by the Petromidia refinery, and the low-density polyethylene (LDPE) plant uses imported ethylene as a raw material.

In the second quarter and the first semester of 2023, the total production of polymers in Petrochemistry was 31.3 thousand tons, respectively 57.6 thousand tons, down by 9.3%, respectively by 8% compared to the similar periods of last year when it produced 34.5 thousand tons at the level of the quarter and 62.7 thousand tons at the level of the semester, a decrease mainly influenced by the continuous non-functioning of the LDPE plant.

The petrochemical segment is the only producer of polypropylene and polyethylene in Romania, with the ability to regain its competitive position on the domestic and regional market, once the profile market stabilizes.



MARKETING SEGMENT

		Q2 2023	Q2 2022	%	H1 2023	H1 2022	%
Financial							
Gross Revenues	USD	845,106,320	1,027,163,609	-18%	1,637,966,856	1,799,767,553	-9%
EBITDA	USD	19,301,290	26,042,816	-26%	39,985,812	21,498,675	86%
EBIT	USD	11,877,526	18,315,170	-35%	25,993,686	6,222,220	318%
Net profit / (loss)	USD	7,657,706	11,187,169	-32%	20,645,449	(1,934,909)	N/A
Operational							
Fuels quantities sold in retail	thousand tons	277	224	24%	518	438	18%
Fuels quantities sold in wholesale	thousand tons	227	258	-12%	422	462	-9%
LPG quantities sold	thousand tons	76	84	-10%	145	160	-9%

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

In Q2 and H1 2023 the marketing segment had a turnover of over USD 845 million, respectively over USD 1.6 billion lower by 18% and by 9% as compared with Q2 2022 and H1 2022.

In the Q2 2023, the average Platts quotations (FOB Med Italy) in USD (reference currency) decreased by -40% for diesel and by -32% for gasoline compared with the similar period of 2022. Due to the ~2% appreciation of the RON against the US dollar (Q2 2023 vs. Q2 2022, on average) the international diesel quotation decreased in the national currency by -41%, in the same time the international gasoline quotation decreased in the national currency by -34% compared to Q2 2022.

In the H1 2023, the average Platts quotations (FOB Med Italy) in USD (reference currency) decreased by -26% for diesel and by -22% for gasoline compared with the similar period of 2022. Due to the ~1% depreciation of the RON against the US dollar (H1 2023 vs. H1 2022, on average) the international diesel quotation decreased in the national currency by -25%, in the same time the international gasoline quotation decreased in the national currency by -22% compared to H1 2022.

In terms of retails sales to Romanian market, they increased with 24% in Q2 2023 and with 18% in H1 2023 as against same periods last year; this is due to company strategy to address Romanian market needs with priority. For H1 2023 the sales in wholesale decreased compared with H1 2022.

At the end of June 2023, the Rompetrol Downstream's distribution segment contained 1305 points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.



APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q2 AND H1 2023, UNAUDITED

Amounts in USD

	Q2 2023	Q2 2022	%	H1 2023	H1 2022	%
Gross Revenues	1,422,299,550	1,802,422,782	-21%	2,706,480,066	2,972,087,612	-9%
Sales taxes and discounts	(310,474,365)	(288,569,558)	8%	(562,420,821)	(539,112,981)	4%
Net revenues	1,111,825,185	1,513,853,224	-27%	2,144,059,245	2,432,974,631	-12%
Cost of sales	(1,059,467,672)	(1,226,000,846)	-14%	(1,961,696,029)	(2,215,912,704)	-11%
Gross margin	52,357,513	287,852,378	-82%	182,363,216	217,061,927	-16%
Selling, general and administration	(69,729,588)	(55,853,375)	25%	(131,726,104)	(117,678,007)	12%
Other expenses, net	(19,568,095)	(30,001,604)	-35%	(21,710,833)	(21,326,754)	2%
EBIT	(36,940,170)	201,997,399	N/A	28,926,279	78,057,166	-63%
Finance, net	(18,895,008)	(14,476,664)	31%	(34,454,488)	(27,885,398)	24%
Net foreign exchange gains / (losses)	(2,849,853)	4,191,496	N/A	(6,156,590)	9,645,753	N/A
EBT	(58,685,031)	191,712,230	N/A	(11,684,799)	59,817,521	N/A
Profit tax*	10,090,759	(519,570)	N/A	(22,460,241)	(1,427,535)	1473%
Net result	(48,594,272)	191,192,660	N/A	(34,145,040)	58,389,986	N/A
EBITDA	16,011,664	261,084,856	-94%	116,907,213	174,391,857	-33%

*it includes estimated solidarity tax based on preliminary fiscal results as of June 30, 2023

APPENDIX 2 – CONSOLIDATED BALANCE SHEET JUNE 30, 2023, UNAUDITED

Amounts in USD

	June 30, 2023	December 31, 2022	%
Assets			
Non-current assets			
Intangible assets	5,577,767	6,943,884	-20%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,116,661,976	1,178,598,536	-5%
Right of use assets	229,978,435	124,769,238	84%
Financial assets and other	6,159,307	3,811,865	62%
Total Non Current Assets	1,441,249,191	1,396,995,228	3%
Current assets			
Inventories	379,440,817	333,870,058	14%
Trade and other receivables	719,855,163	642,376,936	12%
Derivative financial Instruments	444,123	2,612,061	-83%
Cash and cash equivalents	202,528,670	16,973,215	1093%
Total current assets	1,302,268,773	995,832,269	31%
Total assets	2,743,517,964	2,392,827,498	15%
Equity and liabilities			
Total Equity	504,954,212	536,784,519	-6%
Non-current liabilities			
Long-term debt	265,900,000	-	N/A
Provisions	115,340,643	115,340,643	0%
Obligations under lease agreements	225,331,603	120,283,737	87%
Other	57,379,247	57,115,840	0%
Total non-current liabilities	663,951,493	292,740,220	127%
Current Liabilities			
Trade and other payables	1,424,351,684	1,295,310,569	10%
Contract liabilities	78,488,974	41,914,153	87%
Derivative financial instruments	-	4,592,619	-100%
Obligations under lease agreements	6,814,135	4,723,011	44%
Short-term debt	45,294,370	86,210,918	-47%
Profit tax payable	19,663,096	130,551,489	-85%
Total current liabilities	1,574,612,259	1,563,302,759	1%
Total equity and liabilities	2,743,517,964	2,392,827,498	15%



The financial figures are extracted from Company's consolidated unaudited IFRS financial report as of 30 June 2023.

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

Batyrzhan Tergeussizov

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Batyrzhan Tergeussizov
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General Manager

Felix Crudu-Tesloveanu

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Finance Manager

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