

**August 14, 2023****Contact: Paul Greavu****Phone: 0372 /276 125****Good operational results for Rompetrol Rafinare, in the first half of 2023**

Consolidated indicators*		T2 2023	T2 2022	%	S1 2023	S1 2022	%
Gross turnover	USD	1,422,299,550	1,802,422,782	-21%	2,706,480,066	2,972,087,612	-9%
EBITDA	USD	16,011,664	261,084,856	-94%	116,907,213	174,391,857	-33%
Net result	USD	(48,594,272)	191,192,660	N/A	(34,145,040)	58,389,986	N/A

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

Rompetrol Rafinare, member company of the KMG International Group, recorded, in the first semester of this year, good operational results, against the background of a higher degree of utilization of the Petromidia and Vega refineries, compared to the same period last year.

Petromidia, the largest profile unit in Romania, directed to the domestic market two thirds of the total production obtained between January and June 2023. Overall, from almost 2.7 million tons of raw materials processed in S1 2023, the refinery produced more than 2 million tons of fuels (petrol, diesel and jet fuel A1).

However, the company registered declining financial results with a gross turnover of 2.7 billion USD (down 9%), operational profit (EBITDA) of nearly 117 million USD (down 33%) and a negative net result of 34 million USD.

The financial results were significantly influenced by the volatility of international quotations, both for raw materials and for finished products. At European level, refining margins decreased by 125.2 USD/MT (-64%) in the second quarter of 2023, compared to the second quarter of 2022, respectively by 22.8 USD/MT (-18.3%) in the first semester of 2023, compared to the first semester of 2022.

Rompetrol Rafinare continued to be an important contributor to Romania's state budget, with a contribution of 539 million USD in the second quarter of the year. Also, the contribution in the first half of 2023 was more than 907 million USD, with 128 million USD representing the solidarity tax contribution for the year 2022.

For the first semester of 2023, the company estimated a contribution of 17.7 million USD, taking into account the current rules of OUG 186 - the solidarity contribution, intended to apply a tax of 60% on profit. The company is also considering steps to analyze the tax level from a legal perspective.



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

Refining segment*

		T2 2023	T2 2022	%	S1 2023	S1 2022	%
Gross turnover	USD	1,204,020,929	1,582,858,251	-24%	2,321,144,589	2,562,212,191	-9%
EBITDA	USD	12,964,759	266,641,301	-95%	113,026,448	199,920,339	-43%
Net result	USD	(36,858,498)	218,604,096	N/A	(14,611,717)	118,254,258	N/A
Operational							
Raw materials processed - Petromidia	Kt	1,403	1,331	5%	2,681	2,310	16%
Raw materials processed - Vega		117	94	25%	193	163	19%
Gasoline production	Kt	375	344	9%	717	605	19%
Diesel & Jet production	Kt	715	693	3%	1,336	1,197	12%
Fuel sales - internal	Kt	679	613	11%	1,251	1,079	16%
Fuel sales - export	Kt	368	352	4%	697	592	18%

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

In the second quarter and the first semester of 2023, the total raw material of the Petromidia refinery was 1.4 million tons, respectively 2.68 million tons, increasing by 5% and 16%, respectively, compared to the similar periods of last year.

The increase is explained by the refinery's operation for a greater number of days in the first semester of 2023, compared to a discontinuous operation in 2022, caused by the scheduled shutdown for 24 days, in the months of March - April 2022.

Compared to the first 6 months of the year, Petromidia recorded an increase of 19% in gasoline production - 717 thousand tons and 12% in diesel production - 1.33 million tons. Out of the total volume, 64% of the production was intended for the domestic market, a level similar to the January-June 2022 period.

On June 21, 2023, a technical incident, followed by an ignition, occurred in the Diesel Hydrocracking (MHC) unit. In close collaboration with the authorities, the company made every effort to immediately remedy the situation.

Despite the incident, all the installations of the Petromidia refinery are in operation, the exception being the MHC unit, so Rompetrol Rafinare continues to provide the oil products needed on the Romanian market. The rehabilitation work is being carried out by the general contractor of the KMG International Group, Rominserv, with the support of specialized subcontractors from the region, with the unit expected to be restarted in the autumn.



However, the Navodari unit managed to achieve good operational results in terms of white product yield – 84.39%wt and energy intensity index – 96.06%.

The Vega Ploiești refinery, the only domestic producer of bitumen and hexane, processed over 193 thousand tons of raw materials in the first half of the year. The Ploiesti unit recorded good results in terms of energy consumption (2.27 GJ/t) and mechanical availability (98.50%).

The refining segment's gross turnover reached over 1.2 billion USD in Q2 2023 and 2.3 billion USD in H1 2023, down 24% and 9%, respectively, compared to the same periods last year. Operational profit (EBITDA) decreased by 43%, to 113 million dollars, and the net result of the segment was a negative one, of 14.6 million dollars.

In the first half of the year, Rompetrol Rafinare made exports worth 679 million dollars, and total quantities increased by 28%, from 743 thousand tons of petroleum products in S1 2022, to 955 thousand tons in S1 2023.

Petrochemical segment*

		T2 2023	T2 2022	%	S1 2023	S1 2022	%
Gross turnover	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%
Net profit / (loss)	USD	(20,420,629)	(17,275,120)	-18%	(40,323,022)	(28,597,799)	-41%
Operational							
Processed propylene	kt	30	32	-6%	61	59	5%
Processed ethylene	kt	9	13	-30%	14	24	-41%
Total sales	kt	27	28	-4%	63	68	-7%

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

At the moment, the activity of the Petrochemical Division is carried out in the polypropylene (PP) and low density polyethylene (LDPE) units. PP works with raw material produced and delivered internally by the Petromidia refinery, and LDPE uses imported ethylene as raw material.

In the second quarter and the first semester of 2023, the total polymer production of the Petrochemical Division was 31.3 thousand tons, respectively 57.6 thousand tons, down by 9.3% and 8%, respectively, compared to the similar periods of last year.

The results of the petrochemical division were impacted by unfavorable market conditions for the segment's products. Gross turnover was nearly 71 million USD, and operational profit (EBITDA) and net result were negative, at 37.7 million USD and 40.3 million USD, respectively.



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, with the stabilization of the profile market.

Distribution segment*

		T2 2023	T2 2022	%	S1 2023	S1 2022	%
Gross turnover	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%
Net profit / (loss)	USD	7,657,706	11,187,169	-32%	20,645,449	(1,934,909)	N/A
Operational							
Fuels sales retail	Kt	277	224	24%	518	438	18%
Fuel sales wholesale	Kt	227	258	-12%	422	462	-9%
LPG quantities sold	Kt	76	84	-10%	145	160	-9%

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

Consolidated gross turnover for the distribution segment was 1.63 billion USD in the first half of the year. Operational profit (EBITDA) recorded a value of 40 million USD in S1 2023, while the net result was a positive one of more than 20 million USD.

The total quantities of fuel sold by Rompetrol Downstream in the January-June period were 1.08 million tons, a level in slight increase compared to the volume recorded in the similar period from 2022.

Wholesale fuel sales decreased compared to the same period last year, but in the retail segment, the company managed to sell 18% higher volumes compared to the same period in 2022.

Recently, the new concept of motorway stations has been launched, which includes a varied range of services with the integration of several facilities. The first 10 stations, built under the umbrella of the Kazakh-Romanian Energy Investment Fund (KREIF), were opened on the A1 highway, the Nadlac - Sibiu section.

At the end of June 2023, Rompetrol Downstream's distribution segment comprised 1,305 sales points, including the network of own stations, partner stations and mobile stations (expres, internal bases of 9 and 20 cubic meters), increasing by 83 units compared to the number recorded at the end of June 2022.

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