

**ROMPETROL RAFINARE
Q1 2020 IFRS CONSOLIDATED UNAUDITED RESULTS****Rompetrol Rafinare results within an Oil & Gas industry in total lockdown**

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its first quarter 2020 financial and operational unaudited results. The figures include unaudited consolidated financial statements for this period prepared by the company in accordance with International Financial Reporting Standards („IFRS”).

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

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

www.rompetrol-rafinare.ro

HIGHLIGHTS – CONSOLIDATED

		Q1 2020	Q1 2019	%
Financial				
Gross Revenues	USD	929,138,080	1,138,254,803	-18%
Net Revenues	USD	677,570,417	856,832,574	-21%
EBITDA	USD	(15,566,832)	17,163,532	N/A
EBITDA margin	%	-2.3%	2.0%	
EBIT	USD	(75,777,969)	(3,408,992)	2123%
Net profit / (loss)	USD	(87,782,021)	(14,045,506)	525%
Net Profit / (loss) margin	%	-13.0%	-1.6%	

Rompetrol Rafinare consolidated gross revenues reached USD over 929 million in Q1 2020 lower by 18% as against Q1 2019, as result of lower market quotation vs. similar period last year alongside by lower level sales reached within Q1 2020, with several events to count as factors – i.e. bad weather conditions in the Black Sea, turnaround activities starting in March, oil & gas market unprecedented volatility and significant market demand drop caused by pandemic control measures.

The company’s consolidated results in terms of EBITDA and Net result were affected by the high volatility of oil and gas market environment in the period, mainly triggering significant pressure in the gross refinery margins in Q1 2020, decreasing substantially from the comparison benchmark of 2019 similar period (i.e. 21.9\$/t vs 35.1\$/t in Q1 2019).

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ECONOMIC ENVIRONMENT

		Q1 2020	Q1 2019	%
Brent Dated	USD/bbl	50.1	63.1	-21%
Ural Med	USD/bbl	48.1	63.4	-24%
Brent-Ural Differential	USD/bbl	2.0	(0.3)	N/A
Premium Unleaded 10 ppm FOB Med	USD/tonne	462	549	-16%
Diesel ULSD 10 ppm FOB Med	USD/tonne	457	584	-22%
RON/USD Average exchange rate		4.35	4.17	4%
RON/USD Closing exchange rate		4.40	4.24	4%
RON/EURO Average exchange rate		4.80	4.74	1%
RON/EURO Closing exchange rate		4.83	4.76	1%
USD/EURO Closing rate		1.10	1.12	-2%
Inflation in Romania*		1.16%	2.12%	-45%

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

Dated Brent decreased by -13\$/bbl. (-20.6%) in Q1 2020 vs. Q1 2019 and settled to an average of 50.1\$/bbl.

The year started with an increase in crude oil price, triggered by the conflict between the U.S. and Iran after an U.S. air strike killed top commander of Iran's revolutionary guard in Baghdad while Iran retaliated by attacking two bases in Iraq hosting U.S. troops. Further to this, both parties declared they are not encouraging any escalations of the conflict.

Market expected further to this a new production cut deal between OPEC and Russia, however at the beginning of March 2020, OPEC's proposal to curb supplies by an extra 1.5 mil b/d until the end of 2020 was declined by Russia.

Since then the crude price collapsed as Saudi Arabia started a price war against Russia and was flooding markets with cheap oil, targeting big refiners of Russian oil in Europe and Asia and putting pressure on the Urals – Dated Brent differential which reached even -5.4\$/bbl. level.

Dated Brent decreased by -75% since the beginning of the year to 17.7\$/bbl., the lowest level since 2003, as the Saudi Arabia-Russia price war showed no signs of abating and the Coronavirus pandemic became an unprecedented global crisis.

Crude oil prices collapsed in March as the global oil market has been facing an unprecedented oil demand shock caused by the COVID-19 pandemic that pushed almost all countries to take drastic lockdown measures to contain an unprecedented health crisis.

Crude physical market has been hit hard by a large oil supply glut and accumulation of unsold cargoes. Holders of prompt cargoes struggled to sell their crude amid a steep decline in oil demand. At the end of Q1, International Energy Agency expected global oil demand drop by 20% in 2020.



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Global economy suffered significantly from lockdown measures taken by countries affected by COVID-19. In Q1 Federal Reserve cut the fund target rate twice near zero with immediate effect on the basis that COVID-19 has significantly affected global financial condition.

The Eurozone Q1 economic decline is the worst for the economic bloc as GDP (i.e. Gross Domestic Product) plunges -3.8%. France (-5.8% GDP decline) and Spain (-5.2% GDP decline) have been among the most strict in terms of lockdowns and hence their economies have suffered more.

In the first part of Q1 2020, the refining margins were under pressure due to weak diesel and jet cracks, then in the second part temporarily increased on the back of crude price collapse and Urals-Dated Brent differential decrease.

Diesel cracks weakened strongly due to milder-than-usual weather European. January 2020 was the warmest January on record across the northern hemisphere for at least 140 years, resulting in a low demand of heating oil.

Additional pressure on diesel cracks came on concerns of oversupply due to a higher Russian ULSD exports in Europe.

However, diesel cracks recovered and performed strongly in March with reduced runs on the back of spring maintenance.

Gasoline cracks continued to weaken in Europe to lows last seen in 2008, as global stocks continue to build amid a lack of demand and will have only a small support in the summer driving season due to Coronavirus lockdowns.

The World Health Organization declared the coronavirus outbreak a global health emergency, while borders lockdowns and travel bans being put in place across the world, triggering jet demand to strongly continue its decrease across the aviation sector, with no short term basis on recovery.

**The information is based on analysis provided by JBC Energy GmbH*

ROMPETROL RAFINARE
Q1 2020 IFRS CONSOLIDATED UNAUDITED RESULTS
REFINING SEGMENT

		Q1 2020	Q1 2019	%
Financial				
Gross Revenues	USD	766,214,400	996,399,424	-23%
Net Revenues	USD	560,783,809	755,909,959	-26%
EBITDA	USD	(11,148,723)	9,066,953	N/A
EBITDA margin	%	-2.0%	1.2%	
EBIT	USD	(63,166,751)	778,336	N/A
Net profit / (loss)	USD	(71,931,831)	(2,857,124)	2418%
Net profit / (loss) margin	%	-12.8%	-0.4%	
Gross cash refinery margin/tonne (Petromidia)	USD/tonne	21.9	35.1	-38%
Gross cash refinery margin/bbl (Petromidia)	USD/bbl	3.0	4.8	-38%
Net cash refinery margin/tonne (Petromidia)	USD/tonne	(8.1)	4.3	N/A
Net cash refinery margin/bbl (Petromidia)	USD/bbl	(1.1)	0.6	N/A
Operational				
Feedstock processed in Petromidia refinery	thousand tonnes	1,240	1,516	-18%
Feedstock processed in Vega refinery	thousand tonnes	72	79	-9%
Gasoline produced	thousand tonnes	324	397	-18%
Diesel & jet fuel produced	thousand tonnes	663	780	-15%
Motor fuels sales - domestic	thousand tonnes	586	540	9%
Motor fuels sales - export	thousand tonnes	340	573	-41%
Export	%	37%	52%	
Domestic	%	63%	48%	

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 0.76 billion in Q1 2020 showing a 23% decrease on quarter level. Quarter on quarter variance was mainly influenced by the decrease of international oil & gas market quotation evolution of petroleum products, alongside decrease in the volume of products sold.

In Q1 2020, the total throughput for Petromidia refinery was 1.24 million tonnes by 18% lower compared with the same period last year when the total throughput was 1.5 million tonnes.

In Q1 2020 the refining capacity utilization in Petromidia refinery was 73.47% lower by 23.48% compared with the same period last year.

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This decrease is due to disruption of oil supply caused by the Black Sea weather conditions (strong wind) and by the restrictions imposed by the Midia Port Administration, as well as by the general turnaround started in March, alongside the heavy market demand hit caused by the COVID-19 pandemics measures.

Petromidia refinery managed to achieve in Q1 2020 a good refining operational performance, for its main technological and operational parameters, such as:

- ✓ White finished products yield of 86.3%wt;
- ✓ Mechanical Availability of 97.7%;
- ✓ Technological loss of 0.90%wt;
- ✓ Energy Intensity Index of 106.8%.

In respect of Vega refinery (the oldest processing unit operating in Romania (since 1905) and the only domestic producer of bitumen and hexane), the total throughput was 72,130 tonnes in Q1 2020, lower by 9%, compared with the same period last year when the total throughput was 79,009 tonnes.

In Q1 20120 the refining capacity utilization for Vega refinery was 87.43%, lower by 8.34% compared with the same period last year.

Vega refinery also managed to achieve in Q1 2020 good refining performance results, of which the following are emphasized:

- ✓ Technological loss of 0.76%;
- ✓ Energy consumption of 3.18GJ/t;
- ✓ Mechanical Availability of 98.7%.

The refining segment's financial results in Q1 2020, were negatively affected by unfavorable market conditions, capturing the first 2 months of the year very low refining margins prior to shutting down for turnaround in March, and as such Petromidia's gross refinery margin was lower in Q1 2020 compared with the same period last year, 21.9 USD/to as against 35.1 USD/to in Q1 2019.

Petromidia refinery continued its production process optimization programs (i.e. increase of processing capacity alongside increased production performance of valuable products yields; reduce technological loss, crude diet optimization; constant supply of the crude, alternative and other feedstock; downstream Units operation optimization; mitigation of slowdown/shutdown/ unplanned events) and operating costs optimization (energy efficiency and processing cost reduction), programs that started in 2014 and successfully continued until present days.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 271 million in Q1 2020.

ROMPETROL RAFINARE
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PETROCHEMICALS SEGMENT

		Q1 2020	Q1 2019	%
Financial				
Revenues	USD	34,838,770	53,098,419	-34%
EBITDA	USD	(8,734,640)	(6,565,676)	33%
EBIT	USD	(12,374,587)	(10,572,968)	17%
Net profit / (loss)	USD	(14,534,688)	(13,464,522)	8%
Operational				
Propylene processed	thousand tonnes	28	39	-27%
Ethylene processed	thousand tonnes	14	8	83%
Total polymers production	thousand tonnes	33	29	13%
Sold from own production	thousand tonnes	37	47	-21%
Sold from trading	thousand tonnes	0	1	-98%
Total sold	thousand tonnes	37	48	-22%
Export	%	36%	43%	
Domestic	%	64%	57%	

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

Starting 1st of January 2014, the petrochemicals activity was transferred from Rompetrol Petrochemicals to Rompetrol Rafinare S.A., being fully integrated in the propylene, utilities and logistics flow.

The current petrochemicals activity is carried out through PP and LDPE units.

In terms of low density polyethylene unit (LDPE), the petrochemicals segment works 100% with ethylene from import, and for PP (polypropylene) unit is ensured through raw material produced and distributed entirely by Petromidia refinery.

In Q1 2020, the total polymers production for Petrochemicals area was 32.7 thousand tons higher by 13% compared with the same period of last year when the total polymers production was 29 thousand tons, mainly due to operation schedule of LDPE unit in 2020.

Petrochemicals division results continued to be affected by the market margin pressure, while within such volatility PolyEthylene units continued to run at the most economic run-rate, thus HDPE unit continued to be non-operational in the first quarter of 2020.

The petrochemicals segment is the sole polypropylene and polyethylene producer in Romania and has constantly succeeded to increase its market share on secondary categories of products. Its dynamic development strategy has secured the company a competitive position on the domestic market and on the regional one – the Black Sea and Mediterranean region and the Eastern and Central Europe, aiming to keep the competitive advantage once the market stabilizes.

**ROMPETROL RAFINARE
Q1 2020 IFRS CONSOLIDATED UNAUDITED RESULTS****MARKETING SEGMENT**

		Q1 2020	Q1 2019	%
Financial				
Gross Revenues	USD	605,188,230	654,761,208	-8%
EBITDA	USD	4,150,811	15,412,891	-73%
EBIT	USD	(1,893,129)	9,386,501	N/A
Net profit / (loss)	USD	(2,970,994)	5,277,901	N/A
Operational				
Fuels quantities sold in retail	thousand tonnes	183	163	12%
Fuels quantities sold in wholesale	thousand tonnes	271	275	-1%
LPG quantities sold	thousand tonnes	78	110	-29%

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

In Q1 2020 the marketing segment had a turnover of over USD 605 million, lower by 8%, compared with the same period of 2019.

In Q1 2020, the average Platts quotations (FOB Med Italy) expressed in the currency of reference, USD decreased by ~ 22% for diesel and by ~ 16% for gasoline compared with the similar period last year. Due to the ~ 4.4% depreciation of the RON against the US dollar (Q1 2020 vs. Q1 2019, on average) the international gasoline price decreased, in the national currency (i.e. RON), by ~ 12%, in the same time the international diesel price decreased, in the national currency RON, by ~ 18% compared to Q1 2019.

Diesel and gasoline sales recorded within first two months a steady increase both as against January and February 2019 (i.e. around +20% increase), with all sales channels contributing to the growth. However, following the coronavirus outbreak and the subsequent state of emergency, sales in March 2020 were significantly affected and resulted in a level of -20% lower than same period last year, with wholesale channels taking the biggest hit. The good sales performance from January and February 2020 carried also into the first half of March, replicating the trend, only to be followed by sharp decreases following the afore mentioned events, with the -20% drop in sales being the average result of two very different halves within the month of March 2020.

Overall, sales from Q1 2020 were +4%, or +16 kto, higher than Q1 2019, as the effect from coronavirus struck only in the second half of March, enough to significantly offset the good results at the beginning of the year.

As of March 2020, the Rompetrol Downstream's distribution segment contained 988 points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.



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APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q1 2020, UNAUDITED

Amounts in USD

	Q1 2020	Q1 2019	%
Gross Revenues	929,138,080	1,138,254,803	-18%
Sales taxes and discounts	(251,567,663)	(281,422,229)	-11%
Net revenues	677,570,417	856,832,574	-21%
Cost of sales	(670,453,762)	(816,832,724)	-18%
Gross margin	7,116,655	39,999,850	-82%
Selling, general and administration	(50,810,820)	(51,200,642)	-1%
Other expenses, net	(32,083,804)	7,791,800	N/A
EBIT	(75,777,969)	(3,408,992)	2123%
Finance, net	(12,633,889)	(9,761,150)	29%
Net foreign exchange gains / (losses)	297,827	378,104	-21%
EBT	(88,114,031)	(12,792,038)	589%
Income tax	332,010	(1,253,468)	N/A
Net result	(87,782,021)	(14,045,506)	525%
EBITDA	(15,566,832)	17,163,532	N/A



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APPENDIX 2 – CONSOLIDATED BALANCE SHEET MARCH 31, 2020, UNAUDITED

Amounts in USD

	March 31, 2020	December 31, 2019	%
Assets			
Non-current assets			
Intangible assets	8,317,990	8,524,600	-2%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,193,819,329	1,179,954,903	1%
Right of use assets	61,558,063	62,843,821	-2%
Financial assets and other	27,850,253	26,613,222	5%
Total Non Current Assets	1,374,417,341	1,360,808,252	1%
Current assets			
Inventories	214,714,429	261,673,893	-18%
Trade and other receivables	354,612,360	478,076,540	-26%
Derivative financial Instruments	19,392,149	1,171,629	1555%
Cash and cash equivalents	8,754,145	13,196,424	-34%
Total current assets	597,473,083	754,118,486	-21%
Total assets	1,971,890,424	2,114,926,738	-7%
Equity and liabilities			
Total Equity	526,324,127	619,526,864	-15%
Non-current liabilities			
Long-term debt	240,000,000	240,000,000	0%
Hybrid instrument - long-term portion	17,009,920	17,009,920	0%
Provisions	80,361,840	80,361,840	0%
Net obligations under lease agreements	59,222,027	62,098,347	-5%
Other	4,159,136	4,198,444	-1%
Total non-current liabilities	400,752,923	403,668,551	-1%
Current Liabilities			
Trade and other payables	977,978,217	1,026,909,009	-5%
Contract liabilities	22,471,058	21,448,626	5%
Derivative financial instruments	5,648,667	3,704,969	52%
Net obligations under lease agreements	4,459,172	3,977,909	12%
Short-term debt	34,256,260	35,690,810	-4%
Total current liabilities	1,044,813,374	1,091,731,323	-4%
Total equity and liabilities	1,971,890,424	2,114,926,738	-7%



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The financial figures are extracted from Company's consolidated unaudited IFRS financial report as of 31 March 2020.

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

Saduokhas Meraliyev

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