

**26 February 2020****Contact: Paul Greavu****Tel: 0372 / 276 125****Rompetrol Rafinare's financial results in 2020, affected by the market context and the effects of the pandemic**

Consolidated indicators*		2020	2019
Gross turnover	USD	3,465,662,381	5,186,124,223
EBITDA	USD	988,520	131,130,649
Net result	USD	(220,152,178)	(48,977,553)

**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, managed in 2020 to protect and maintain its production units - Petromidia Navodari and Vega Ploiești refineries, the petrochemical division, in the context of the negative impact generated by the COVID-19 pandemic .

With considerable efforts, the company continued to be a pillar of stability for employees, customers, business partners, local and central authorities, both by supporting the national and regional economy (investments, contributions) and by the products obtained (automotive and aviation fuels, bitumen, polymers, hexane, etc.).

Thus, the company recorded a gross turnover of about USD 3.5 billion last year, 33% lower compared to the similar indicator in 2019. At the same time, the consolidated operational result (EBITDA) decreased, reaching almost one million dollars, and the net result recorded a negative value of 220 million USD.

Restrictive measures taken domestically and regionally/internationally to protect and limit the spread of COVID-19 were also reflected in the sharp decline in demand for petroleum products (automotive fuels, aviation fuel), high volatility in international fuel quotations, but also in negative refining margins. For example, the net refining margin recorded by Petromidia Năvodari refinery dropped last year to a negative value of -11.2 USD/ton, from a positive value of 13.7 USD/ton in 2019.

The impact of the measures adopted at European level was reflected in the evolution of refining capacity in 2020, which recorded a decrease of about 50 million tons of crude oil/year (closed, preserved or converted units) compared to 2019. At this level, there were added another 100 million tons temporarily affected, to align with market conditions (turnarounds, reduction of processing - from an average of 80-85% in 2019 to about 70% in 2020).

At the level of production units operated by Rompetrol Rafinare, the degree of utilization of refining capacities registered last year was about 72% for Petromidia Năvodari, decreasing



by 25%. The decrease was generated by the general context, but also by the turnaround works from March to April (1,500 works, over 100 contractors from Romania, over 4,000 people involved).

On the other hand, the degree of utilization of the Vega Ploiești refinery was 110%, a capacity explained by the remarkable results achieved in obtaining products with high added value, such as bitumen, a product necessary for infrastructure works in Romania.

The general turnaround is a necessary and mandatory measure to carry out activities in full safety, to protect employees and communities in the area, but also to continue investment programs and to reduce the impact on the environment.

The total value of exports made in 2020 by Petromidia Năvodari, Vega Ploiești and the Petrochemical Division of Rompetrol Rafinare amounted to approximately 646 million dollars, maintaining a constant presence in the regional markets, despite the harsh conditions caused by low fuel demand.

Rompetrol Rafinare continued to be a major contributor to Romania's state budget, paying over 1.14 billion dollars throughout 2020.

The main 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*

Financial indicator		2020	2019
Gross turnover	USD	2,732,749,319	4,417,308,906
EBITDA	USD	(33,378,262)	108,211,674
Net result	USD	(203,644,662)	(16,882,860)
Operational indicator			
Raw materials processed - Petromidia	kt	4,864	6,331
Raw materials processed - Vega	kt	364	436
Fuel sales - internal	kt	2,380	2,557
Fuel sales - external	kt	1,248	2,169

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

In 2020, the Petromidia Năvodari refinery processed over 4.8 million tons of raw materials, obtaining 1.16 million tons of gasoline and over 2.6 million tons of diesel and special aviation fuel.

In fact, the Petromidia refinery managed to obtain remarkable operational performances, in an unfavorable market context: the highest diesel fuel efficiency in history - 51.8%wt and a yield of white products close to the reference level in 2019 - 85.9%wt. Also, the technological loss was only 0.89%wt, and the energy intensity index increased to 99.17%.



Petromidia Refinery, the largest profile unit in Romania and one of the most modern in the Black Sea region, has continued production process optimization programs (increasing processing capacity along with increasing productivity of valuable products, reducing technological losses, optimizing recipes of raw materials, etc.) and efficiency of operating costs (energy efficiency and reduction of processing costs), programs started in 2014 and continued until now.

Regarding the Vega Ploiești refinery, the only domestic producer of bitumen and hexane, the unit registered in 2020 a record production of bitumen - 120kt. Good results were also obtained in the following chapters: technological loss (0.75% wt), energy consumption (2.57 GJ/t) and mechanical availability (98.7%).

The refinery in Ploiești is in perfect synergy with the Petromidia Năvodari refinery - the largest in Romania and one of the most modern in the Black Sea region. Thus, Petromidia provides the refinery in Ploiești entirely with the raw materials / semi-finished products necessary to obtain special products with a high added value.

Petrochemicals segment*

Financial indicator		2020	2019
Gross turnover	USD	149,171,871	173,446,415
EBITDA	USD	(26,274,984)	(29,149,694)
Net result	USD	(37,313,397)	(48,355,331)
Operational indicator			
Processed polypropylene	kt	117	153
Processed ethylene	kt	66	38
Polymer production	kt	143	127
Total sales	kt	160	162

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

The total production of polymers of the Petrochemical Division was 143 kt in 2020, increasing by 13% compared to 2019, when the total production of polymers was 127 kt. The increase in polymer production was mainly determined by the operating schedule of the LDPE (low density polyethylene) plant in 2020.

The petrochemical division managed, in 2020, the successful development of a new product (RMB30H), a special sort of polypropylene dedicated to protective medical masks. It provides the middle layer of the mask, the most important for filtering and protecting against pathogens.

RMB30H is intended, in particular, for obtaining filter material, but also for other applications in the area of medical products (protective masks, disposable equipment) or the industrial area (professional filters with high absorption rate).



The Low Density Polyethylene (LDPE) plant of the petrochemical segment works with 100% imported ethylene, and the Polypropylene (PP) plant works with raw materials produced and delivered internally by the Petromidia refinery.

The petrochemical segment is the only producer of polypropylene and polyethylene in Romania, constantly managing to increase its market share by secondary product categories.

Distribution segment*

Financial indicator		2020	2019
Gross turnover	USD	2,455,679,338	3,078,017,249
EBITDA	USD	58,987,554	51,571,501
Net result	USD	19,592,252	18,662,421
Operational indicator			
Fuel sales – retail	kt	799	789
Fuel sales – wholesale	kt	1,190	1,296
LPG quantities sold	kt	351	417

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 over 2.45 billion USD in 2020, and in terms of operational profit (EBITDA), a level of 59 million USD was reached, with 7.4 million USD above the level reached in 2019.

Through the measures adopted to prevent and reduce the spread of COVID-19, all Rompetrol stations were operational in 2020, respecting the recommendations and decisions adopted by local and central authorities. Moreover, by developing new services, expanding the gas station network, but also maintaining a high level of fuel distribution activities, sales through Rompetrol - retail stations last year increased by 1%, to a level of approximately 800,000 tons .

In Romania, the fuel distribution network expanded last year with 27 new stations, of which 17 units were Rompetrol Partner and Rompetrol Express stations, and 10 new units were opened by the Kazakh-Romanian Energy Investment Fund.

At the end of December 2020, Rompetrol Downstream's distribution segment comprised 1,061 points of sale, including its own network of stations, partner stations and mobile stations (express, internal bases of 9 and 20 cubic meters).

PR and Communication Department

KMG International