

**February 29, 2024****Contact: Paul Greavu****Tel: 0372 /276 125****Rompetrol Rafinare recorded losses in 2023**

Consolidated indicators*		2023	2022	%
Gross turnover	USD	5,330,226.989	6,572,037,534	-19%
EBITDA	USD	201,188,019	464,457,570	-57%
Net result	USD	(270,545,096)	90,343,782	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, a member company of the KMG International Group, recorded, in 2023, a decrease in financial indicators, on the background of the volatility of international quotations for crude oil and refined products. Quotations continued their downward trend, reaching in 2023 a decrease of 14% for gasoline and 21% for diesel.

Thus, the gross turnover was 5.3 billion dollars, in 2023, a 19% decrease compared to the previous year, the operating profit (EBITDA) was 201 million dollars, and the net result was a negative one of 270.5 million dollars.

Backed by the latest long-term forecasts, related to macroeconomic factors (e.g. decreasing European refining margins, decreasing dynamics of demand for refined products, increasing weighted average cost of capital) and considering the latest legal provisions on fiscal matters (solidarity tax, turnover tax), the 2023 final report of the revaluation of the assets owned and operated by the company, coordinated and audited by companies part of the Big Four, determined a devaluation of the operational assets with a value of 223 million dollars, approximately 82% of the negative net result of 2023.

The assessment was carried out in accordance with the accounting policy adopted in 2021, to support Rompetrol Rafinare's commitment to provide accurate and transparent financial information.

All these factors devalue the entire chain of operational assets, and the limited financial resources are directed by the company to maintenance and turnaround projects, but also to ensure the mandatory technological and environmental investments. The significant decrease of financial resources to continue the plans to modernize current activities, but also to develop new energy efficiency projects, influences the prospects, competitiveness, and regional stability of the company.



During 2019 – 2023, the company recorded a consolidated net loss of 705 million dollars, based on the international and regional context, but also of the COVID-19 pandemic. The exception is 2022, when the company recorded a net profit of 90 million USD, the year when Rompetrol Rafinare complied with the mandatory fiscal measures – the solidarity tax (126 million USD) and the reduction/compensation of fuel prices (35 million USD).

For this year, the solidarity fee is estimated at 31.1 million dollars. Rompetrol Rafinare continues to analyze possible legal measures regarding the tax and its impact on current activities.

During this period, the company respected its obligations towards employees, commercial partners and authorities and took all the necessary measures to ensure a stable flow of crude for the Petromidia refinery, thus securing the supply of petroleum products (fuels, bitumen, hexane, polymers, etc.), especially to the Romanian market.

In 2023, the total quantities exported by the Petromidia, Vega refineries and the Petrochemical Division of Rompetrol Rafinare amounted to 1.64 million tons, while, for the last 5 years (including 2023), the total level was 7,3 million tons.

The company is one of the most important contributors to Romania's state budget, paying over 1.65 billion dollars throughout the previous year. The value includes all taxes owed and paid by Rompetrol Rafinare to the Romanian state, including the solidarity tax for 2022, worth 126 million dollars, paid in June 2023, but also excise taxes, VAT, salary contributions and other taxes.

Thus, the total amount paid by the company to the state budget amounts to approximately USD 7.6 billion, for the period 2019-2023.

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*

		2023	2022	%
Gross turnover	USD	4,526,000,989	5,592,084,863	-19%
EBITDA	USD	187,750,181	467,592,027	-60%
Net result	USD	(227,277,641)	155,227,307	N/A
Operational				
Raw materials processed - Petromidia	Kt	5,012	5,258	-5%
Raw materials processed - Vega		374	373	0%
Gasoline production	Kt	1,378	1,417	-3%
Diesel and Jet production	Kt	2,443	2,674	-9%
Fuel sales - internal	Kt	2,380	2,419	-2%
Fuel sales - export	Kt	1,264	1,445	-13%

*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.



The consolidated gross turnover of the refining segment reached 4.5 billion dollars, the operating profit (EBITDA) reached a value of about 187.7 million dollars, while the net result was a negative one of about 227 of millions of dollars.

In 2023, the Petromidia Navodari refinery processed just over 5 million tons of raw materials, managing to produce 1.38 million tons of gasoline and almost 2.5 million tons of diesel and special aviation fuel. Of the nearly 3.9 million tons of fuels, 65% were directed to the domestic market.

The decrease in operational indices was also influenced by the operation of the Petromidia refinery without the Mild Hydrocracking (MHC) facility. The rehabilitation works were coordinated by Rominserv, with the support of specialized subcontractors from the region. The technological tests were successfully carried out at the end of this month, and it is expected that, in the shortest possible time, the installation will return to optimal operating capacity.

The Petromidia refinery managed to obtain, in 2023, a yield of white products of 84.1%wt, but also a record for the production of RON 98 gasoline and the production of special classes of diesel (Diesel 55, Efix Diesel, Super Diesel Euro 5).

Petromidia represents 40% of the refining capacity in Romania and has a stable flow of raw material, supported by the purchases of Kazakh crude, sustained by KazMunayGas. In 2023, the Petromidia refinery mainly processed crude from Kazakhstan – KEBCO and CPC.

The Vega Ploiesti refinery, the only bitumen and hexane producer in Romania, processed approximately 374 thousand tons of raw materials, a level similar to that of 2022.

The Vega refinery achieved good operational results in terms of energy consumption – 2.33 GJ/ton, respectively in terms of mechanical availability – 98.5%.

Petrochemical segment*

		2023	2022	%
Gross turnover	USD	124,449,234	202,248,543	-38%
EBITDA	USD	(76,451,505)	(66,597,392)	-15%
Net profit/(losses)	USD	(79,245,792)	(85,840,566)	8%
Operational				
Processed propylene	kt	117	126	-7%
Polymer production	kt	105	129	-19%
Total sales	kt	117	139	-15%

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

In 2023, the petrochemicals segment processed 135 thousand tons of feedstocks (propylene and ethylene), down about 20% from the 2022 level.



The Petrochemicals Division's total polymer production was 105 kt in 2023, down 19% from 2022, a level influenced mainly by the Low-Density Polyethylene (LDPE) facility, which did not operate continuously due to unfavorable conditions on the petrochemical products market.

Through the operational activity of 2023, the sole domestic polymer producer continued to honor its deliveries to partners in the profile industries and horizontally supported various manufacturing sectors.

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*

		2023	2022	%
Gross turnover	USD	3,461,550.628	3,958,874,423	-13%
EBITDA	USD	86,266,067	72,145,890	20%
Net profit/(losses)	USD	35,354,288	32,433,700	9%
Operational				
Fuels sold by retail	Kt	1,141	994	15%
Fuels sold by wholesale	Kt	804	977	-18%
LPG sold	Kt	268	337	-21%

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

The consolidated gross turnover for the distribution segment recorded almost 3.5 billion dollars in the year 2023, and the operating result (EBITDA) reached a level of more than 86 million dollars.

Retail sales on the Romanian market amounted to 1.14 million tons, increasing by 15% compared to 2022, as a result of the company's strategy, which was mainly addressed to the domestic market.

The positive results were also supported by the expansion of the distribution network, through development projects of new fuel stations, an example being the lots of 12 stations opened in the integrated service centers on the A1 Highway. The total investment amounts to more than 40 million dollars, being provided by the Kazakh-Romanian Energy Investment Fund (FIEKR).

In 2023, compared to 2022, the average Platts quotes (FOB Med Italy) expressed in USD (the reference currency) recorded a decrease of 21% for diesel and 14% for gasoline. Also, in the national currency, the international quotation of diesel fuel decreased by 23.3%, and the international quotation of gasoline decreased by 16.5%, compared to 2022.



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At the end of 2023, the distribution network in Romania reached 1,325 sales points, including the network of own stations, partner stations and mobile stations: express, internal bases of 9 and 20 cubic meters.

Corporate Communication and Public Relations

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