

Rompetrol Well Services S.A.

Budget Revenues and Expenses 2022

Market Context

The year 2020 context of the upstream market, characterized by increased oil price volatility and a negative impact of the Covid-19 pandemic, has led large companies in this sector to maintain a low level of investment and continue to undertake other actions such as postponing or canceling of exploration projects, reducing production, implementing programs to reduce costs, measures aimed at maintaining economic sustainability.

Given the international context (COVID evolution – Delta and Omicron, resumption and growth of economic activities, production increases – OPEC, tensions in the Middle East, impact of Hurricane Ida), crude oil producers failed to keep up with this growth in year 2021, development projects frozen in 2020 not being restarted at full capacity.

The company managed to implement measures and programs for optimizing costs, improving current activities and employees' protection, in response to major changes in the economic and social climate. The company continues to maintain the measures adopted and aims to implement new strategies that will allow it to increase its flexibility to possible unpredictable fluctuations in demand.

In the context of a competitive and volatile market, the Company concentrates all its efforts in order to obtain positive results.

Budget Assumptions

Rompetrol Well Services S.A.'s goal is to protect market share for upstream services in a highly competitive environment in Romania, while increasing visibility outside Romania.

The budget proposed for approval is constructed based on Company's goals on domestic market and assumes 763 well service operations (higher with 5% than 2021). Considering the current stage of discussions regarding expanding activity in near abroad and Middle East countries, no impact from external activity was included in this forecast of activity.

Budget Revenues and Expenses

Amounts in thousand RON

	2022	Q1	Q2	Q3	Q4
Revenues from services	51,564	11,440	11,788	13,134	15,202
Other revenues	524	131	131	131	131
Operational expenses	(34,725)	(8,195)	(8,208)	(8,444)	(9,877)
Auxiliary materials	(8,138)	(1,678)	(1,762)	(1,991)	(2,706)
Staff Costs, including taxes	(14,602)	(3,781)	(3,672)	(3,459)	(3,689)
Travel & Transport Expenses	(4,381)	(957)	(1,004)	(1,115)	(1,305)
Vehicle, Maintenance and Consumables expenses	(2,999)	(660)	(724)	(752)	(863)
Subcontractor expenses	(906)	(149)	(149)	(304)	(304)
IT&C expenses	(726)	(191)	(180)	(177)	(177)
Local Taxes	(649)	(162)	(162)	(162)	(162)
Other expenses	(2,324)	(616)	(553)	(484)	(671)
Depreciation Operational	(5,671)	(1,514)	(1,438)	(1,381)	(1,338)
General&Administrative expenses	(8,465)	(2,106)	(2,148)	(2,096)	(2,114)
Staff Costs, including taxes	(3,088)	(781)	(775)	(763)	(770)
IT&C expenses	(878)	(237)	(221)	(212)	(208)
Outsourced services expenses	(3,202)	(791)	(803)	(803)	(805)
Travel & Transport Expenses	(47)	(12)	(12)	(12)	(11)
Vehicle, Maintenance and Consumables expenses	(48)	(8)	(20)	(11)	(8)
Other expenses	(1,201)	(277)	(317)	(295)	(312)
Depreciation General&Administration	(142)	(39)	(38)	(35)	(30)
Other operating revenue, net	312	3	3	3	303
EBITDA	9,211	1,272	1,566	2,729	3,645
Financial revenues, net	1,543	343	452	368	380
Profit tax	(791)	(10)	(87)	(269)	(425)
Net Profit	4,151	52	456	1,412	2,232

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