

S.C. ROMCARBON S.A.

Quarterly report for the period ended March 31,
2019

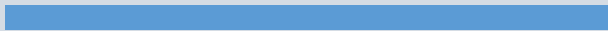


TABLE OF CONTENTS

SECTION A

QUARTERLY REPORT REGARDING THE SEPARATE FINANCIAL STATEMENTS

<u>Statement of the financial position.....</u>	<u>page. 4-10</u>
<u>Statement of the comprehensive result.....</u>	<u>page. 10-11</u>
<u>Net sales evolution.....</u>	<u>page. 11</u>
<u>Financial ratios.....</u>	<u>page. 12</u>
<u>Shareholders.....</u>	<u>page. 12</u>

SECTION B

SEPARATES FINANCIAL STATEMENTS

<u>Statement of the Comprehensive income.....</u>	<u>page.1 (16)</u>
<u>Statement of the financial position.....</u>	<u>page.2 (17)</u>
<u>Statement of the changes in shareholders' equity.....</u>	<u>page.3 (18)</u>
<u>Notes to Separate Financial Statements.....</u>	<u>page.4-13 (19-27)</u>
<u>Financial ratios.....</u>	<u>page.14 (28)</u>



S.C. ROMCARBON S.A.

COMPANY IDENTIFICATION

Quarterly report according with FSA regulation (5/2018)

Date of release: 14.05.2019

Reporting date: 31.03.2019

Name of the Company: SC ROMCARBON SA

Headquarters: Buzau , 132, Transilvaniei street

Tel / fax: 0238/711155; 0238/710697

Sole registration code: RO 1158050

Registered business number: J10 / 83/1991

Subscribed and paid up share capital: RON 26,412,209.60

Regulated market where the issued securities are traded: Bucharest Stock Exchange,
Standard category, Symbol ROCE

The main characteristics of the securities issued by the company: 264,122,096 registered shares, dematerialized, with a nominal value of RON 0.1.

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LANGUAGE DISCLAIMER

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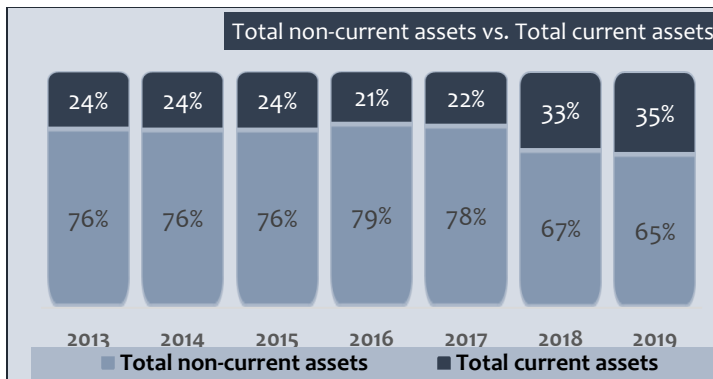
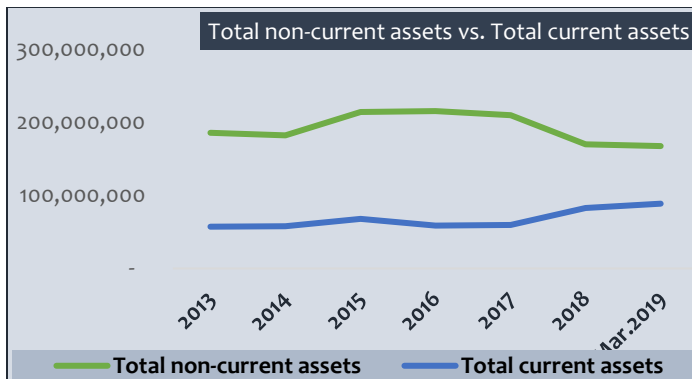
A.1. During the reporting period there were no major events to affect the company's financial position.

A.2. A general description of the Financial position of the company and its financial performance.

1. STATEMENT OF THE FINANCIAL POSITION

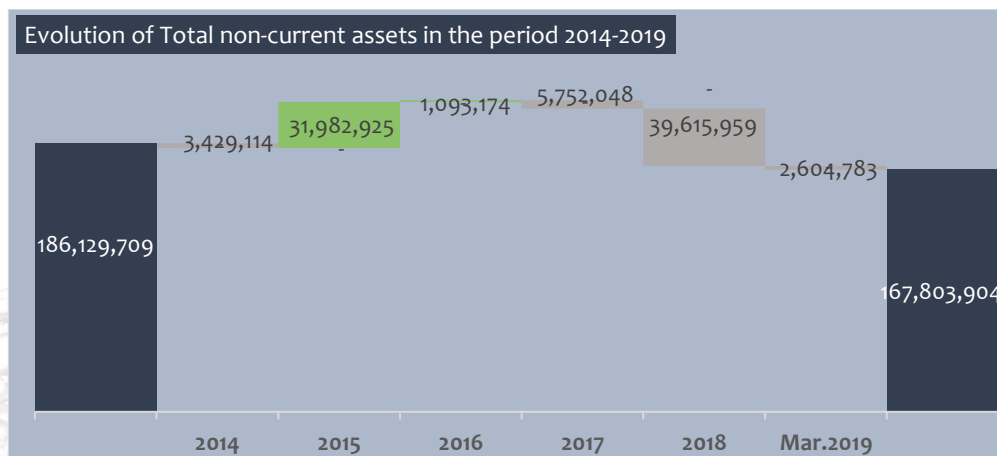
Indicator	31.03.2018	31.12.2018	31.03.2019	31.03.2019 vs. 31.12.2018	
Property, plant and equipment	136,149,586	130,049,723	127,217,283	-2,832,440	▼ -2.18%
Investment property	49,859,449	18,033,515	18,033,515	0	▲ 0.00%
Intangible assets	137,466	78,269	305,925	227,656	▲ 290.87%
Financial assets	22,247,181	22,247,181	22,247,181	0	▲ 0.00%
Total non-current assets	208,393,682	170,408,687	167,803,904	-2,604,783	▼ -1.53%
Non-current assets held for sale	0	16,000,390	16,000,390	0	▼ 0.00%
Inventories	22,799,727	20,695,919	20,964,194	268,275	▲ 1.30%
Trade and other receivables	36,775,569	35,722,416	43,320,129	7,597,713	▲ 21.27%
Amounts to receive from affiliates (financial)	117,270	6,174,452	4,886,502	-1,287,950	▼
Taxes receivables	0	0	23,000	23,000	▲
Other assets	1,475,152	1,007,913	721,269	-286,644	▼ -28.44%
Cash and bank balances	2,204,112	3,331,011	2,880,198	-450,813	▼ -13.53%
Total current assets	63,371,830	82,932,101	88,795,682	5,863,581	▲ 7.07%
Total assets	271,765,512	253,340,788	256,599,586	3,258,798	▲ 1.29%
Issued capital	26,412,210	26,412,210	26,412,210	0	▲ 0.00%
Share premium	2,182,283	2,182,283	2,182,283	0	▼ 0.00%
Reserves	53,016,412	58,492,792	58,302,303	-190,489	▼ -0.33%
Retained earnings	52,654,755	50,103,010	49,666,737	-436,273	▼ -0.87%
Total equity	134,265,660	137,190,295	136,563,533	-626,762	▼ -0.46%
Borrowings [Long-term]	31,259,812	22,666,822	21,138,659	-1,528,163	▼ -6.74%
Long term finance leases and other interest bearing obligations	0	0	0	0	—
Deferred tax liabilities	10,758,395	8,902,075	8,902,075	0	— 0.00%
Deferred income	17,110,681	15,413,305	14,835,585	-577,720	▼ -3.75%
Total non-current liabilities	59,128,888	46,982,202	44,876,319	-2,105,883	▼ -4.48%
Trade and other payables	29,397,306	24,537,065	30,706,953	6,169,888	▲ 25.15%
Borrowings [Short – term]	43,780,578	39,935,674	39,607,383	-328,291	▼ -0.82%
Short term finance leases and other interest bearing obligations	39,062	0	0	0	—
Deferred revenue	2,315,642	2,265,476	2,265,009	-467	▼ -0.02%
Other liabilities	2,838,376	2,430,076	2,580,389	150,313	▲ 6.19%
Total current liabilities	78,370,964	69,168,292	75,159,734	5,991,442	▲ 8.66%
Total liabilities	137,499,852	116,150,493	120,036,053	3,885,560	▲ 3.35%
Total equity and liabilities	271,765,512	253,340,788	256,599,586	3,258,798	▲ 1.29%

ASSETS



NON-CURRENT ASSETS

In the first 3 months of 2019 **Non-currents assets** hold 65.40% of the company's assets, recording a decrease of RON 2,604,783, i.e. 1.53%, as compared with the beginning of the year.



Non-current assets(NCA)	31.03.2019	% in total NCA	% in total Assets	31.03.19 vs. 31.12.18
Property, plant and equipment	127,217,283	75.81%	49.58%	-2.18%
Investment property	18,033,515	10.75%	7.03%	0.00%
Intangible assets	305,925	0.18%	0.12%	290.87%
Financial assets	22,247,181	13.26%	8.67%	0.00%
Total non-current assets	167,803,904	100.00%	65.40%	-1.53%

In the reporting period the entries of Non-current assets (except the investments in progress) are presented in the following table:

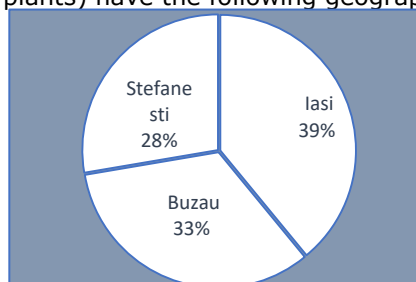
· Buildings (including rearrangements and improvement)	:	239,004 lei
· Equipment and installations	:	59,049 lei
· Furniture and office equipment	:	44,959 lei

The non-current assets entries in the first 3 months of 2019 had the following destinations: CP7-Compounds : RON 182,233; CP5- Polystyrene: RON 16,593; Administrative and others: RON 144,187.

The outputs of Non-current assets in the reporting period were as per registration cost in amount of RON 986,840, out of which RON 967,584 sales and RON 19,256 dismantles/casation.

The Property investments (land & plants) have the following geographical distribution:

Property investments	Total
Iasi	7,040,036
Buzau	6,003,274
Stefanesti	4,990,205
Total	18,033,515



Financial Investments hold 8.67% of Total Assets, and 13.26% of Non-current assets.

As at 31.03.2019, S.C. ROMCARBON S.A. held shares in other companies totalizing RON 25,611,325 lei, as follows:

Company	Total no. of shares	Nominal value (lei)	Capital (lei)	Capital held (lei)	No. of shares held	Acquisition value of the shares (lei)	Participati on quota (%)
RECYPLAT LTD CIPRU	26,000	4.3521	113,154	113,154	26,000	20,261,120	100.00%
ROMCARBON DEUTSCHLAND GmbH			110,138	110,138		110,138	100.00%
RC ENERGO INSTALL SRL	200	10	2,000	2,000	200	15,112	100.00%
INFO TECH SOLUTIONS SRL	200	10	2,000	1,980	198	1,980	99.00%
LIVINGJUMBO INDUSTRY SA	200	4,032	806,400	798,336	198	1,639,232	99.00%
GRINFILD LLC UCRAINA						2,687,755	62.62%
YENKI SRL	32,800	10	328,000	109,340	10,934	100,000	33.34%
ASOCIATIA ECOLOGICA GREENLIFE (Non-Profit Organization)				0	1,200	400	33.33%
ECO PACK MANAGEMENT SA	144,600	10	1,446,000	366,700	36,670	586,625	25.36%
KANG YANG BIOTECHNOLOGY CO.LTD	2,889,993			0	139,000	203,963	1.95%
REGISTRUL MIORITA SA	10,500	10	105,000	3,980	398	5,000	3.79%
TOTAL						25,611,325	

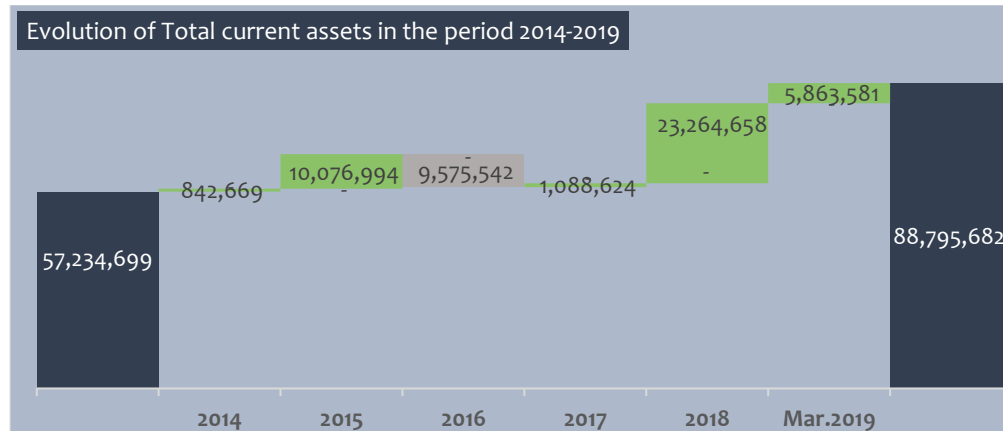
The impairment of financial investments are presented in the following table:

Company	Holdings (%)	Adjustments
ROMCARBON DEUTSCHLAND GmbH	100.00%	110,138
GRINFILD LLC UCRAINA	62.62%	2,687,755
YENKI SRL	33.34%	11,989
ECO PACK MANAGEMENT SA	25.36%	554,262
Total		3,364,144

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CURRENT ASSETS

Current assets hold 34.60% of total assets recording an increase of RON 5,863,581, i.e. 7.07% as compared with the beginning of the year.



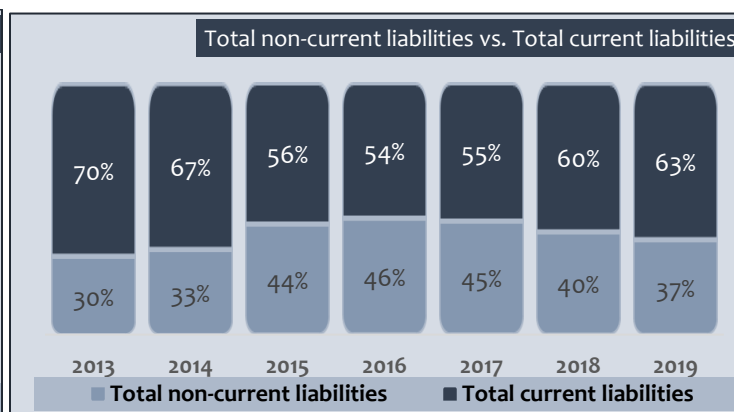
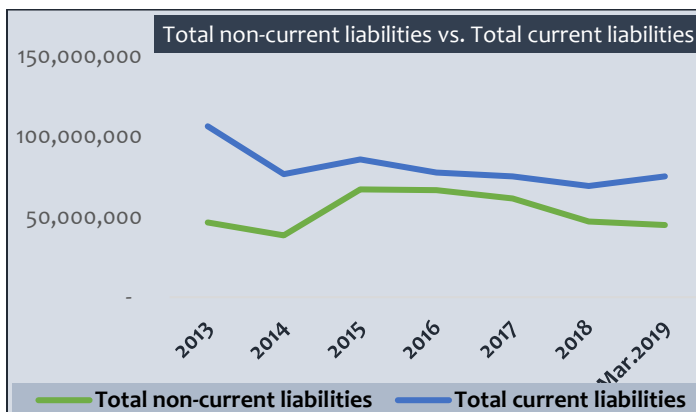
Current assets	31.03.2019	% in total CA	% in Total Assets	31.03.19 vs. 31.12.18
Non-current assets held for sale*	16,000,390	18.02%	6.24%	0.00%
Inventories	20,964,194	23.61%	8.17%	1.30%
Trade and other receivables	43,320,129	48.79%	16.88%	21.27%
Amounts to receive from affiliates (financial)	4,886,502	5.50%	1.90%	0.00%
Taxes receivables	23,000	0.03%	0.01%	0.00%
Other assets	721,269	0.81%	0.28%	-28.44%
Cash and bank balances	2,880,198	3.24%	1.12%	-13.53%
Total current assets	88,795,682	100.00%	34.60%	7.07%

*In December 2018, according with IFRS5, it was reclassified an Iasi asset, consisting in a land with an area of 35,192.48 sq m located in Iasi, no.29 Chisinaului Way, Iasi County and of the buildings built on this land, asset which is the object of the 2nd buying selling precontract, from the category « Property investments » in « Non-current assets held for sale ». The asset (land and buildings) who made the object of this reclassification has a book value of RON 16,757,112. On this occasion by applying IFRS 5 was recognised a loss in the amount of RON 756,722.

The loans granted to the Affiliates are presented in the following table:

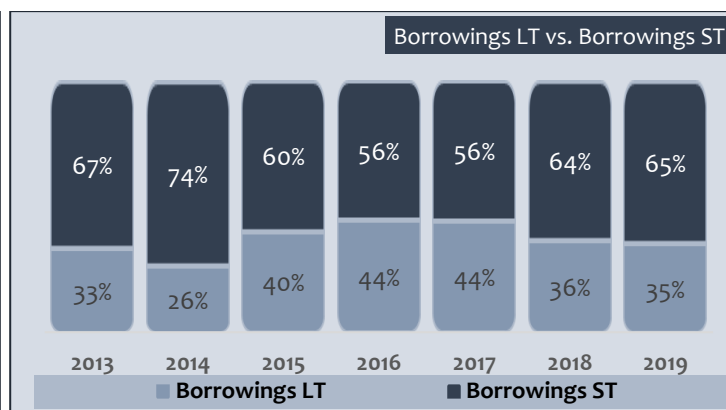
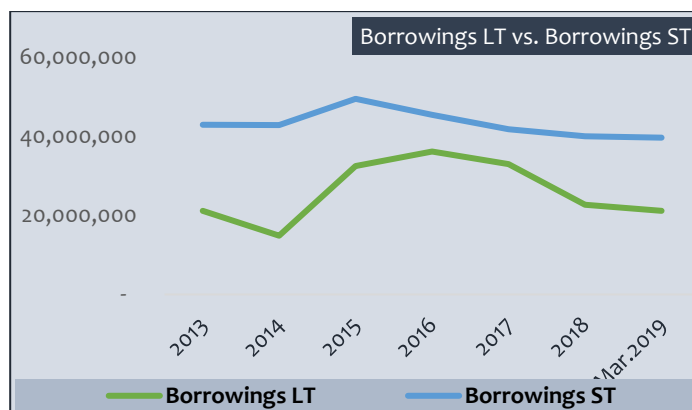
Affiliate	Contract value	Balance as at 31.03.2019	Interest	Total
LivingJumbo Industry SA	€ 1,000,000	€ 1,000,000	4,762,800 lei	123,702 lei
Total	€ 1,000,000	€ 1,000,000	4,762,800 lei	123,702 lei

LIABILITIES



Total Liabilities hold 46.78% of the company's Equity&Liabilities recording an increase of RON 3,885,560, i.e. 3.35%, as compared with the beginning of the year.

BORROWINGS



As at 31.03.2019 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Initial amount	Balance as at 31.03.2019		Maturity
			in euro	in lei	
UniCredit Bank	Credit line/overdraft	€ 5,450,000	€ 4,110,527	19,577,619 lei	10/04/2020
BRD GSG	Credit line/overdraft	€ 2,550,000	€ 2,527,275	12,036,905 lei	30/10/2019
UniCredit Bank	Investment loan III	€ 442,500	€ 282,522	1,345,594 lei	19/09/2021
BRD GSG	Investment loan II	€ 1,000,000	€ 447,753	2,132,556 lei	03/09/2022
BRD GSG	Investment loan III	€ 3,153,160	€ 447,011	2,129,023 lei	03/02/2022
UniCredit Bank	Investment loan - CCE 2015	€ 3,042,240	€ 2,188,670	10,424,196 lei	04/12/2023
Total credits in euro		€ 15,637,900	€ 10,003,757	47,645,894 lei	
Eximbank SA	Investment loan I	6,142,500 lei		3,327,188 lei	20/06/2022
Eximbank SA	Investment loan II	2,432,500 lei		2,238,122 lei	16/12/2022
UniCredit Bank	Investment loan I	3,200,000 lei		2,164,842 lei	11/07/2023
UniCredit Bank	Investment loan II	2,500,000 lei		765,658 lei	19/09/2021
UniCredit Bank	Investment loan IV	5,400,000 lei		2,964,166 lei	01/12/2021
UniCredit Bank	Investment loan V	2,250,000 lei		1,640,172 lei	06/04/2022
Total credits in lei		21,925,000 lei		13,100,147 lei	
Total bank exposure				60,746,041 lei	

Short term loans have the following structure :

Bank	Type	CCY	Initial amount	Balance as at 31.03.2019	
				in euro	in lei
UniCredit Bank SA	Credit line/overdraft	euro	€ 5,450,000	€ 4,110,527	19,577,619 lei
BRD GSG	Credit line/overdraft	euro	€ 2,550,000	€ 2,527,275	12,036,905 lei
Total			€ 8,000,000	€ 6,637,802	31,614,524 lei

Long term loans have the following structure :

Bank	Type	Balance as at 31.03.2019		< 1 year	> 1 year
		in euro	in lei		
UniCredit Bank	Investment loan III	€ 282,522	1,345,594 lei	538,238 lei	807,357 lei
BRD GSG	Investment loan II	€ 447,753	2,132,556 lei	595,132 lei	1,537,424 lei
BRD GSG	Investment loan III	€ 447,011	2,129,023 lei	751,420 lei	1,377,603 lei
UniCredit Bank	Investment loan - CCE 2015	€ 2,188,670	10,424,196 lei	2,071,818 lei	8,352,378 lei
Total credits in euro		€ 3,365,955	16,031,370 lei	3,956,608 lei	12,074,762 lei

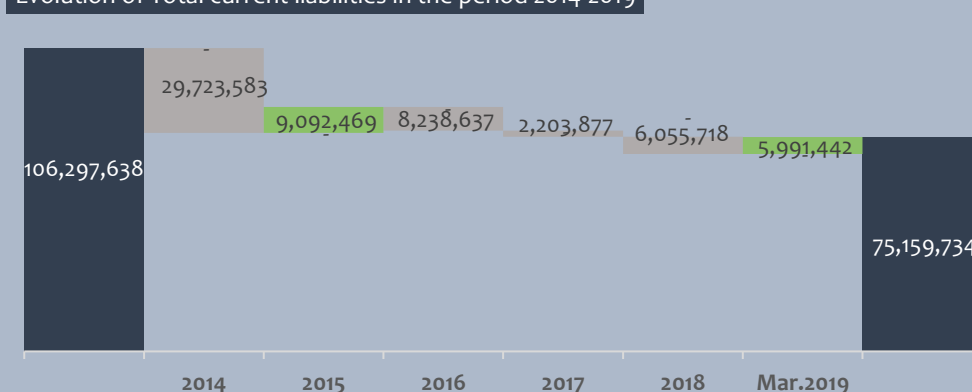
Bank	Type	Balance as at 31.03.2019		< 1 year	>1 year
		in euro	in lei		
Eximbank SA	Investment loan I		3,327,188 lei	1,023,750 lei	2,303,438 lei
Eximbank SA	Investment loan II		2,238,122 lei	596,833 lei	1,641,289 lei
UniCredit Bank	Investment loan I		2,164,842 lei	499,579 lei	1,665,263 lei
UniCredit Bank	Investment loan II		765,658 lei	306,263 lei	459,395 lei
UniCredit Bank	Investment loan IV		2,964,166 lei	1,077,878 lei	1,886,288 lei
UniCredit Bank	Investment loan V		1,640,172 lei	531,947 lei	1,108,224 lei
Total credits in lei			13,100,147 lei	4,036,250 lei	9,063,897 lei
Total bank exposure			29,131,517 lei	7,992,858 lei	21,138,659 lei

These loans are guaranteed by mortgages on land and plants, pledges on equipment and stocks, security mortgage on current bank accounts, receivables assignments.

CURRENT LIABILITIES

Current liabilities of the Company, representing 62.61% of the Total Liabilities and 29.29% of Total Equity & Liabilities have increased by RON 5,991,442 as compared with the beginning of the year, i.e. 8.66%.

Evolution of Total current liabilities in the period 2014-2019

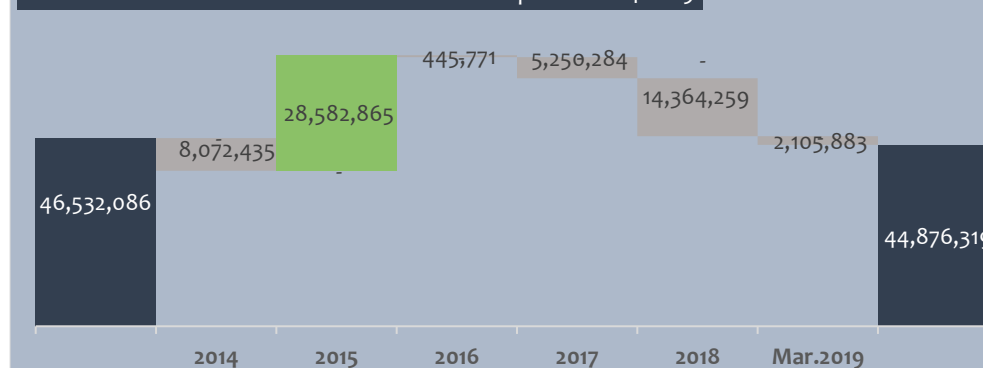


Current liabilities	31.03.2019	% in total liabilities	% in Total current liabilities	% in Total Equity and liabilities	31.03.19 vs. 31.12.18
Trade and other payables	30,706,953	25.58%	40.86%	11.97%	25.15%
Borrowings [Short - term]	39,607,383	33.00%	52.70%	15.44%	-0.82%
Deferred revenue	2,265,009	1.89%	3.01%	0.88%	-0.02%
Other liabilities	2,580,389	2.15%	3.43%	1.01%	6.19%
Total current liabilities	75,159,734	62.61%	100.00%	29.29%	8.66%

NON-CURRENT LIABILITIES

Non-current Liabilities representing 17.49% of the company's Equity&Liabilities recording in the reporting period a decrease of RON 2,105,883, i.e. 4.48%, as compared with the beginning of the year.

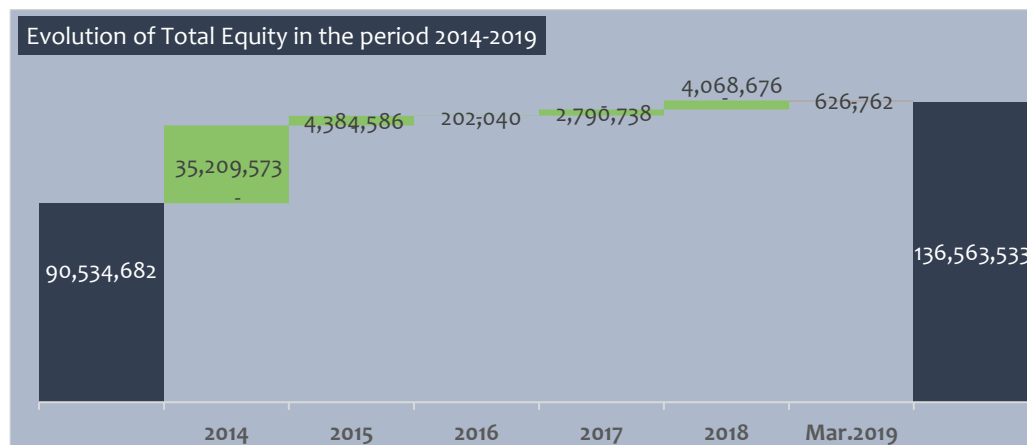
Evolution of Total non-current liabilities in the period 2014-2019



Non-current liabilities	31.03.2019	% in total liabilities	% in Total NCL	% in Total Equity and liabilities	31.03.19 vs. 31.12.18
Borrowings [Long-term]	21,138,659	17.61%	47.10%	8.24%	-6.74%
Long term finance leases and other interest bearing obligations	0	0.00%	0.00%	0.00%	0.00%
Deferred tax liabilities	8,902,075	7.42%	19.84%	3.47%	0.00%
Deferred income	14,835,585	12.36%	33.06%	5.78%	-3.75%
Total non-current liabilities	44,876,319	37.39%	100.00%	17.49%	-4.48%

EQUITY

Total Equity holds **53.22%** of Total Equity&Liabilities, recording in the reporting period a decrease of RON 626,762, as compared with the beginning of the year.



Equity	31.03.2019	% in Total Equity and liabilities
Issued capital (264,122,096 shares at RON 0.10/share)	26,412,210	10.29%
Share premium	2,182,283	0.85%
Reserves	58,302,303	22.72%
Retained earnings	49,666,737	19.36%
Total Equity	136,563,533	53.22%

2. STATEMENT OF THE COMPREHENSIVE INCOMES

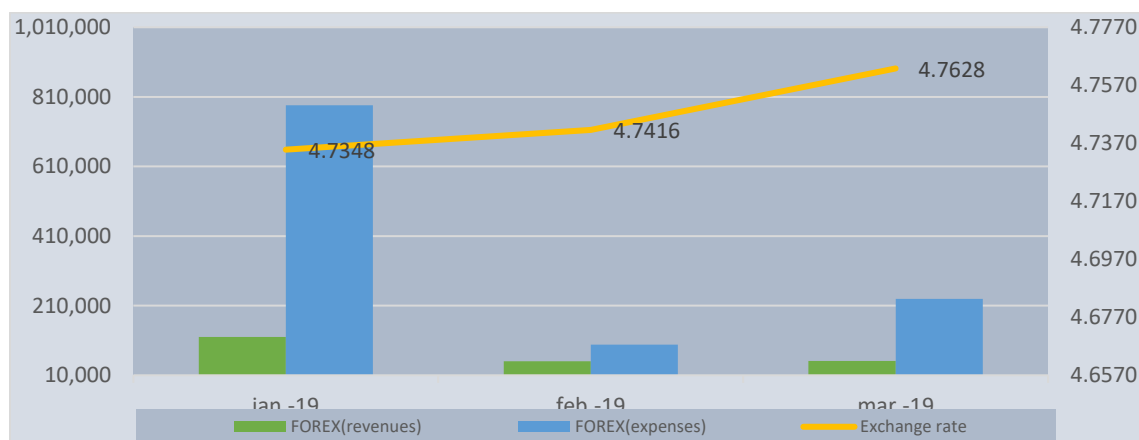
Indicator	3 Months 2017	3 Months 2018	3 Months 2019	31.03.2019 vs. 31.03.2018	
Net sales	49,365,872	48,150,522	47,862,182	▼	(288,340) -1%
Investment income *	1,820,641	1,841,841	501,221	▼	(1,340,620) -73%
Other gains and losses	(88,338)	50,328	(1,089,777)	▲	(1,140,105) -2265%
Changes in inventories of finished goods and work in progress	262,109	1,135,483	982,707	▼	(152,776) -13%
Raw materials and consumables used	(36,047,876)	(34,490,118)	(33,093,151)	▼	1,396,967 -4%
Depreciation and amortisation expenses	(2,679,408)	(2,710,902)	(2,669,122)	▼	41,780 -2%
Employee salaries and benefits	(6,749,618)	(9,003,923)	(9,257,232)	▲	(253,309) 3%
Social security expenses	(1,513,540)	(216,597)	(218,175)	▲	(1,578) 1%
Net finance costs	(435,937)	(461,440)	(529,241)	▲	(67,801) 15%
Income from subsidies	566,109	565,792	578,187	▲	12,395 2%
Other expenses	(3,475,250)	(3,716,945)	(3,694,361)	▼	22,584 -1%
Profit (loss) before taxation	1,024,764	1,144,041	(626,762)	▼	(1,770,803) -155%
Profit tax	-	-	-	—	- n/a
Profit (loss) of the year	1,024,764	1,144,041	(626,762)	▼	(1,770,803) -155%
Comprehensive result	1,024,764	1,144,041	(626,762)	▼	(1,770,803) -155%

Indicator	31.03.2017	31.03.2018	31.03.2019
Average no. of personnel	930	947	904

*Investment income – details:

Indicator	3 Months 2017	3 Months 2018	3 Months 2019	31.03.2019 vs. 31.03.2018
Rental and royalty income	662,200	724,049	449,098	▼ (274,951) -38%
Interest income	444	522	52,123	▲ 51,601 9885%
Investment income (dividends) - Infotech Solutions	157,997	117,270	0	▼ (117,270) -100%
Investment income (dividends) - RC Energo Install	1,000,000	1,000,000	0	▼ (1,000,000) -
Total	1,820,641	1,841,841	501,221	▼ (1,340,620) -73%

Note: In accordance with Order no. 1286/2012 the company bank availabilities, the receivables and the liabilities expressed in a foreign currency are evaluated each month at the closing exchange rate comunicated by NBR. From this evaluation for the first 3 months of 2019 the company registered revenues in amount of RON 220,535 and expenses in amount of RON 1,112,640, resulting a loss of RON 892,105.



In the same period of last year by re-valuating the company bank availabilities, the receivables and the liabilities expressed in a foreign currency it was registered a profit of RON 18,114.

3. NET SALES

The item "Net Sales" had the following evolution:

Indicator	3 Months 2017	3 Months 2018	3 Months 2019	2019 vs. 2018
- Sales of finished goods	34,579,494	37,420,979	35,219,453	▼ (2,201,526) -6%
- Sales of intermediary goods	15,136	5,392	1,920	▼ (3,472) -64%
- Services rendered	90,101	65,573	95,476	▲ 29,903 46%
- Sales of commodities	13,908,195	9,606,016	11,519,264	▲ 1,913,248 20%
- Other sales	772,947	1,052,562	1,026,069	▼ (26,493) -3%
Total sales	49,365,873	48,150,522	47,862,182	▼ (288,340) -1%

Indicator	3 Months 2017	3 Months 2018	3 Months 2019	31.03.2019 vs. 31.03.2018
Net sales	49,365,873	48,150,522	47,862,182	▼ (288,340) -1%
Rental and royalty income	662,200	724,049	449,098	▼ (274,951) -38%
Total Sales, out of which:	50,028,073	48,874,571	48,311,280	▼ (563,291) -1%
~domestic market	36,480,346	34,595,513	35,577,109	▲ 981,596 3%
~exports	13,547,727	14,279,058	12,734,171	▼ (1,544,887) -11%

Note: *Turnover* comprises the item Net sales from Profit and Loss Account , plus Rental and royalty income which is comprised in the Investment income.

4. FINANCIAL RATIOS

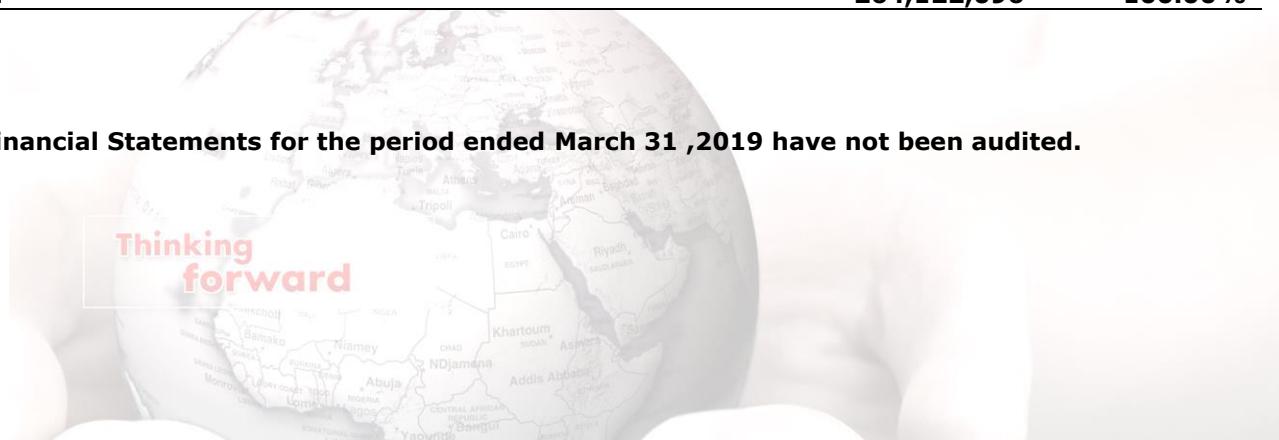
Indicator	Formula	31.03.17	31.03.18	31.03.19
Current ratio	Current assets/Current Liabilities	0.77	0.81	1.18
Debt ratio	Long term Borrowings and leases/Total Equity x100	27%	23%	15%
Debt ratio	Long term Borrowings and leases /Engaged capital x100	21%	19%	13%
Account receivable turnover ratio (days)	Average receivable balance /Sales x days	53	64	74
Account payable turnover ratio (days)	Average payable balance /Sales x days	53	53	51
Assets turnover ratio	Sales/Non-current assets	0.23	0.23	0.29

5.SHAREHOLDERS

As at 31.03.2019 the SC Romcarbon SA shareholders' structure, according to Depozitarul Central SA was as follows:

Shareholder	Number of shares	% ownership
LIVING PLASTIC INDUSTRY S.R.L. loc. BUZAU jud. BUZAU	86,774,508	32.85%
JOYFUL RIVER LIMITED loc. NICOSIA CYP	54,195,089	20.52%
OTHER LEGAL ENTITIES	19,212,431	7.27%
INDIVIDUALS	103,940,068	39.35%
Total	264,122,096	100.00%

The Financial Statements for the period ended March 31 ,2019 have not been audited.



Chairman of the Board
Huang Liang Neng

General Manager: ing.Andrei Radu
Financial Manager :ec. Zainescu Viorica Ioana

S.C. ROMCARBON S.A.

SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019

PREPARED IN ACCORDANCE WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION



CONTENTS

STATEMENT OF THE PROFIT AND LOSS AND OTHER COMPREHENSIVE ITEMS.....	page 1
STATEMENT OF FINANCIAL POSITION.....	page 2
STATEMENT OF CHANGES IN SHAREHOLDER’S EQUITY.....	page 3
NOTES TO SEPARATE FINANCIAL STATEMENTS.....	page 4-12
FINANCIAL RATIOS.....	page 13



STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31 ,2019
(all amounts are expressed in lei, unless specified otherwise)

	Perioada incheiata la 31-mar-18 RON	Perioada incheiata la 31-mar-19 RON
Net sales	48,150,522	47,862,182
Investment income	1,841,841	501,221
Other gains or losses	50,328	(1,089,777)
Changes in inventories	1,135,483	982,707
Raw materials and consumables used	(34,490,118)	(33,093,151)
Depreciation and amortization expense	(2,710,902)	(2,669,122)
Employee salaries and benefits	(9,003,923)	(9,257,232)
Social security expenses	(216,597)	(218,175)
Net finance cost	(461,440)	(529,241)
Income from subsidies	565,792	578,187
Other expenses	(3,716,945)	(3,694,361)
Profit (loss) before taxation	1,144,041	(626,762)
Profit tax	-	-
Net profit	1,144,041	(626,762)
Other comprehensive income	-	-
Total comprehensive income	1,144,041	(626,762)
Earnings per share	0.0043	(0.0024)
Number of shares	264,122,096	264,122,096



**Thinking
forward**

**CHAIRMAN OF THE BOARD
HUANG LIANG NENG**
Signature_____

**GENERAL MANAGER
ANDREI RADU**
Signature_____

PREPARED BY,
**FINANCIAL MANAGER
ZAINESCU VIORICA**
Signature_____

STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED MARCH 31 ,2019

(all amounts are expressed in lei, unless specified otherwise)

	<u>01-ian-19</u>	<u>31-mar-19</u>
	RON	RON
Non-current assets		
Property, plant and equipment	130,049,723	127,217,283
Investment property	18,033,515	18,033,515
Intangible assets	78,269	305,925
Financial assets	22,247,181	22,247,181
Total non-current assets	170,408,688	167,803,904
Current assets		
Inventories	20,695,918	20,964,194
Trade and other receivables	35,722,416	43,320,129
Amounts to receive from affiliates (financial)	6,174,452	4,886,502
Tax receivables	-	23,000
Other assets	1,007,913	721,269
Cash and bank balances	3,331,011	2,880,198
Non-current assets held for sale	16,000,390	16,000,390
Total current assets	82,932,100	88,795,682
Total assets	253,340,788	256,599,586
Equity and Liabilities		
Capital and reserve		
Issued capital	26,412,210	26,412,210
Share premiums	2,182,283	2,182,283
Reserves	58,492,792	58,302,303
Retained earnings	50,103,010	49,666,737
Total Equity	137,190,295	136,563,533
Non-current liabilities		
Borrowings	22,666,821	21,138,659
Deferred tax liabilities	8,902,075	8,902,075
Deferred income	15,413,305	14,835,585
Total non-current liabilities	46,982,201	44,876,319
Current liabilities		
Trade and other payables	24,537,065	30,706,953
Borrowings	39,935,675	39,607,383
Deferred income	2,265,476	2,265,009
Other liabilities	2,430,076	2,580,389
Total current liabilities	69,168,292	75,159,734
Total liabilities	116,150,493	120,036,053
Total equity and liabilities	253,340,788	256,599,586

CHAIRMAN OF THE BOARD
HUANG LIANG NENG
 Signature_____

GENERAL MANAGER
ANDREI RADU
 Signature_____

PREPARED BY,
FINANCIAL MANAGER
ZAINESCU VIORICA
 Signature_____

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED MARCH 31 , 2019

(all amounts are expressed in lei, unless specified otherwise)

	<u>Issued capital</u>	<u>Share premiums</u>	<u>Revaluation reserves</u>	<u>Legal reserves</u>	<u>Other reserve</u>	<u>Retained earnings</u>	<u>Total</u>
01/jan/2019	26,412,210	2,182,283	39,808,427	4,115,011	14,569,353	50,103,010	137,190,295
Realised revaluation reserve	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-
Net profit of the period	-	-	-	-	-	(626,762)	(626,762)
Corrections	-	-	-	-	-	-	-
Transfers between capital accounts	-	-	(190,489)	-	-	190,489	-
31/mar/2019	26,412,210	2,182,283	39,617,939	4,115,011	14,569,353	49,666,737	136,563,533

Thinking
forward

**HUANG LIANG NENG,
CHAIRMAN OF THE BOARD**

**VIORICA ZAINESCU,
FINANCIAL MANAGER**

**RADU ANDREI,
GENERAL MANAGER**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

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Net Sales	Period ended March 31 ,2018	Period ended March 31 ,2019
	RON	RON
Sales of finished goods	37,518,929	35,460,756
Sales of commodities	9,513,458	11,279,749
Services rendered	65,573	95,476
Other sales	1,052,562	1,026,201
Total	48,150,522	47,862,182
	Period ended March 31 ,2018	Period ended March 31 ,2019
	RON	RON
Investment income		
Income from renting investment property	724,049	449,098
Income from interest on bank deposits	522	52,123
Dividends received from participations	1,117,270	-
Total	1,841,841	501,221
	Period ended March 31 ,2018	Period ended March 31 ,2019
	RON	RON
OTHER GAINS AND LOSSES		
Income from penalties charged	371	-
Gain / (Loss) on disposal of property, plant and equipment	-	(226,153)
FOREX gain / (loss)	19,396	(896,501)
Gain / (Loss) on changes of provisions	-	266
Other gains	30,561	32,611
Other losses	-	-
Total	50,328	(1,089,777)
	Period ended March 31 ,2018	Period ended March 31 ,2019
	RON	RON
RAW MATERIALS AND CONSUMABLES USED		
Raw materials	20,674,139	17,480,726
Commodities sold	9,427,989	11,203,837
Energy and water	3,299,218	3,250,349
Expenses with consumables	1,088,773	1,158,240
Total	34,490,118	33,093,151

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

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DEPRECIATION AND AMORTIZATION EXPENSES	Period ended March 31 ,2018	Period ended March 31 ,2019
	RON	RON
Total expenses,	2,710,902	2,669,122
<i>Of which:</i>		
Depreciation of fixed assets	2,684,473	2,647,544
Amortization of intangible assets	26,429	21,578
Total	2,710,902	2,669,122
EMPLOYEES SALARIES AND BENEFITS	Period ended March 31 ,2018	Period ended March 31 ,2019
	RON	RON
Salaries	8,629,271	8,971,262
Social contributions	216,597	218,175
Meal tickets	374,652	285,970
Total	9,220,520	9,475,407
NET FINANCE COST	Period ended March 31 ,2018	Period ended March 31 ,2019
	RON	RON
Bank interest and leases expenses	399,905	374,615
Bank commissions and assimilated charges	61,535	154,626
Total	461,440	529,241
OTHER EXPENSES	Period ended March 31 ,2018	Period ended March 31 ,2019
	RON	RON
Expenses with transport and logistics	1,171,747	1,251,790
Other expenses with third party services	1,538,594	1,309,555
Protocol and marketing	127,815	35,827
Expenses with repairs	238,159	404,895
Taxes and levies	451,076	456,089
Expenses with insurances	68,823	101,896
Expenses with postal charges and telecommunications	32,795	29,539
Expenses with travels	28,641	25,026
Expenses with rents	43,400	47,149
Expenses with commissions and fees	1,021	1,033
Expenses with fines and penalties	100	2,761
Other expenses	14,774	28,801

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

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Total	3,716,945	3,694,361
PROFIT TAX	Period ended March 31, 2018	Period ended March 31, 2019
	RON	RON
Current profit tax expense	-	-
Deferred profit tax expense	-	-
Total	-	-

PROPERTY INVESTMENTS
Balance as at January 01, 2019 **18,033,515**

 Additions -
 Disposals -

Balance as at March 31, 2019 **18,033,515**
INTANGIBLE ASSETS

	Licences	Other intangible assets	Intangible assets in progress	Total
Cost	RON	RON	RON	RON
Balance as at January 01, 2019	730,196	592,467	-	1,322,663
Additions	513	-	248,722	249,235
Transfers	-	-	-	-
Disposals	(750)	-	-	(750)
Balance as at March 31, 2019	729,959	592,467	248,722	1,571,148

Cumulated amortization

Balance as at January 01, 2019	(674,351)	(570,043)	-	(1,244,394)
Expenses with depreciation	(14,854)	(6,724)	-	(21,578)
Decrease from sale of assets	750	-	-	750
Balance as at March 31, 2019	(688,455)	(576,767)	-	(1,265,222)

Net Book Value as at March 31, 2019	41,504	15,700	248,722	305,925
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

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	Land	Buildings	Plant and equipment	Installations and furniture	Tangible assets in progress and advances	Total
	RON	RON	RON	RON	RON	RON
COST						
Balance as at January 01, 2019	45,876,831	24,343,213	116,870,655	1,465,542	208,678	188,764,919
Additions	-	239,004	59,049	44,959	194,790	537,802
Disposals	-	(201,164)	(53,205)	(732,471)	(343,012)	(1,329,852)
Balance as at March 31, 2019	45,876,831	24,381,053	116,876,499	778,030	60,456	187,972,869
	Terenuri	Clădiri	Utilaje și echipament	Instalații și obiecte de mobilier	Imobilizări corporale in curs si avansuri	Total
	RON	RON	RON	RON	RON	RON
CUMULATED DEPRECIATION						
Balance as at January 01, 2019	-	(3,593,604)	(54,314,139)	(807,452)	-	(58,715,195)
Expenses with depreciation	-	(444,391)	(2,181,062)	(22,090)	-	(2,647,543)
Decrease from sale of assets	-	143,537	51,588	412,028	-	607,153
Balance as at March 31, 2019	-	(3,894,459)	(56,443,613)	(417,514)	-	(60,755,585)
Net book value as at March 31, 2019	45,876,831	20,486,594	60,432,886	360,516	60,456	127,217,283

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

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FINANCIAL ASSETS

Details on the Company's investments in subsidiaries and associates are presented in the following table:

	Core activity	Place of establishment and operations	%	31 March 2019 RON
RECYPLAT LTD CIPRU	Business and other management consultancy activities	Nicosia	100.00%	20,261,120
ROMCARBON DEUTSCHLAND GmbH	Trade with plastic finished products, recycling of plastic materials and purchase of plastic waste	Germania	100.00%	110,138
RC ENERGO INSTALL SRL	Plumbing, heat and air conditioning installation (NACE code 4322)	Buzau	100.00%	15,112
INFO TECH SOLUTIONS SRL	Other information technology and computer service activities (NACE code 6209)	Buzau	99.00%	1,980
LIVING JUMBO INDUSTRY SA	Manufacture of plastic packing goods (NACE code 2222).	Buzau	99.00%	1,639,232
GRINFILD LTD	Wholesales	Odessa	62.62%	2,687,755
ECO PACK MANAGEMENT SA	Other business support service activities n.e.c. (NACE code 8299)	Bucuresti	25.36%	586,625
ASOCIATIA ECOLOGICA GREENLIFE (Non-Profit Organization)	The scope of the association is to represent, promote and support the employer and professional interests of its members	Buzau	33.33%	400
YENKI SRL	Activities of sports facilities (NACE code 9311)	Buzau	33.34%	100,000
KANG YANG BIOTECHNOLOGY CO. LTD	Manufacture of products beneficial for human health	Taiwan	1.95%	203,963
Registrul Miorita SA	Other financial service activities n.c.a (NACE code 6499)	Cluj	3.79%	5,000
	TOTAL			25,611,325
	Financial assets impairment			(3,364,144)
	Net book value			22,247,181

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

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INVENTORIES

	01-jan-19	31-mar-19
Raw materials	10,140,307	9,806,524
Consumables	3,045,873	2,923,284
Items of inventory	112,158	100,613
Packaging	226,298	197,157
Finished products	4,618,155	5,005,749
Unfinished products	1,711,621	1,910,340
Semi-finished products	2,055,979	2,216,178
Residual products	2,734	41,520
Commodities	187,924	168,002
Advances for purchases of inventory	25,125	25,083
Provisions for obsolete inventories	(1,430,256)	(1,430,256)
Total	20,695,918	20,964,194

TRADE AND OTHER RECEIVABLES

	01-jan-19	31-mar-19
Trade receivables	36,394,466	43,625,798
Provisions for doubtful clients	(1,202,652)	(1,202,386)
Taxes to recover	118,587	407,161
Other receivables	412,015	489,555
Total	35,722,416	43,320,129

CASH ON HAND AND AT BANKS

	01-jan-19	31-mar-19
Cash at banks	3,197,884	2,843,406
Cash on hand	24,317	26,374
Cash equivalents	108,810	10,418
Total	3,331,011	2,880,198

OTHER CURRENT ASSETS

	01-jan-19	31-mar-19
Prepaid expenses	839,094	721,269
Advances to services suppliers	168,819	-
Total	1,007,913	721,269

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

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ISSUED CAPITAL

	01-jan-19	31-mar-19
264,122,096 fully paid ordinary shares (2019: 264,122,096). The value of one share is RON 0.1	26,412,210	26,412,210
Total	26,412,210	26,412,210

RESERVES

	01-jan-19	31-mar-19
	RON	RON
Legal reserves	4,115,011	4,115,011
Other reserves	14,569,353	14,569,353
Revaluation reserves	39,808,428	39,617,939
Total	58,492,792	58,302,303

BORROWINGS
Borrowings – short-term

	01-jan-19	31-mar-19
Credit line – BRD - EUR	11,643,846	12,036,905
Investment loan II – BRD - EUR	582,774	595,132
Investment loan III – BRD - EUR	735,816	751,420
Credit line - UniCredit Bank - EUR	20,447,388	19,577,619
UniCredit Tiriac - Investment loan - CCE 2015 - EUR	2,028,797	2,071,818
Investment loan I - Eximbank SA - RON	1,023,750	1,023,750
Investment loan II - Eximbank SA - RON	530,573	596,834
Investment loan I - UniCredit Bank - RON	499,579	499,579
Investment loan II - UniCredit Bank - RON	306,263	306,263
Investment loan III - UniCredit Bank - EUR	527,061	538,238
Investment loan IV - UniCredit Bank - RON	1,077,878	1,077,878
Investment loan V - UniCredit Bank - RON	531,947	531,947
Total	39,935,674	39,607,383

Borrowings – long-term

	01-jan-19	31-mar-19
Investment loan II – BRD - EUR	1,651,193	1,537,424
Investment loan III - BRD - EUR	1,532,951	1,377,603
UniCredit Tiriac - Investment loan - CCE 2015 - EUR	8,686,140	8,352,378
Investment loan I - UniCredit Bank - RON	1,790,158	1,665,263
Investment loan II - UniCredit Bank - RON	535,961	459,395
Investment loan III - UniCredit Bank - EUR	922,357	807,357
Investment loan IV - UniCredit Bank - RON	2,155,758	1,886,288
Investment loan V - UniCredit Bank - RON	1,241,211	1,108,224
Investment loan I - Eximbank SA - RON	2,559,375	2,303,438
Investment loan II - Eximbank SA - RON	1,591,719	1,641,289
Total	22,666,821	21,138,659

These loans are guaranteed by mortgages on land and plants, pledges on equipment and stocks, security mortgage on current bank accounts, receivables assignments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

OTHER LIABILITIES

	<u>01-jan-19</u>	<u>31-mar-19</u>
Liabilities to employees	1,004,630	1,085,462
Liabilities related to social contributions	865,963	854,458
Other tax liabilities	559,483	640,469
Total	<u>2,430,076</u>	<u>2,580,389</u>

TRADE PAYABLES AND OTHER PAYABLES

	<u>01-jan-19</u>	<u>31-mar-19</u>
Trade payables	23,166,515	28,703,252
Other payables	793,136	788,079
Suppliers invoices not received	359,085	618,800
Advances from clients	218,329	596,822
Total	<u>24,537,065</u>	<u>30,706,953</u>

FINANCE LEASE OBLIGATIONS

	<u>01-jan-19</u>	<u>31-mar-19</u>
Amounts due within one year	-	-
Amounts due within one year	-	-
Total	<u>-</u>	<u>-</u>



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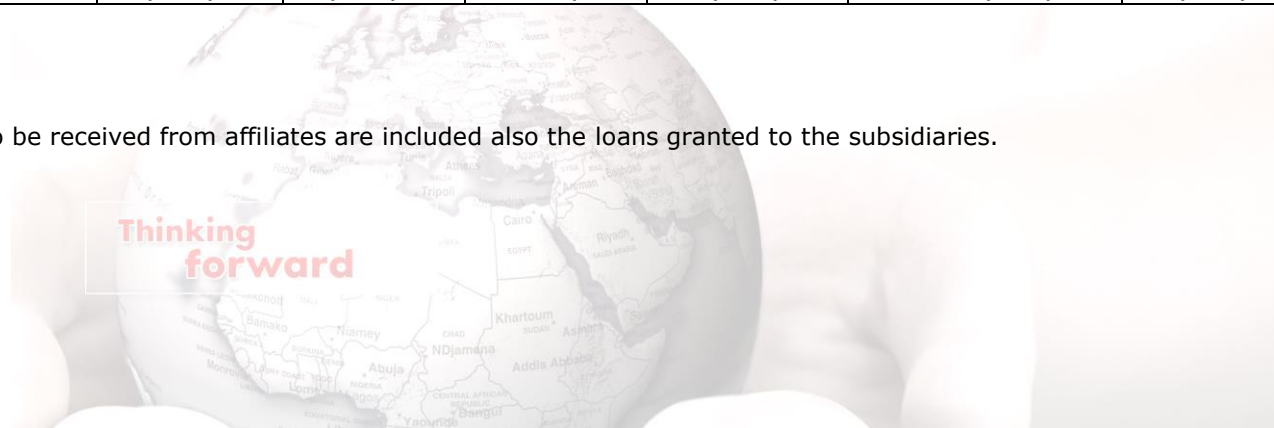
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

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RELATED PARTY TRANSACTIONS

Affiliate	Sales of goods and services		Purchases of goods and services		Amounts to be received from affiliates		Amounts to be paid to affiliates	
	3 Months of 2018	3 Months of 2019	3 Months of 2018	3 Months of 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019
INFO TECH SOLUTIONS S.R.L.	6,169	7,266	90,673	119,400	0	2,403	30,532	42,662
LIVINGJUMBO INDUSTRY SA	7,441,844	9,255,695	306,219	273,678	23,000,525	20,929,612	242,854	317,960
RC ENERGO INSTALL SRL	26,493	28,054	476,873	712,023	1,422,490	0	197,659	568,110
YENKI SRL BUZAU	0	0	0	0	0	0	0	0
TOTAL	7,474,507	9,291,016	873,765	1,105,101	24,423,015	24,932,015	471,045	928,732

Note : In the Amounts to be received from affiliates are included also the loans granted to the subsidiaries.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(all amounts are expressed in lei, unless specified otherwise)

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FINANCIAL RATIOS

Indicator	Formula	31.03.2017	31.03.2018	31.03.2019
EBIT	Gross profit + Profit tax + Expenses with interest	1,426,901	1,555,980	(244,786)
EBITDA	EBIT + Depreciation - Subsidies for investments	3,540,200	3,701,090	1,846,149
EBITDA to sales ratios	EBITDA/Sales	7.08%	7.57%	3.82%
EBITDA to Equity	EBITDA/Equity	2.70%	2.76%	1.35%
Gross profit ratio	Gross profit/Sales	2.05%	2.34%	-1.30%
Current liquidity	Current assets/Current liabilities	0.77	0.81	1.18
Quick liquidity	(Current assets - Inventories)/Current liabilities	0.47	0.52	0.90
Non-current liabilities to Equity	Non-current liabilities/Equity	49%	44%	33%
Total liabilities to Assets	Total liabilities/Total Assets	53%	51%	47%
Interest coverage ratio	EBIT/Interest expenses	4	4	(1)
Receivables rotation (days)	Average receivables/Sales	53	64	74
Payables rotation (days)	Average payables/Sales	53	53	51
Return on Assets(ROA)	Net profit/Assets	0.37%	0.42%	-0.24%
Return on Equity(ROE)	Net profit/Equity	0.78%	0.85%	-0.46%
Return on Sales(ROS)	Net profit/Sales	2.05%	2.34%	-1.30%

Note : The Financial Statements for the period ended March 31, 2019 have not been audited.

CHAIRMAN OF THE BOARD
HUANG LIANG NENG
 Signature _____

GENERAL MANAGER
ANDREI RADU
 Signature _____

PREPARED BY,
FINANCIAL MANAGER
ZAINESCU VIORICA
 Signature _____

ROMCARBON SA

Buzau, 132 Transilvaniei street

Postal code 120012

Phone : +40(0)238 711 155

Fax: +40(0)238 710 697

www.romcarbon.com

investor.relations@romcarbon.com