

S.C. ROMCARBON S.A.

Annual report for the period ended
December 31, 2018

Preliminary Separate Financial Statements

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S.C. ROMCARBON S.A.

COMPANY IDENTIFICATION

Annual report regarding the Preliminary Separate Financial Statements

Date of release: 14.02.2019

Reporting date: 31.12.2018

Name of the Company: S.C. ROMCARBON S.A.

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

This document represents the English version of the original official Romanian document. The English version has been created for English readers' convenience. Reasonable efforts have been made to provide an accurate translation, however, discrepancies may occur. The Romanian version of this document is the original official document. Any discrepancies or differences created in the translation are not binding. If any questions arise related to the accuracy of the information contained in the English version, please refer to the Romanian version of the document which is the official version.



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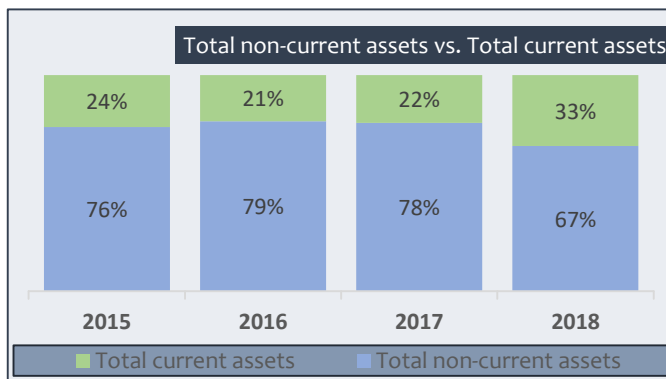
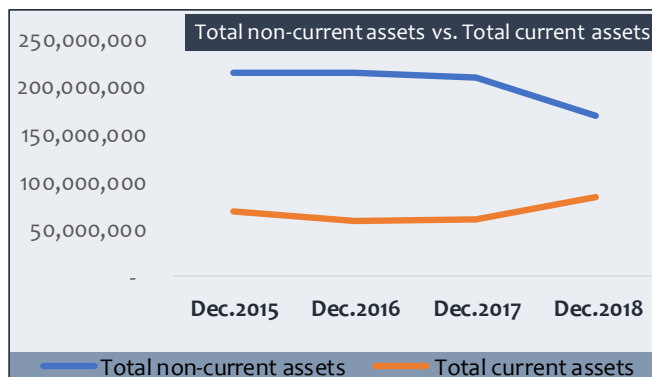
1. GENERAL ASSESSMENT ITEMS

Item	2017	2018	2018 vs. 2017	
Sales of finished goods	140,128,883	148,386,635	8,257,752	6%
Total sales (Turnover)	197,966,579	200,716,405	2,749,825	1%
Export	50,024,168	52,894,181	2,870,013	6%
Total Revenues	213,698,503	225,187,158	11,488,656	5%
Total Expenses	208,900,437	220,721,099	11,820,662	6%
EBIT	7,325,990	6,168,893	-1,157,097	-16%
EBITDA	15,768,480	14,702,843	-1,065,637	-7%
Profit/Loss of the exploitation activity	4,427,913	6,632,956	2,205,043	50%
Profit/Loss of the financial activity	-198,956	-1,834,891	-1,635,935	822%
Net Profit	4,798,066	4,466,059	-332,007	-7%
Cash and bank balances	2,529,017	3,331,010	801,993	32%

2. STATEMENT OF THE FINANCIAL POSITION

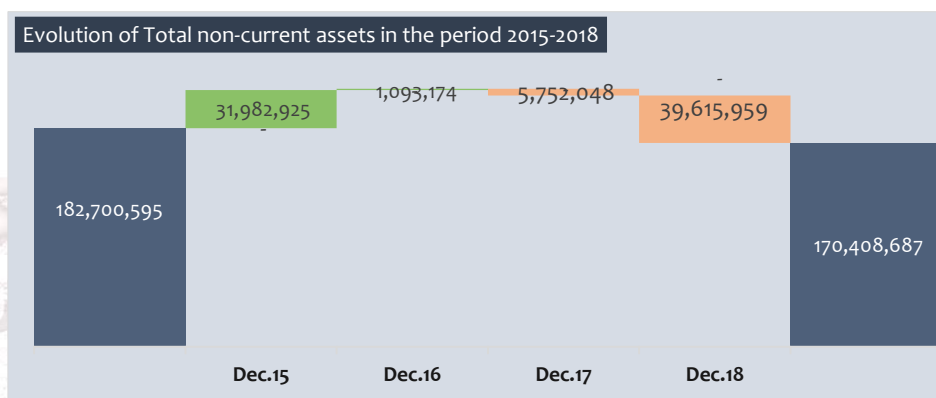
Indicator	31.12.2016	31.12.2017	31.12.2018	31.12.2018 vs. 31.12.2017		
Property, plant and equipment	147,005,912	137,757,935	130,049,722	-7,708,213	▼	-5.60%
Investment property	45,680,013	49,859,449	18,033,515	-31,825,934	▼	-63.83%
Intangible assets	246,401	160,081	78,269	-81,812	▼	-51.11%
Financial assets	22,844,368	22,247,181	22,247,181	0	▲	0.00%
Total non-current assets	215,776,694	210,024,646	170,408,687	-39,615,959	▼	-18.86%
Non-current assets held for sale	0	0	16,000,390	16,000,390	▲	
Inventories	25,668,489	23,824,916	20,695,920	-3,128,996	▼	-13.13%
Trade and other receivables	26,553,753	32,493,266	35,722,416	3,229,150	▲	9.94%
Amounts to receive from affiliates (financial)	0	0	6,174,452	6,174,452	▲	
Taxes receivables	447,239	0	17,051	17,051	▲	
Other assets	294,011	820,245	1,007,913	187,668	▲	22.88%
Cash and bank balances	5,615,329	2,529,017	3,331,010	801,993	▲	31.71%
Total current assets	58,578,820	59,667,445	82,949,152	23,281,707	▲	39.02%
Total assets	274,355,514	269,692,090	253,357,839	-16,334,251	▼	-6.06%
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	54,506,299	53,222,860	52,416,788	-806,072	▼	-1.51%
Retained earnings	47,230,089	51,304,266	54,569,069	3,264,803	▲	6.36%
Total equity	130,330,881	133,121,619	135,580,350	2,458,731	▲	1.85%
Borrowings [Long-term]	36,104,275	32,911,592	22,666,821	-10,244,771	▼	-31.13%
Long term finance leases and other interest bearing obligations	84,588	0	0	0	—	
Deferred tax liabilities	10,468,240	10,758,395	10,758,395	0	—	0.00%
Deferred income	19,939,642	17,676,474	15,413,305	-2,263,169	▼	-12.80%
Total non-current liabilities	66,596,745	61,346,461	48,838,521	-12,507,939	▼	-20.39%
Trade and other payables	26,896,495	28,571,443	24,537,065	-4,034,378	▼	-14.12%
Borrowings [Short – term]	45,337,135	41,726,661	39,935,675	-1,790,987	▼	-4.29%
Short term finance leases and other interest bearing obligations	1,107,270	86,797	0	-86,797	▼	-100.00%
Deferred revenue	2,293,920	2,305,250	2,265,476	-39,774	▼	-1.73%
Other liabilities	1,793,067	2,533,859	2,200,752	-333,107	▼	-13.15%
Total current liabilities	77,427,887	75,224,010	68,938,968	-6,285,042	▼	-8.36%
Total liabilities	144,024,633	136,570,470	117,777,489	-18,792,981	▼	-13.76%
Total equity and liabilities	274,355,514	269,692,090	253,357,839	-16,334,251	▼	-6.06%

ASSETS



NON-CURRENT ASSETS

In 2018 **Non-currents assets** hold 67.26% of the company's assets, recording a decrease of RON 39,615,959, i.e. 18.86%, as compared with the beginning of the year.



Non-current assets (NCA)	31.12.2018	% in total NCA	% in total Assets	31.12.18 vs. 31.12.17
Property, plant and equipment	130,049,722	76.32%	51.33%	-5.60%
Investment property	18,033,515	10.58%	7.12%	-63.83%
Intangible assets	78,269	0.05%	0.03%	-51.11%
Financial assets	22,247,181	13.06%	8.78%	0.00%
Total non-current assets	170,408,687	100.00%	67.26%	-18.86%

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

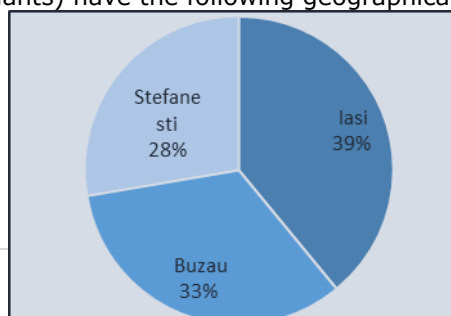
· Buildings (including rearrangements and improvement)	:	3,263,265 lei
· Equipment and installations	:	6,487,874 lei
· Furniture and office equipment	:	110,983 lei

The non-current assets entries in the first 9 months of 2018 had the following destinations: CP7-Compounds : RON 8,110,879; CP5- Polystyrene: RON 926,871; Administrative and others: RON 824,371.

The outputs of Non-current assets in the reporting period were as per registration cost in amount of RON 1,1193,393 out of which RON 968,169 represents dismantles/casation and RON 225,224 sales.

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



On 23.04.2018 the company signed with Office&Logistic SRL, two buying selling precontracts as follows :

- Buying selling precontract having as the object the promiss to sell the assets property consisting of land in total area of 39,269.50 sq m located in Iasi, no.29 Chisinaului Way, Iasi County for the total price of EUR 3,900,000, without VAT, selling which **had be done in two stages**, having as property transfer dates 10.05.2018 and 30.07.2018 ;
- Buying selling precontract having as the object the promiss to sell the assets property consisting of land in total area of 35,192.48 sq m located in Iasi, no.29 Chisinaului Way, Iasi County for the total price of EUR 3,430,689, without VAT, selling which is **to be done in three stages**, having as property transfer dates 30.07.2019, 29.11.2019 and 30.03.2020.

Of this sales, after completing the first two stages, on 10.05.2018 and on 30.07.2018, resulted a profit of RON 2,709,753 recognized in the Statement of comprehensive income at the position « Other gains and losses ».

In December, 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 thi reclassification has a book value of RON 16,757,112. On this occasion there was recognised a loss from the revaluation of the assets held for sale in the amount of RON 756,722.

As per December 31, 2018 the Company re-valuated the Property investments held at the end of the financial year resulting an increase of the net value with RON 307,659, amount recognised in the Profit and Loss of the year.

Financial Investments hold 8.78% of Total Assets, and 13.06% of Non-current assets.

As at 31.12.2018, S.C. ROMCARBON S.A. hold 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	

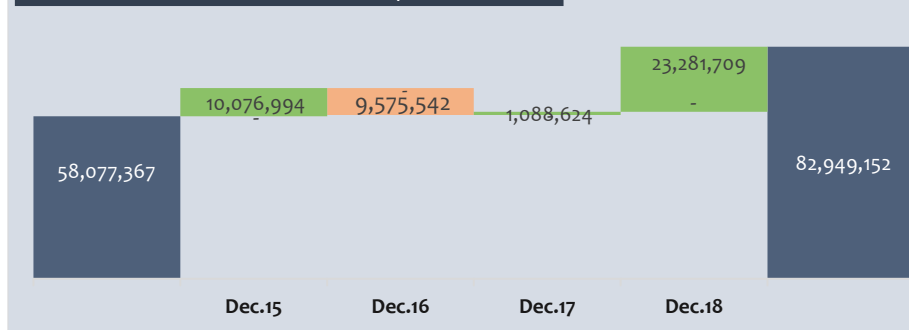
The impairment of financial investments are presented in the following table:

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

CURRENT ASSETS

Current assets hold 32.74% of total assets recording an increase of RON 23,281,709, i.e. 39.02% as compared with the beginning of the year.

Evolution of Total current assets in the period 2015-2018



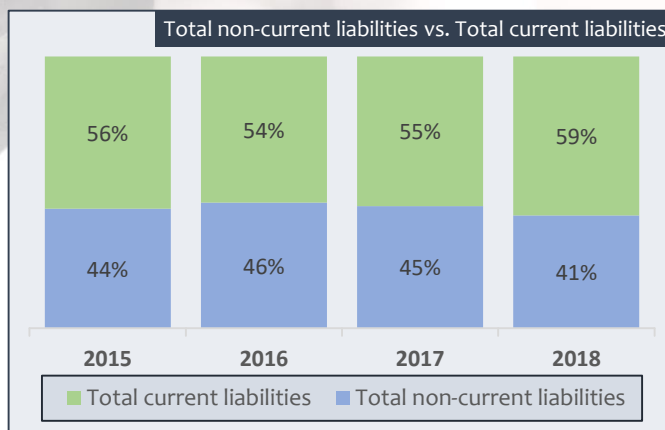
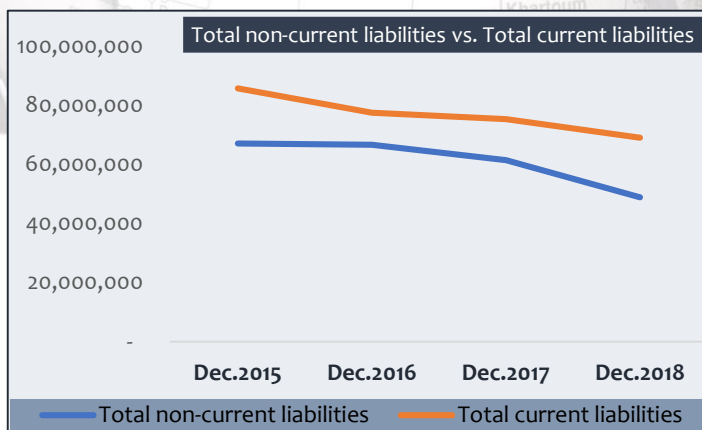
Current assets (CA)	31.12.2018	% in total CA	% in Total Assets	31.12.18 vs. 31.12.17
Non-current assets held for sale	16,000,390	19.29%	6.32%	0.00%
Inventories	20,695,920	24.95%	8.17%	-13.13%
Trade and other receivables	35,722,416	43.07%	14.10%	9.94%
Amounts to receive from affiliates (financial)	6,174,452	7.44%	2.44%	0.00%
Taxes receivables	17,051	0.02%	0.01%	0.00%
Other assets	1,007,913	1.22%	0.40%	22.88%
Cash and bank balances	3,331,010	4.02%	1.31%	31.71%
Total current assets	82,949,152	100.00%	32.74%	39.02%

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

Affiliate	Contract value	Balance as at 31.12.2018	Interest	Total	
LivingJumbo Industry SA	€ 1,000,000	€ 1,000,000	4,663,900 lei	75,134 lei	4,739,034 lei
RC Energo Install SRL*	€ 500,000	€ 305,000	1,422,490 lei	12,929 lei	1,435,418 lei
Total	€ 1,500,000	€ 1,305,000	6,086,390 lei	88,062 lei	6,174,452 lei

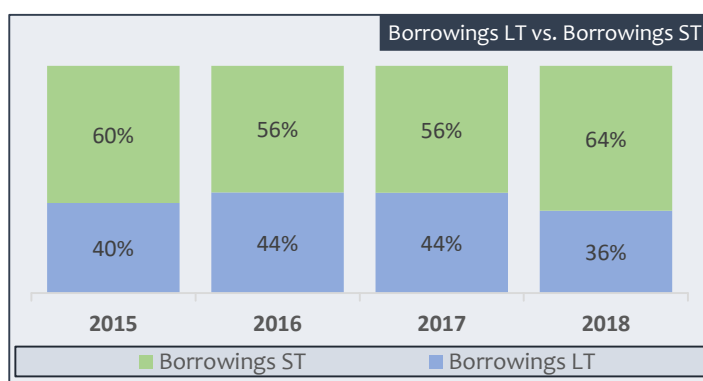
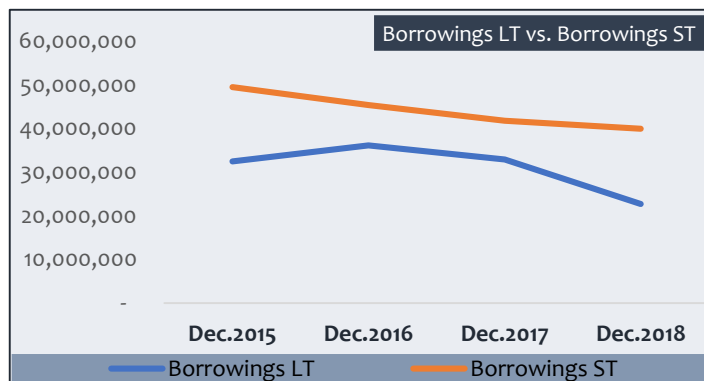
Note: In January 2019, RC Energo Install SRL fully reimbursed the loan and the interest accumulated.

LIABILITIES



Total Liabilities hold 46.49% of the company's Equity&Liabilities recording a decrease of RON 18,792,981, i.e. 13.76% as compared with the beginning of the year.

Borrowings



As at 31.12.2018 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Initial amount	Balance as at 31.12.2018		Maturity
			in euro	in lei	
UniCredit Bank	Credit line/overdraft	€ 5,450,000	€ 4,384,182	20,447,388 lei	10/04/2019
BRD GSG	Credit line/overdraft	€ 2,550,000	€ 2,496,590	11,643,846 lei	30/10/2019
UniCredit Bank	Investment loan III	€ 442,500	€ 310,774	1,449,418 lei	19/09/2021
BRD GSG	Investment loan II	€ 1,000,000	€ 478,991	2,233,967 lei	03/09/2022
BRD GSG	Investment loan III*	€ 3,153,160	€ 486,453	2,268,767 lei	03/02/2022
UniCredit Bank	Investment loan - CCE 2015	€ 3,042,240	€ 2,297,420	10,714,936 lei	04/12/2023
Total loans in euro		€ 15,637,900	€ 10,454,410	48,758,323 lei	
Eximbank SA	Investment loan I	6,142,500 lei		3,583,125 lei	20/06/2022
Eximbank SA	Investment loan II	2,432,500 lei		2,122,292 lei	16/12/2022
UniCredit Bank	Investment loan I	3,200,000 lei		2,289,737 lei	11/07/2023
UniCredit Bank	Investment loan II	2,500,000 lei		842,224 lei	19/09/2021
UniCredit Bank	Investment loan IV	5,400,000 lei		3,233,636 lei	01/12/2021
UniCredit Bank	Investment loan V	2,250,000 lei		1,773,159 lei	06/04/2022
Total loans in lei		21,925,000 lei		13,844,172 lei	
Total bank exposure				62,602,494 lei	

Short term loans have the following structure :

Bank	Type	CCY	Initial amount	Balance as at 31.12.2018	
				in euro	in lei
UniCredit Bank SA	Credit line/overdraft	euro	€ 5,450,000	€ 4,384,182	20,447,388 lei
BRD GSG	Credit line/overdraft	euro	€ 2,550,000	€ 2,496,590	11,643,746 lei
Total short-term borrowings				€ 6,880,772	32,091,234 lei

Long term loans have the following structure :

Bank	Type	Balance as at 31.12.2018		< 1 year	>1 year
		in euro	in lei		
UniCredit Bank	Investment loan III	€ 310,774	1,449,418 lei	527,061 lei	922,357 lei
BRD GSG	Investment loan II	€ 478,991	2,233,967 lei	582,774 lei	1,651,193 lei
BRD GSG	Investment loan III	€ 486,453	2,268,767 lei	735,816 lei	1,532,951 lei
UniCredit Bank	Investment loan - CCE 2015	€ 2,297,420	10,714,936 lei	2,028,797 lei	8,686,140 lei
Total loans in euro		€ 3,573,638	16,667,089 lei	3,874,448 lei	12,792,640 lei
Eximbank SA	Investment loan I		3,583,125 lei	1,023,750 lei	2,559,375 lei
Eximbank SA	Investment loan II		2,122,292 lei	530,573 lei	1,591,719 lei
UniCredit Bank	Investment loan I		2,289,737 lei	499,579 lei	1,790,158 lei
UniCredit Bank	Investment loan II		842,224 lei	306,263 lei	535,961 lei
UniCredit Bank	Investment loan IV		3,233,636 lei	1,077,878 lei	2,155,758 lei
UniCredit Bank	Investment loan V		1,773,159 lei	531,947 lei	1,241,211 lei

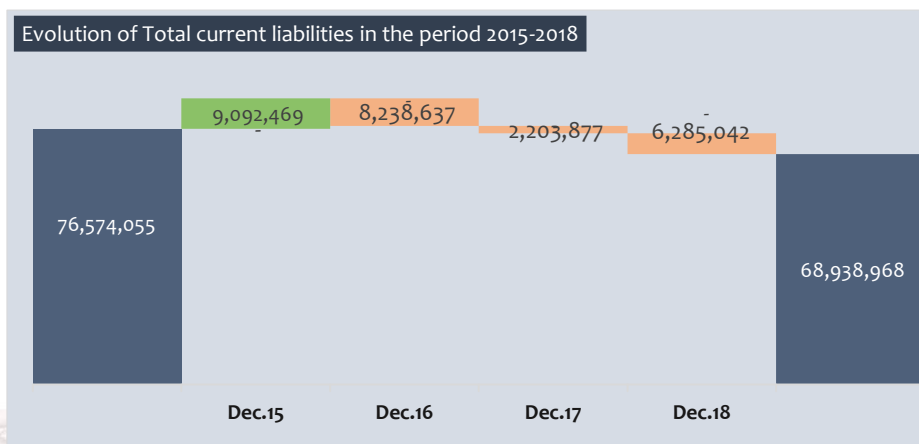
Total loans in lei	13,844,172 lei	3,969,991 lei	9,874,181 lei
Total long-term borrowings	30,511,261 lei	7,844,439 lei	22,666,821 lei

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

Nota : * In August 2018 it was early reimbursed the amount of EUR 1,000,000 euro in the Investment loan III contracted with BRD GSG SA.

CURRENT LIABILITIES

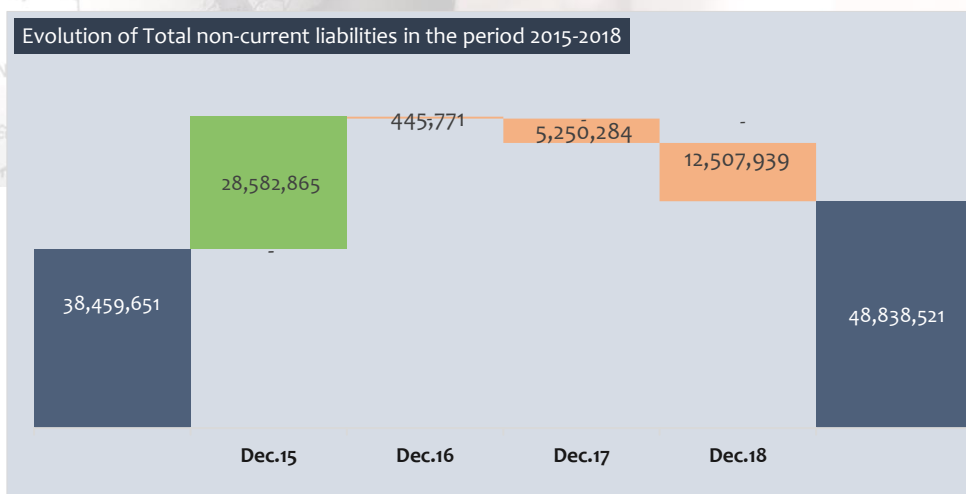
Current liabilities of the Company, representing 58.53% of the Total Liabilities and 27.21% of Total Equity & Liabilities have decreased by RON 6,285,042 as compared with the beginning of the year, i.e. 8.36%.



Current liabilities	31.12.2018	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	31.12.2018 vs. 31.12.17
Trade and other payables	24,537,065	20.83%	35.59%	9.68%	-14.12%
Borrowings [Short – term]	39,935,675	33.91%	57.93%	15.76%	-4.29%
Short term finance leases and other interest bearing obligations	0	0.00%	0.00%	0.00%	-100.00%
Deferred revenue	2,265,476	1.92%	3.29%	0.89%	-1.73%
Other liabilities	2,200,752	1.87%	3.19%	0.87%	-13.15%
Total current liabilities	68,938,968	58.53%	100.00%	27.21%	-8.36%

NON-CURRENT LIABILITIES

Non-current Liabilities representing 19.28% of the company's Equity&Liabilities recording in the reporting period a decrease of RON 12,507,939, i.e. 20.39%, as compared with the beginning of the year.

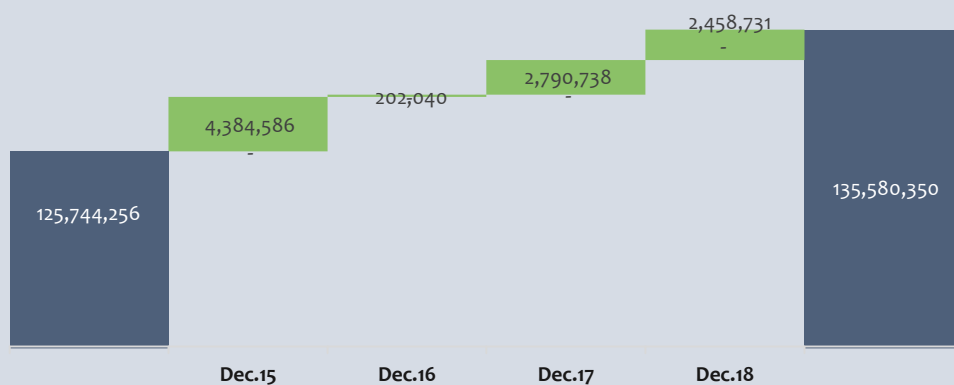


Non-current liabilities	31.12.2018	% in total liabilities	% in Total NCL	% in Total Equity and Liabilities	31.12.2018 vs. 31.12.17
Borrowings [Long-term]	22,666,821	19.25%	46.41%	8.95%	-31.13%
Long term finance leases and other interest bearing obligations	0	0.00%	0.00%	0.00%	0.00%
Deferred tax liabilities	10,758,395	9.13%	22.03%	4.25%	0.00%
Deferred income	15,413,305	13.09%	31.56%	6.08%	-12.80%
Total non-current liabilities	48,838,521	41.47%	100.00%	19.28%	-20.39%

EQUITY

Total Equity holds **53.51%** of Total Equity&Liabilities, recording in the reporting period an increase of RON 2,458,731, as compared with the beginning of the year.

Evolution of Total Equity in the period 2015-2018



Equity	31.12.2018	31.12.18 vs. 31.12.17
Issued capital (264,122,096 shares at 0.10 lei per share)	26,412,210	10.42%
Share premium	2,182,283	0.86%
Reserves	52,416,788	20.69%
Retained earnings	54,569,069	21.54%
Total	135,580,350	53.51%

3. STATEMENT OF THE COMPREHENSIVE INCOMES

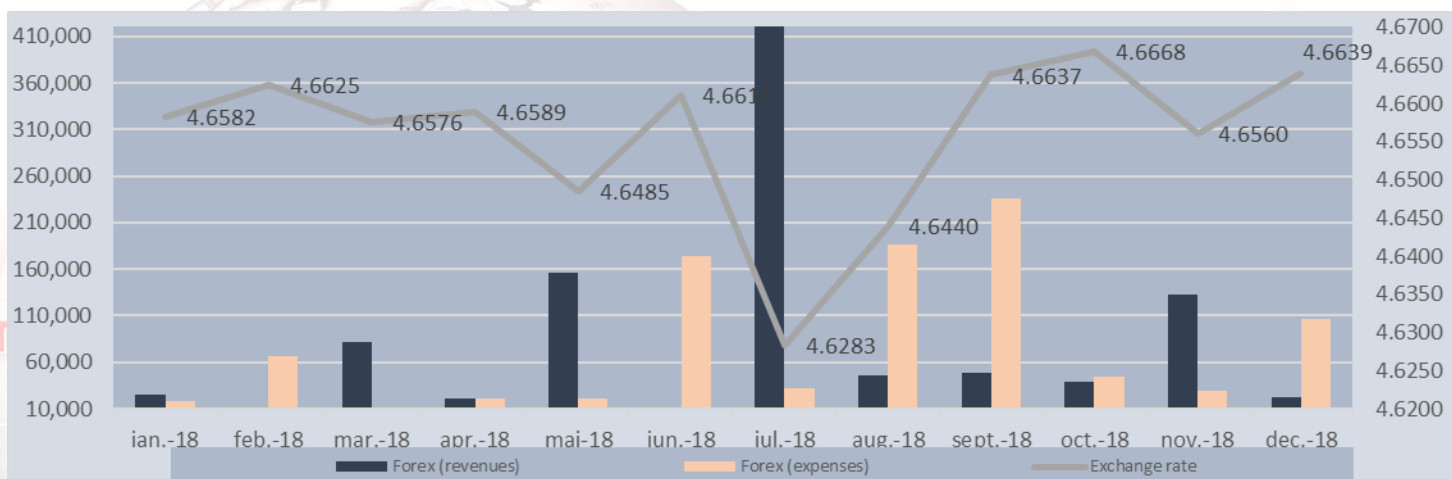
Indicator	12M 2016	12M 2017	12M 2018	2018 vs. 2017	
Net sales	178,719,385	195,140,695	198,460,719	▲	3,320,024 2%
Investment income *	6,866,672	3,987,533	3,464,433	▼	(523,100) -13%
Other gains and losses	1,725,659	2,796,780	3,388,764	▲	591,984 21%
Changes in inventories of finished goods and work in progress	3,404,371	2,304,367	372,436	▼	(1,931,931) -84%
Raw materials and consumables used	(131,058,698)	(139,437,993)	(136,656,676)	▼	2,781,317 -2%
Depreciation and amortisation expenses	(9,578,963)	(10,706,926)	(11,553,841)	▲	(846,915) 8%
Impairment losses on financial assets	(2,687,755)	-	-	—	- n/a
Employee salaries and benefits	(23,463,899)	(28,174,199)	(35,940,642)	▲	(7,766,443) 28%
Social security expenses	(5,473,802)	(6,608,431)	(1,139,629)	▼	(5,468,802) -83%
Net finance costs	(2,059,292)	(1,728,613)	(1,945,033)	▲	(216,420) 13%
Income from subsidies	2,203,176	2,264,436	2,263,169	▼	(1,267) 0%
Other expenses	(14,367,897)	(14,099,311)	(16,247,641)	▲	(2,148,330) 15%
Profit (loss) before taxation	4,228,957	5,738,338	4,466,059	▼	(1,272,279) -22%
Profit tax	674,517	(940,272)	-	▼	940,272 n/a
Profit (loss) of the year	4,903,474	4,798,066	4,466,059	▼	(332,007) -7%
Items of comprehensive incomes	0	0	-	—	-
Total comprehensive incomes	4,903,474	4,798,066	4,466,059	▼	(332,007) -7%

Indicator	2016	2017	2018
Average no. of employees	885	941	924

*Investment income – details:

Indicator	12M 2016	12M 2017	12M 2018	2018 vs. 2017	
Rental and royalty income	2,476,548	2,825,883	2,255,686	▼	(570,197) -20%
Interest income	11,981	3,653	91,387	▲	87,734 2402%
Investment income (dividends) - Recyclat LTD	3,207,527	0			
Investment income (dividends) - LivingJumbo Industry	495,000	0		—	-
Investment income (dividends) - Infotech Solutions	275,614	157,997	117,360	▼	(40,637) -26%
Investment income (dividends) - RC Energo Install	400,000	1,000,000	1,000,000	—	-
Total	6,866,671	3,987,533	3,464,433	▼	(523,100) -13%

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 12 months of 2018 the company registered revenues in amount of RON 1,035,514 and expenses in amount of RON 946,747, resulting a loss of RON 88,767.



Statement of the comprehensive items on Quarters is presented in the below table:

Indicator	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Net sales	49,365,872	48,057,072	51,830,871	45,886,880	48,150,522	52,215,963	52,393,209	45,701,025
Investment income	1,820,641	732,862	753,975	680,055	1,841,841	565,327	514,229	543,036
Other gains and losses	(88,338)	12,159	194,330	2,678,629	50,328	3,556,857	(718,925)	500,504
Changes in inventories of finished goods and work in progress	262,109	394,754	287,133	1,360,371	1,135,483	(1,160,042)	481,794	(84,799)
Raw materials and consumables used	(36,047,876)	(33,797,832)	(36,872,986)	(32,719,299)	(34,490,118)	(34,958,231)	(37,011,378)	(30,196,949)
Depreciation and amortisation expenses	(2,679,408)	(2,659,374)	(2,668,123)	(2,700,021)	(2,710,902)	(2,755,433)	(2,665,702)	(3,421,804)
Employee salaries and benefits	(6,749,618)	(6,922,209)	(7,136,051)	(7,366,321)	(9,003,923)	(9,067,123)	(8,973,074)	(8,896,522)
Social security expenses	(1,513,540)	(1,685,402)	(1,612,426)	(1,797,063)	(216,597)	(353,943)	(212,197)	(356,892)
Net finance costs	(435,937)	(438,109)	(412,278)	(442,289)	(461,440)	(491,738)	(501,336)	(490,519)
Income from subsidies	566,109	566,109	566,109	566,109	565,792	565,792	565,793	565,792
Other expenses	(3,475,250)	(3,384,447)	(3,358,416)	(3,881,198)	(3,716,945)	(4,004,799)	(4,051,932)	(4,473,965)
Profit (loss) before taxation	1,024,764	875,583	1,572,138	2,265,853	1,144,041	4,112,630	-179,519	-611,093
Profit tax	-	(97,540)	(356,862)	(485,870)	-	(17,051)	17,051	-
Profit (loss) of the year	1,024,764	778,043	1,215,276	1,779,983	1,144,041	4,095,579	-162,468	-611,093
Items of comprehensive incomes	-	-	-	-	-	-	-	-
Total comprehensive incomes	1,024,764	778,043	1,215,276	1,779,983	1,144,041	4,095,579	-162,468	-611,093

4. NET SALES

The item "Net Sales" had the following evolution:

	12M 2016	12M 2017	12M 2018	2018 vs. 2017	
- Sales of finished goods, Total, out of which:	122,191,290	140,128,883	148,386,635	▲	8,257,752 6%
CP1~ Auto and industrial filters	4,130,687	3,830,438	2,623,159	▼	(1,207,279) -32%
CP2~ Respiratory protective equipment and Active Carbon	2,915,747	2,514,286	1,994,419	▼	(519,866) -21%
CP3~ Polyethylene products	25,059,617	27,326,932	32,556,680	▲	5,229,748 19%
CP4~ PVC products	434,054	582,367	784,529	▲	202,162 35%
CP5~ Polystyrene products	34,260,687	36,420,305	37,832,816	▲	1,412,511 4%
CP6~ Polypropylene products	37,144,517	37,408,712	38,163,803	▲	755,091 2%
CP7~Compounds	18,245,980	32,045,842	34,431,228	▲	2,385,386 7%
- Sales of intermediary goods	90,147	48,146	10,205	▼	(37,941) -79%
- Services rendered	310,378	293,439	226,336	▼	(67,103) -23%
- Sales of commodities	53,189,162	51,024,724	45,297,333	▼	(5,727,391) -11%
- Other sales	2,938,408	3,645,505	4,540,210	▲	894,705 25%
Total Net sales	178,719,385	195,140,695	198,460,719	▲	3,320,023 2%

Indicator	12M 2016	12M 2017	12M 2018	2018 vs. 2017	
Net sales	178,719,385	195,140,696	198,460,719	▲	3,320,023 2%
Rental and royalty income	2,476,548	2,825,883	2,255,686	▼	(570,197) -20%
Turnover, out of which:	181,195,934	197,966,579	200,716,405	▲	2,749,825 1%
~domestic market	141,639,790	147,942,412	147,822,224	▼	(120,188) 0%
~exports	39,556,144	50,024,168	52,894,181	▲	2,870,013 6%

5. FINANCIAL RATIOS

Indicator	Formula	31.12.2016	31.12.2017	31.12.2018
EBIT	Gross profit + Profit tax + Expenses with interest	5,977,645	7,325,990	6,168,893
EBITDA	EBIT + Depreciation - Subsidies for investments	13,353,431	15,768,480	14,702,843
Turnover	Net sales + rental and royalty income	181,195,934	197,966,578	200,716,405
EBITDA to sales ratio	EBITDA/Turnover	7.37%	7.97%	7.33%
EBITDA to Equity ratio	EBITDA/Equity	10.25%	11.85%	10.84%
Gross profit margin	Gross profit/Turnover	2.33%	2.90%	2.23%
Current ratio	Current assets/Current liabilities (Current assets-Inventories)/Current liabilities	0.76	0.79	1.20
Quick ratio	Non-current liabilities to Equity ratio	0.43	0.48	0.90
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	0.51	0.46	0.36
Total liabilities to Assets ratio	Total liabilities/Total Assets	0.52	0.51	0.46
Interest coverage ratio	EBIT/Interest expenses	3.42	4.61	3.62
Account receivable turnover ratio	Average receivables/Turnover	60	54	61
Account payable turnover ratio	Average payables/Turnover	57	50	48
Return on assets (ROA)	Net profit/Assets	0.84	0.94	1.18
Return on equity (ROE)	Net profit/Equity	1.79%	1.78%	1.76%
Return on sales (ROS)	Net profit/Turnover	3.76%	3.60%	3.29%
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	2.71%	2.42%	2.23%

6.SHAREHOLDERS

As at 31.12.2018 Romcarbon SA's shareholders structure, according to Depozitarul Central SA:

Shareholder	Number of shares	%
LIVING PLASTIC INDUSTRY S.R.L.	86,774,508	32.85%
JOYFUL RIVER LIMITED	54,195,089	20.52%
NEW CARPATHIAN FUND	2,350,000	0.89%
OTHER LEGAL ENTITIES	16,310,342	6.18%
INDIVIDUALS	104,492,157	39.56%
Total	264,122,096	100.00%



Thinking
forward

The Financial Statements for the period ended December 31, 2018 are preliminary and they have not been audited.

Chairman of the Board
Huang Liang Neng

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

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