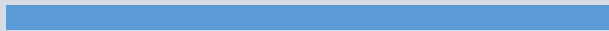


S.C. ROMCARBON S.A.

Half-Year report for the period ended June
30,2018



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S.C. ROMCARBON S.A.

COMPANY IDENTIFICATION

Half-Year report according with FSA regulation (5/2018)

Date of release: 14.08.2018

Reporting date: 30.06.2018

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.

Thinking
forward

LANGUAGE DISCLAIMER

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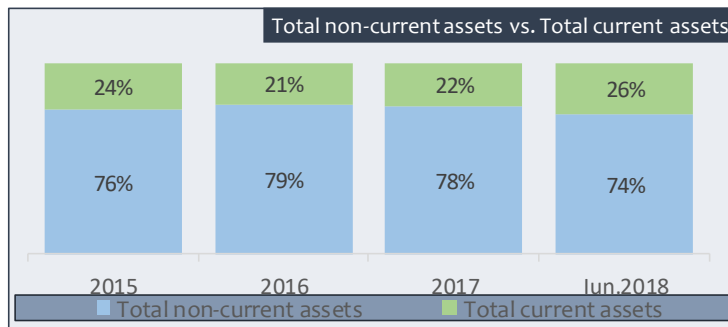
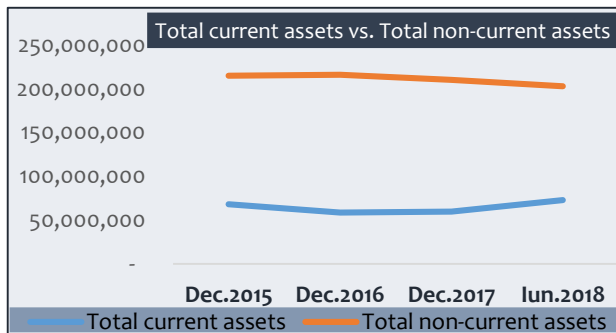
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1. ECONOMIC AND FINANCIAL POSITION OF THE COMPANY

1.1. STATEMENT OF THE FINANCIAL POSITION

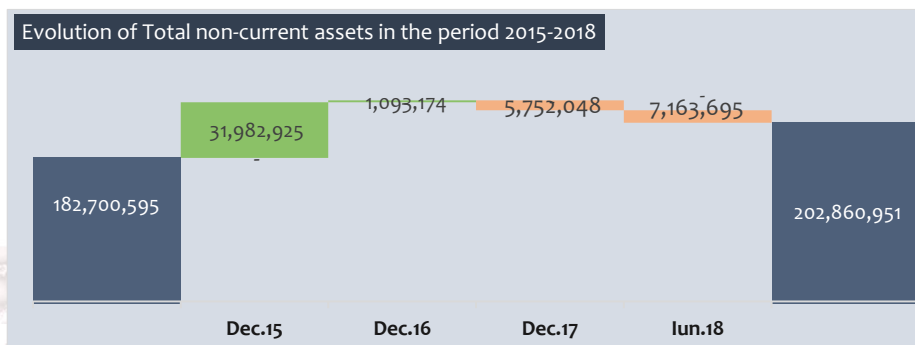
Indicator	30.06.2017	31.12.2017	30.06.2018	30.06.2018 vs. 31.12.2017	
Property, plant and equipment	145,021,694	137,757,935	134,044,837	-3,713,098	▼ -2.70%
Investment property	45,680,013	49,859,449	46,444,399	-3,415,050	▼ -6.85%
Intangible assets	206,122	160,081	124,534	-35,547	▼ -22.21%
Financial assets	22,248,201	22,247,181	22,247,181	0	▲ 0.00%
Total non-current assets	213,156,030	210,024,646	202,860,951	-7,163,695	▼ -3.41%
Inventories	23,131,024	23,824,916	19,801,009	-4,023,907	▼ -16.89%
Trade and other receivables	28,167,259	32,493,266	43,035,299	10,542,033	▲ 32.44%
Amounts to receive from affiliates (financial)	1,157,997	0	117,270	117,270	▲
Taxes receivables	349,699	0	0	0	—
Other assets	244,578	820,245	1,666,846	846,601	▲ 103.21%
Cash and bank balances	7,407,022	2,529,017	8,228,909	5,699,892	▲ 225.38%
Total current assets	60,457,579	59,667,445	72,849,333	13,181,888	▲ 22.09%
Total assets	273,613,609	269,692,090	275,710,284	6,018,194	▲ 2.23%
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	54,090,159	53,222,860	52,816,459	-406,401	▼ -0.76%
Retained earnings	49,449,036	51,304,266	56,950,287	5,646,021	▲ 11.00%
Total equity	132,133,688	133,121,619	138,361,239	5,239,620	▲ 3.94%
Borrowings [Long-term]	33,903,721	32,911,592	29,382,287	-3,529,305	▼ -10.72%
Long term finance leases and other interest bearing obligations	0	0	0	0	—
Deferred tax liabilities	10,468,240	10,758,395	10,758,395	0	— 0.00%
Deferred income	18,807,425	17,676,474	16,544,889	-1,131,585	▼ -6.40%
Total non-current liabilities	63,179,386	61,346,461	56,685,571	-4,660,890	▼ -7.60%
Trade and other payables	32,541,464	28,571,443	33,294,225	4,722,782	▲ 16.53%
Borrowings [Short – term]	40,000,690	41,726,661	42,302,944	576,283	▲ 1.38%
Short term finance leases and other interest bearing obligations	392,495	86,797	0	-86,797	▼ 100.00%
Deferred revenue	2,389,742	2,305,250	2,297,676	-7,574	▼ -0.33%
Other liabilities	2,976,144	2,533,859	2,768,629	234,770	▲ 9.27%
Total current liabilities	78,300,535	75,224,010	80,663,474	5,439,464	▲ 7.23%
Total liabilities	141,479,921	136,570,470	137,349,045	778,575	▲ 0.57%
Total equity and liabilities	273,613,609	269,692,090	275,710,284	6,018,194	▲ 2.23%

ASSETS



NON-CURRENT ASSETS

In the first 6 months of 2018 **Non-currents assets** hold 73.58% of the company's assets, recording a decrease of RON 7,163,695, i.e. 3.41%, as compared with the beginning of the year.



Non-current assets(NCA)	30.06.2018	% in total NCA	% in total Assets	30.06.2018 vs. 31.12.17
Property, plant and equipment	134,044,837	66.08%	48.62%	-2.70%
Investment property	46,444,399	22.89%	16.85%	-6.85%
Intangible assets	124,534	0.06%	0.05%	-22.21%
Financial assets	22,247,181	10.97%	8.07%	0.00%
Total non-current assets	202,860,951	100.00%	73.58%	-3.41%

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

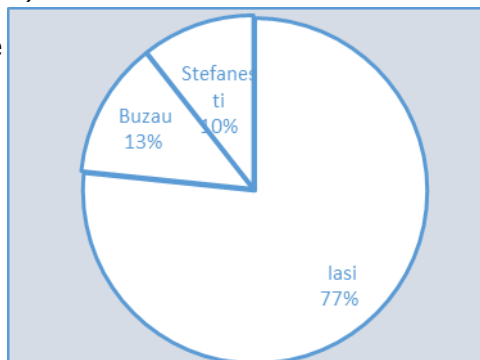
- Buildings (including rearrangements and improvement) : 3,119,621 lei
- Equipment and installations : 4,259,895 lei
- Furniture and office equipment : 89,019 lei

The non-current assets entries in the first 6 months of 2018 had the following destinations: CP7-Compounds : RON 6,441,093; CP5- Polystyrene: RON 895,701; Administrative and others: RON 131,741.

The outputs of Non-current assets in the reporting period were as per registration cost in amount of RON 17,928 (entirely amount represents dismantles/casation).

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

Property investments	Total
Iasi	35,595,496
Buzau	5,915,503
Stefanesti	4,933,400
Total	46,444,399



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 is **to 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.

On 11.05.2018 it was cashed the amount of RON 6,968,100 (equivalent of EUR 1,500,000) – paid by Office&Logistic SRL - representing the countervalue of an asset (land and construction) located in Iasi, no.29 Chisinaului Way, Iasi County having a total surface of 9,269.50 sq m, out of which 3,001 sq m built area, according to the buying selling contract no. 2113/10.05.2018 representing the 1st stage of the buying selling precontracts no.1.

The cost of the asset sold was RON 3,415,050, resulting a profit of RON 3,553,050 lei recognized in the Statement of comprehensive income at the position « Other gains and losses ».

Financial Investments hold 8.07% of Total Assets, and 10.97% of Non-current assets.

As at 30.06.2018, S.C. ROMCARBON S.A. held shares in other companies totalizing RON 25,611,325 lei, as follows:

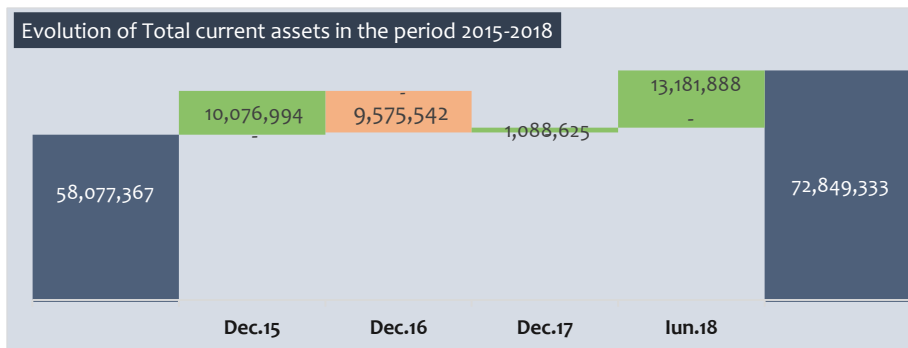
Company	Total no. of shares	Nominal value (lei)	Capital (lei)	Capital held (lei)	No. of shares held	Acquisition value of the shares (lei)	Participation quota (%)
RECYPLAT LTD CIPRU ROMCARBON	26,000	4.3521	113,154	113,154	26,000	20,261,120	100.00%
DEUTSCHLAND GmbH			110,138	110,138		110,138	100.00%
RC 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

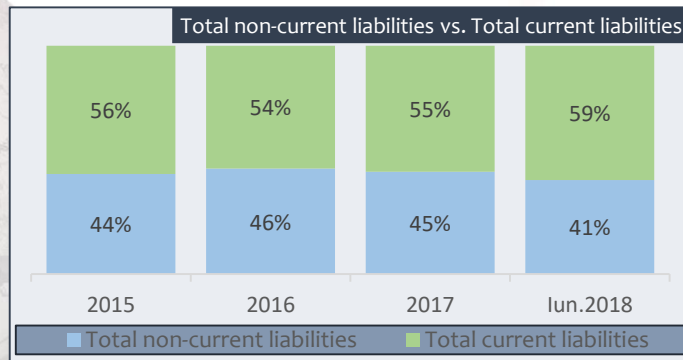
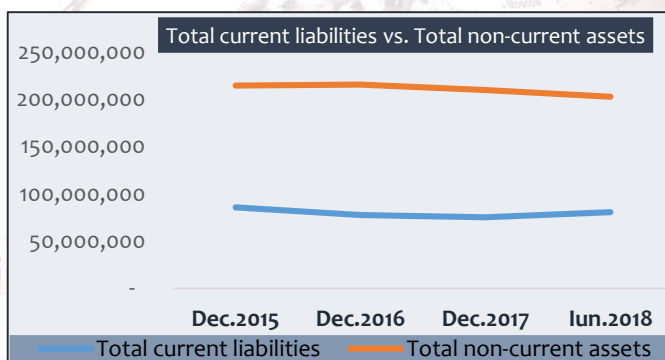
CURRENT ASSETS

Current assets hold 26.42% of total assets recording an increase of RON 13,181,888, i.e. 22.09% as compared with the beginning of the year.



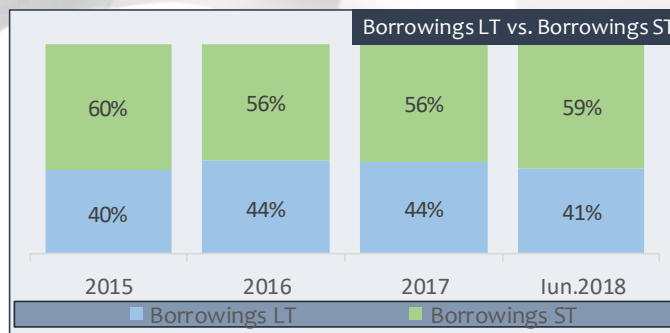
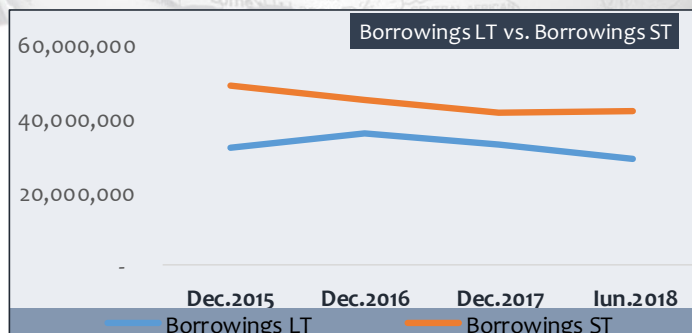
Current assets	30.06.2018	% in total CA	% in Total Assets	30.06.2018 vs. 31.12.17
Inventories	19,801,009	27.18%	7.18%	-16.89%
Trade and other receivables	43,035,299	59.07%	15.61%	32.44%
Amounts to receive from affiliates (financial)	117,270	0.16%	0.04%	0.00%
Other assets	1,666,846	2.29%	0.60%	103.21%
Cash and bank balances	8,228,909	11.30%	2.98%	225.38%
Total	72,849,333	100.00%	26.42%	22.09%

LIABILITIES



Total Liabilities hold 49.82% of the company's Equity&Liabilities recording an increase of RON 777,827, i.e. 0.57% as compared with the beginning of the year.

Borrowings



As at 30.06.2018 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Initial amount/ ceiling	Balance as at 30.06.2018		Tenor
			in euro	in lei	
UniCredit Bank	Credit line/overdraft	€ 3,450,000	€ 4,907,287	22,873,355 lei	10/04/2019
BRD GSG	Credit line/overdraft	€ 2,550,000	€ 2,272,361	10,591,700 lei	30/10/2018
UniCredit Bank	Investment loan III	€ 442,500	€ 367,278	1,711,920 lei	19/09/2021
BRD GSG	Investment loan II	€ 1,000,000	€ 541,468	2,523,838 lei	03/09/2022
BRD GSG	Investment loan III	€ 3,153,160	€ 1,614,118	7,523,563 lei	03/02/2022
UniCredit Bank	Investment loan - CCE 2015	€ 3,042,240	€ 2,514,920	11,722,293 lei	04/12/2023
Total loans in euro		€ 13,637,900	€ 12,217,432	56,946,670 lei	
Eximbank SA	Investment loan I	6,142,500 lei		4,350,938 lei	20/06/2022
Eximbank SA	Investment loan II	2,432,500 lei		1,296,971 lei	16/12/2022
UniCredit Bank	Investment loan I	3,200,000 lei		2,664,421 lei	11/07/2023
UniCredit Bank	Investment loan II	2,500,000 lei		1,071,920 lei	19/09/2021
UniCredit Bank	Investment loan IV	5,400,000 lei		4,042,045 lei	01/12/2021
UniCredit Bank	Investment loan V	2,250,000 lei		1,698,283 lei	06/04/2022
Total loans in lei		21,925,000 lei		15,124,577 lei	
Total bank exposure				72,071,247 lei	

Short term loans have the following structure :

Bank	Type	CCY	Initial amount	Balance as at 30.06.2018	
				in euro	in lei
UniCredit Bank SA	Credit line/overdraft	euro	€ 5,450,000	€ 4,907,287	22,873,355 lei
BRD GSG	Credit line/overdraft	euro	€ 2,550,000	€ 2,272,361	10,591,700 lei
Total				€ 7,179,648	33,465,055 lei

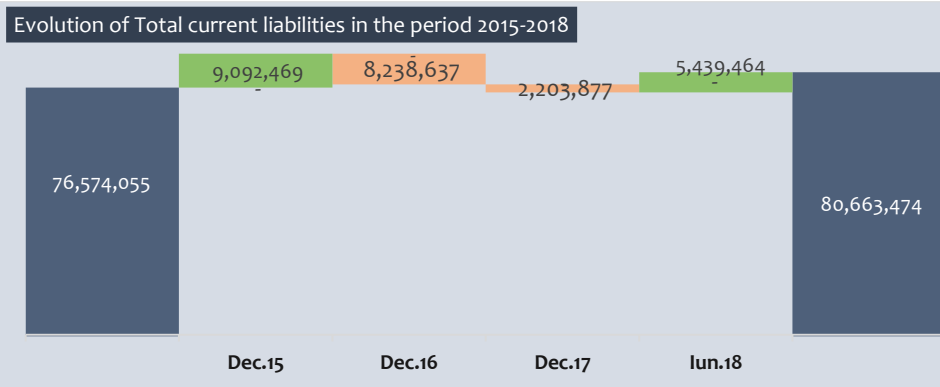
Long term loans have the following structure :

Bank	Type	Balance as at 30.06.2018		< 1 Year	>1 Year
		in euro	in lei		
UniCredit Bank	Investment loan III	€ 367,278	1,711,920 lei	526,745 lei	1,185,176 lei
BRD GSG	Investment loan II	€ 541,468	2,523,838 lei	582,425 lei	1,941,413 lei
BRD GSG	Investment loan III	€ 1,614,118	7,523,563 lei	2,099,599 lei	5,423,964 lei
UniCredit Bank	Investment loan - CCE 2015	€ 2,514,920	11,722,293 lei	2,027,579 lei	9,694,714 lei
Total in euro		€ 5,037,784	23,481,615 lei	5,236,347 lei	18,245,267 lei
Eximbank SA	Investment loan I		4,350,938 lei	1,023,750 lei	3,071,250 lei
Eximbank SA	Investment loan II		1,296,971 lei	162,121 lei	1,134,850 lei
UniCredit Bank	Investment loan I		2,664,421 lei	499,579 lei	2,039,947 lei
UniCredit Bank	Investment loan II		1,071,920 lei	306,263 lei	689,092 lei
UniCredit Bank	Investment loan IV		4,042,045 lei	1,077,878 lei	2,694,697 lei
UniCredit Bank	Investment loan V		1,698,283 lei	531,947 lei	1,507,185 lei
Total in lei			15,124,577 lei	3,601,539 lei	11,137,020 lei
Total bank exposure			38,606,192 lei	8,837,886 lei	29,382,287 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

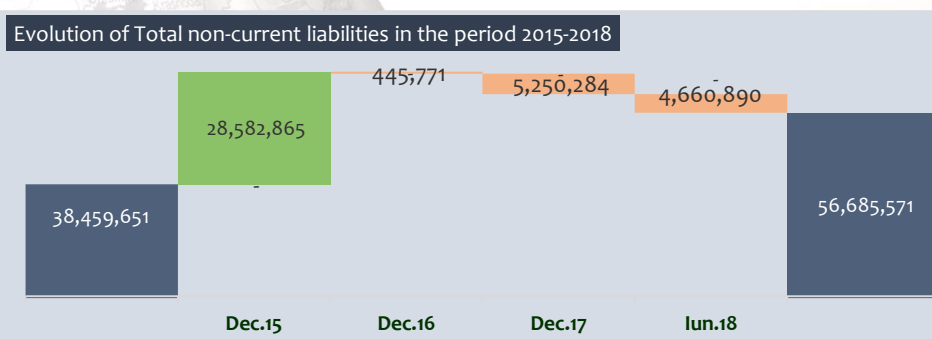
Current liabilities of the Company, representing 58.73% of the Total Liabilities and 29.26% of Total Equity & Liabilities have increased by RON 5,439,464 as compared with the beginning of the year, i.e. 7.23%.



Current liabilities	30.06.2018	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	30.06.2018 vs. 31.12.17
Trade and other payables	33,294,225	24.24%	41.28%	12.08%	16.53%
Borrowings [Short – term]	42,302,944	30.80%	52.44%	15.34%	1.38%
Short term finance leases and other interest bearing obligations	0	0.00%	0.00%	0.00%	-100.00%
Deferred revenue	2,297,676	1.67%	2.85%	0.83%	-0.33%
Other liabilities	2,768,629	2.02%	3.43%	1.00%	9.27%
Total	80,663,474	58.73%	100.00%	29.26%	7.23%

NON-CURRENT LIABILITIES

Non-current Liabilities representing 20.56% of the company's Equity&Liabilities recording in the reporting period a decrease of RON 4,660,890, i.e. 7.60%, as compared with the beginning of the year.

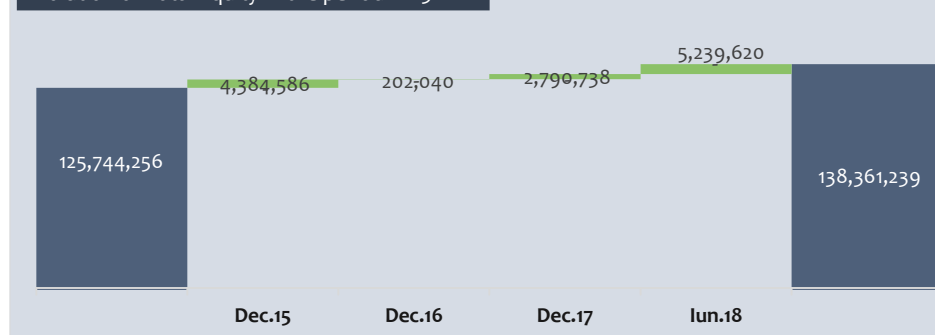


Non-Current liabilities	30.06.2018	% in total liabilities	% in Total NCL	% in Total Equity and Liabilities	30.06.2018 vs. 31.12.17
Borrowings [Long-term]	29,382,287	21.39%	51.83%	10.66%	-10.72%
Long term finance leases and other interest bearing obligations	0	0.00%	0.00%	0.00%	0.00%
Deferred tax liabilities	10,758,395	7.83%	18.98%	3.90%	0.00%
Deferred income	16,544,889	12.05%	29.19%	6.00%	-6.40%
Total	56,685,571	41.27%	100.00%	20.56%	-7.60%

EQUITY

Total Equity holds **50.18%** of Total Equity&Liabilities, recording in the reporting period an increase of RON 5,239,620, as compared with the beginning of the year.

Evolution of Total Equity in the period 2015-2018



Equity	30.06.2018	30.06.2018 vs. 31.12.17
Issued capital (264,122,096 shares at 0.10 lei per share)	26,412,210	9.58%
Share premium	2,182,283	0.79%
Reserves	52,816,459	19.16%
Retained earnings	56,950,287	20.66%
Total Equity	138,361,239	50.18%

1.2. STATEMENT OF THE PROFIT AND LOSS AND COMPREHENSIVE ITEMS

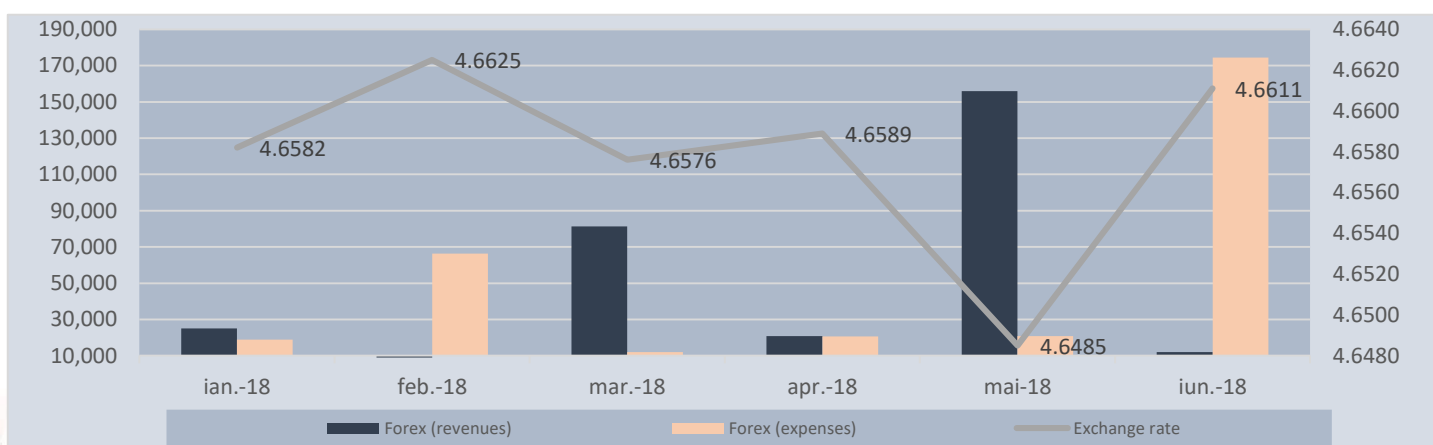
Indicator	6 months 2016	6 months 2017	6 months 2018	2018 vs. 2017	
Net sales *	89,840,618	97,422,944	100,366,485	▲	2,943,541 3%
Investment income *	2,134,841	2,553,503	2,407,168	▼	(146,335) -6%
Other gains and losses	92,365	(76,179)	3,607,185	▲	3,683,364 -4835%
Changes in inventories of finished goods and work in progress	2,105,127	656,863	(24,559)	▼	(681,422) -104%
Raw materials and consumables used	(66,993,132)	(69,845,708)	(69,448,349)	▼	397,359 -1%
Depreciation and amortisation expenses	(4,650,139)	(5,338,782)	(5,466,335)	▲	(127,553) 2%
Employee salaries and benefits	(10,910,708)	(13,671,827)	(18,071,046)	▲	(4,399,219) 32%
Social security expenses	(2,552,640)	(3,198,942)	(570,540)	▼	2,628,402 -82%
Net finance costs	(1,148,989)	(874,046)	(953,178)	▲	(79,132) 9%
Income from subsidies	1,036,381	1,132,218	1,131,584	▼	(634) 0%
Other expenses	(6,463,237)	(6,859,697)	(7,721,744)	▲	(862,047) 13%
Profit (loss) before taxation	2,490,486	1,900,347	5,256,671	▲	3,356,324 177%
Profit tax	(190,932)	(97,540)	(17,051)	▼	80,489 n/a
Profit (loss) of the year	2,299,554	1,802,807	5,239,620	▲	3,436,813 191%
Net loss on revaluation of tangible assets				—	-
Adjustment of deferred tax on fiscally non-deductible revaluation reserves				—	-
Total comprehensive income	2,299,554	1,802,807	5,239,620	▲	3,436,813 191%

Indicator	30.06.2016	30.06.2017	30.06.2018
Average number of personnel	847	924	941

*Investment income – details:

Indicator	6 months 2016	6 months 2017	6 months 2018	2018 vs. 2017	
Rental and royalty income	1,257,448	1,393,879	1,288,588	▼	(105,291) -8%
Interest income	8,277	1,617	1,309	▼	(308) -19%
Investment income (dividends) - LivingJumbo Industry	495,000	0	0	—	- n/a
Investment income (dividends) - Infotech Solutions	124,116	158,007	117,270	▼	(40,737) -26%
Investment income (dividends) - RC Energo Install	250,000	1,000,000	1,000,000	—	- -
Total	2,134,841	2,553,503	2,407,167	▼	(146,336) -6%

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 6 months of 2018 the company registered revenues in amount of RON 303,863 and expenses in amount of RON 313,141, resulting a loss of RON 9,278.



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

Indicator	1 st Quarter 2017	2 nd Quarter 2017	1 st Quarter 2018	2 nd Quarter 2018	1 st Quarter 2018 vs. 2017	2 nd Quarter 2018 vs. 2017
Net sales *	49,365,872	48,057,072	48,150,522	52,215,963	(1,215,350)	4,158,891
Investment income *	1,820,641	732,862	1,841,841	565,327	21,200	(167,535)
Other gains and losses	(88,338)	12,159	50,328	3,556,857	138,666	3,544,698
Changes in inventories of finished goods and work in progress	262,109	394,754	1,135,483	(1,160,042)	873,374	(1,554,796)
Raw materials and consumables used	(36,047,876)	(33,797,832)	(34,490,118)	(34,958,231)	1,557,758	(1,160,399)
Depreciation and amortisation expenses	(2,679,408)	(2,659,374)	(2,710,902)	(2,755,433)	(31,494)	(96,059)
Employee salaries and benefits	(6,749,618)	(6,922,209)	(9,003,923)	(9,067,123)	(2,254,305)	(2,144,914)
Social security expenses	(1,513,540)	(1,685,402)	(216,597)	(353,943)	1,296,943	1,331,459
Net finance costs	(435,937)	(438,109)	(461,440)	(491,738)	(25,503)	(53,629)
Income from subsidies	566,109	566,109	565,792	565,792	(317)	(317)
Other expenses	(3,475,250)	(3,384,447)	(3,716,945)	(4,004,799)	(241,695)	(620,352)
Profit (loss) before taxation	1,024,764	875,583	1,144,041	4,112,630	119,277	3,237,047
Profit tax	-	(97,540)	-	(17,051)	-	80,489
Profit (loss) of the year	1,024,764	778,043	1,144,041	4,095,579	119,277	3,317,536
Net loss on revaluation of tangible assets		0		-	-	-
Adjustment of deferred tax on fiscally		0		-	-	-

non-deductible revaluation reserves						
Total comprehensive income	1,024,764	778,043	1,144,041	4,095,579	119,277	3,317,536

1.3. NET SALES

The item "Net Sales" had the following evolution:

	30.06.2016	30.06.2017	30.06.2018	30.06.2018 vs. 30.06.2017	
Sales of finished goods	57,383,209	70,202,437	76,032,594	▲	5,830,158 8%
Sales of intermediary goods	44,281	28,645	5,558	▼	(23,087) -81%
Services rendered	164,019	197,342	96,957	▼	(100,384) -51%
Sale of commodities	30,777,259	25,400,946	22,036,379	▼	(3,364,566) -13%
Rental and royalty income	1,471,850	1,593,575	2,194,995	▲	601,421 38%
Total	89,840,618	97,422,943	100,366,485	▲	2,943,541 3%

Indicator	30.06.2016	30.06.2017	30.06.2018	30.06.2018 vs. 30.06.2017	
Net sales	89,840,618	97,422,943	100,366,485	▲	2,943,541 3%
Rental and royalty income	1,257,448	1,393,879	1,288,588	▼	(105,291) -8%
Total turnover, out of which	91,098,066	98,816,822	101,655,073	▲	2,838,250 3%
~domestic market	72,320,856	72,669,059	74,375,458	▲	1,706,399 2%
~exports	18,777,210	26,147,763	27,279,615	▲	1,131,852 4%

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

1.4. FINANCIAL RATIOS

Indicator	Formula	30.06.2016	30.06.2017	30.06.2018
EBIT	Gross profit + Expenses with interests	3,456,081	2,706,879	6,099,654
EBITDA	EBIT + Depreciation-Subsidies for investment	7,069,839	6,913,443	10,434,405
Sales	Revenue + Rental and royalty income	91,098,066	98,816,823	101,655,073
EBITDA to sales ratio	EBITDA/Sales	7.76%	7.00%	10.26%
EBITDA to Equity ratio	EBITDA/Equity	5.43%	5.23%	7.54%
Gross profit margin	Gross profit/Sales	2.73%	1.92%	5.17%
Current ratio	Current assets/Current liabilities	0.71	0.77	0.90
Quick ratio	(Current assets-Inventories)/Current liabilities	0.45	0.48	0.66
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	49%	48%	41%
Total liabilities to Assets ratio	Total liabilities/Total Assets	53%	52%	50%
Long term loans to Equity ratio	Long term loans/Equity	24%	26%	21%
Long term loans to engaged capital ratio	Long term loans/(Equity+long term loans)	20%	20%	18%
Interest coverage ratio	EBIT/Interest expenses	3.58	3.36	7.24
Account receivable turnover ratio (days)	Average receivables/Sales	65	50	67
Account payable turnover ratio (days)	Average payables/Sales	63	54	55
Non-current assets rotation	Non-current liabilities/Sales	0.42	0.46	0.50
Return on assets (ROA)	Net profit/Assets	0.84%	0.66%	1.90%
Return on equity (ROE)	Net profit/Equity	1.77%	1.36%	3.79%
Return on sales (ROS)	Net profit/Sales	2.52%	1.82%	5.15%

1.5. STATEMENT OF THE CASH FLOW

The cash and cash equivalent in the reporting period had registered an increase of RON 5,699,892 as compared with 01.01.2018.

	30/06/2017	31/12/2017	30/06/2018
<u>CASH FLOWS FROM OPERATIONS</u>			
<i>Cash generated from operations (A)</i>	10,914,591	9,606,070	4,823,972
<u>CASH FLOWS FROM INVESTMENT ACTIVITY</u>			
<i>Net cash (used in)/generated by investing activities(B)</i>	-1,585,899	-3,255,571	3,828,944
<u>CASH FLOWS FROM FINANCING ACTIVITY</u>			
<i>Net cash generated/used by/in financing activities (C)</i>	-7,536,998	-9,436,810	-2,953,023
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)</u>	1,791,694	-3,086,312	5,699,893
<u>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</u>	5,615,328	5,615,328	2,529,016
<u>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</u>	7,407,022	2,529,016	8,228,909

2. ANALYSES OF COMPANY'S ACTIVITY

- 2.1 Nothing to mention.
- 2.2 Nothing to mention.
- 2.3 Nothing to mention.

3. CHANGES IN THE REPORTING PERIOD WITH A MAJOR IMPACT ON THE COMPANY'S EQUITY AND COMPANY'S MANAGEMENT

- 3.1. In the reporting period the company fulfilled all its obligations regarding paying its financial, commercial, bank, and tax debts within the tenor.
- 3.2. Nothing to mention.

4. SIGNIFICANT TRANSACTIONS

In the first half of 2018, transactions with affiliated parties were conducted as follows:

Affiliate	Sales (w/o VAT)	Acquisitions(w/o VAT)
INFO TECH SOLUTIONS S.R.L.	12,007	224,447
LIVINGJUMBO INDUSTRY SA	17,308,415	504,302
RC ENERGO INSTALL SRL	47,631	895,220
YENKI SRL BUZAU	1,765	-
Total	17,369,819	1,623,969

5.SHEREHOLDERS

As at 30.06.2018 the SC Romcarbon SA shareholders structure, according to Depozitarul Central SA was as follows:

Shareholder	Number of shares	%
LIVING PLASTIC INDUSTRY S.R.L.	86,774,508	32.85%
JOYFUL RIVER LIMITED	54,195,089	20.52%
BRAICONF SA	23,000,000	8.71%
NEW CARPATHIAN FUND	9,350,000	3.54%
STICHTING BEWAARDER OVERLEVINGSFONDS	4,252,035	1.61%
OTHER LEGAL ENTITIES	14,637,032	5.54%
INDIVIDUALS	71,913,432	27.23%
Total	264,122,096	100.00%

The Financial Statements for the period ended June 30,2018 have not been audited.



**Thinking
forward**

Chairman of the Board
Huang Liang Neng

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

Declaration of the management

Undersigners, **HUANG LIANG NENG** the Chairman of the Board, **ANDREI RADU**- the Chief Executive Officer and **ZĂINESCU VIORICA-IOANA**, the Chief Financial Officer of ROMCARBON S.A. Buzau, a company located in Buzau, 132 Transilvaniei street, registered with Buzau Trade Register under the number J10/83/91, having the sole registration number RO1158050, hereby declare that, to the best of our knowledge, the Half-Year Financial Statement for the period ended June 30, 2018 prepared in accordance with International Financial Reporting Standards (IFRS) as it were adopted by European Union provide a fair and accurate view of the assets, liabilities, financial position, income statement and statement of comprehensive income and the report of the Board of Directors prepared in accordance with the appendix 14 of the F.S.A. Regulation no. 5/2018 provides fairly and comprehensively the information regarding ROMCARBON S.A

Given today, 14.08.2018

HUANG LIANG NENG

ANDREI RADU

ZĂINESCU VIORICA IOANA

L.S.

L.S.

L.S.

For signatures, please refer to the original Romanian version.

S.C. ROMCARBON S.A.

SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30,2018

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS

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STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2018

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

	Period ended 30-Jun-17 RON	Period ended 30-Jun-18 RON
Net sales	97,422,944	100,366,485
Investment income	2,553,503	2,407,168
Other gains or losses	(76,179)	3,607,185
Changes in inventories	656,863	(24,559)
Raw materials and consumables used	(69,845,708)	(69,448,349)
Depreciation and amortization expense	(5,338,782)	(5,466,335)
Employee salaries and benefits	(13,671,827)	(18,071,046)
Social security expenses	(3,198,942)	(570,540)
Net finance cost	(874,046)	(953,178)
Income from subsidies	1,132,218	1,131,584
Other expenses	(6,859,697)	(7,721,744)
Profit (loss) before taxation	1,900,347	5,256,671
Profit tax	(97,540)	(17,051)
Net profit	1,802,807	5,239,620
Other comprehensive income	-	-
Total comprehensive income	1,802,807	5,239,620
Earnings per share	0.0068	0.0198
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 JUNE 30, 2018

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

	<u>01-Jan-2018</u>	<u>30-Jun-18</u>
	RON	RON
Non-current assets		
Property, plant and equipment	137,757,935	134,044,837
Investment property	49,859,449	46,444,399
Intangible assets	160,081	124,534
Financial assets	22,247,181	22,247,181
Total non-current assets	210,024,646	202,860,951
Current assets		
Inventories	23,824,916	19,801,009
Trade and other receivables	32,493,266	43,035,299
Amounts to receive from affiliates (financial)	-	117,270
Other assets	820,245	1,666,846
Cash and bank balances	2,529,017	8,228,909
Total current assets	59,667,444	72,849,333
Total assets	269,692,090	275,710,284
Equity and Liabilities		
Capital and reserve		
Issued capital	26,412,210	26,412,210
Share premiums	2,182,283	2,182,283
Reserves	53,222,860	52,816,459
Retained earnings	51,304,266	56,950,287
Total Equity	133,121,619	138,361,239
Non-current liabilities		
Borrowings	32,911,592	29,382,287
Deferred tax liabilities	10,758,395	10,758,395
Deferred income	17,676,474	16,544,889
Total non-current liabilities	61,346,461	56,685,571
Current liabilities		
Trade and other payables	28,571,443	33,294,225
Borrowings	41,726,661	42,302,944
Short term finance leases and other interest-bearing liabilities	86,797	-
Deferred income	2,305,250	2,297,676
Other liabilities	2,533,859	2,768,629
Total current liabilities	75,224,010	80,663,474
Total liabilities	136,570,471	137,349,045
Total equity and liabilities	269,692,090	275,710,284

**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 JUNE 30, 2018
 (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/2018	26,412,210	2,182,283	39,338,851	3,874,993	10,009,015	51,304,266	133,121,619
Realised revaluation reserve	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-
Net profit of the period	-	-	-	-	-	5,239,620	5,239,620
Corrections	-	-	-	-	-	-	-
Transfers between capital accounts	-	-	(406,401)	-	-	406,401	-
30/Jun/2018	26,412,210	2,182,283	38,932,451	3,874,993	10,009,015	56,950,287	138,361,239

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 JUNE 30, 2018
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

NET SALES

	Period ended 30-Jun-17	Period ended 30-Jun-18
	RON	RON
Sales of finished goods	70,387,872	76,205,403
Sales of commodities	25,244,155	21,869,130
Services rendered	197,342	96,957
Other sales	1,593,575	2,194,995
Total	97,422,944	100,366,485

INVESTMENT INCOME

	Period ended 30-Jun-17	Period ended 30-Jun-18
	RON	RON
Income from renting investment property	1,393,879	1,288,588
Income from interest on bank deposits	1,627	1,310
Dividends received from participations	1,157,997	1,117,270
Total	2,553,503	2,407,168

OTHER GAINS AND LOSSES

	Period ended 30-Jun-17	Period ended 30-Jun-18
	RON	RON
Income from penalties charged	3,549	6,671
Gain / (Loss) on disposal of investment property	-	3,553,050
FOREX gain / (loss)	(150,066)	(11,577)
Gain / (Loss) on changes of provisions	20,105	-
Other gains	50,233	59,041
Total	(76,179)	3,607,185

RAW MATERIALS AND CONSUMABLES USED

	Period ended 30-Jun-17	Period ended 30-Jun-18
	RON	RON
Raw materials	37,990,999	38,927,713
Commodities sold	24,869,473	21,553,796
Energy and water	4,696,111	6,235,980
Expenses with consumables	2,289,126	2,730,861
Total	69,845,708	69,448,349

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018
(all amounts are expressed in lei, unless specified otherwise)

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DEPRECIATION AND AMORTIZATION EXPENSES	Period ended 30-Jun-17 RON	Period ended 30-Jun-18 RON
Total amortization expenses,	5,338,782	5,466,335
Of which:		
Depreciation of fixed assets	5,278,212	5,414,009
Amortization of intangible assets	60,570	52,326
Total	5,338,782	5,466,335
EMPLOYEES SALARIES AND BENEFITS	Period ended 30-Jun-17 RON	Period ended 30-Jun-18 RON
Salaries	13,037,544	17,396,329
Social contributions	3,198,942	570,540
Meal tickets	634,283	674,717
Total	16,870,769	18,641,586
NET FINANCE COST	Period ended 30-Jun-17 RON	Period ended 30-Jun-18 RON
Bank interest and leases expenses	790,002	823,313
Bank commissions and assimilated charges	84,044	129,865
Total	874,046	953,178
OTHER EXPENSES	Period ended 30-Jun-17 RON	Period ended 30-Jun-18 RON
Expenses with transport and logistics	2,429,957	2,533,867
Other expenses with third party services	2,815,070	3,084,665
Protocol and marketing	284,236	274,925
Expenses with repairs	416,646	480,737
Taxes and levies	424,731	899,690
Losses from receivables	15,915	-
Expenses with insurances	100,990	172,635
Expenses with postal charges and telecommunications	76,201	65,769
Expenses with travels	87,503	59,272
Expenses with rents	91,475	113,778
Expenses with commissions and fees	3,927	2,816
Expenses with fines and penalties	2,356	153
Other expenses	110,690	33,437
Total	6,859,697	7,721,744



Thinking
forward

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018

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

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PROFIT TAX

	Period ended 30-Jun-17	Period ended 30-Jun-18
	RON	RON
Current profit tax expense	97,540	17,051
Deferred profit tax expense	-	-
Total	97,540	17,051



**Thinking
forward**

ROMCARBON S.A.
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30,2018

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

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	<u>Land</u>	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Installations and furniture</u>	<u>Tangible assets in progress and advances</u>	<u>Total</u>
	RON	RON	RON	RON	RON	RON
COST						
Balance as at January 31, 2018	45,876,831	21,079,948	111,567,980	1,362,753	6,977,944	186,865,456
Additions	-	3,119,621	4,259,895	89,019	1,700,913	9,169,448
Disposals	-	-	(9,734)	(8,194)	(7,468,535)	(7,486,463)
Balance as at June 30, 2018	45,876,831	24,199,569	115,818,141	1,443,578	1,210,322	188,548,440
CUMULATED DEPRECIATION						
	<u>Land</u>	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Installations and furniture</u>	<u>Tangible assets in progress and advances</u>	<u>Total</u>
	RON	RON	RON	RON	RON	RON
Balance as at January 31, 2018	-	(1,745,879)	(46,652,965)	(708,677)	-	(49,107,521)
Expenses with depreciation	-	(924,990)	(4,433,712)	(55,309)	-	(5,414,010)
Decrease from sale of assets	-	-	9,734	8,194	-	17,928
Balance as at June 30, 2018	-	(2,670,869)	(51,076,943)	(755,792)	-	(54,503,603)
NET BOOK VALUE as at June 30, 2018	45,876,831	21,528,700	64,741,198	687,786	1,210,322	134,044,837

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018
(all amounts are expressed in lei, unless specified otherwise)

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PROPERTY INVESTMENTS

Balance as at January 31, 2018	49,859,449
Additions	-
Disposals	(3,415,050)
Balance as ar June 30, 2018	46,444,399

INTANGIBLE ASSETS

	Licences	Other intangible assets	Intangible assets in progress	Total
<i>Cost</i>	RON	RON	RON	RON
Balance as at January 31, 2018	711,057	592,467	-	1,303,524
Additions	15,030	1,748	-	16,778
Transfers	-	-	-	-
Disposals	-	-	-	-
Balance as at June 30, 2018	726,087	594,215	-	1,320,302
 <i>Cumulated amortization</i>				
Balance as at January 31, 2018	(600,298)	(543,144)	-	(1,143,442)
Expenses with depreciation	(38,877)	(13,449)	-	(52,326)
Decrease from sale of assets	-	-	-	-
Balance as at June 30, 2018	(639,175)	(556,593)	-	(1,195,768)
 NET BOOK VALUE				
as at June 30, 2018	86,912	37,622	-	124,534

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018
(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	%	30-Jun-18 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 JUNE 30, 2018
(all amounts are expressed in lei, unless specified otherwise)

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INVENTORIES

	01-Jan-18	30-Jun-18
Raw materials	13,001,772	9,709,292
Consumables	2,702,172	2,722,993
Items of inventory	108,798	109,697
Packaging	196,894	197,248
Finished products	5,288,852	4,483,201
Unfinished products	1,916,330	2,074,262
Semi-finished products	1,832,946	1,678,602
Residual products	2,665	3,582
Commodities	123,004	224,649
Advances for purchases of inventory	81,739	27,739
Provisions for obsolete inventories	(1,430,256)	(1,430,256)
Total	23,824,916	19,801,009

TRADE AND OTHER RECEIVABLES

	01-Jan-18	30-Jun-18
Trade receivables	33,258,735	43,662,522
Provisions for doubtful clients	(1,238,738)	(1,238,738)
Taxes to recover	45,168	203,602
Other receivables	428,101	407,912
Total	32,493,266	43,035,299

CASH ON HAND AND AT BANKS

	01-Jan-18	30-Jun-18
Cash at banks	2,403,783	8,171,400
Cash on hand	15,873	49,392
Cash equivalents	109,361	8,117
Total	2,529,017	8,228,909

OTHER CURRENT ASSETS

	01-Jan-18	30-Jun-18
Prepaid expenses	152,874	1,656,018
Advances to services suppliers	667,371	10,828
Total	820,245	1,666,846

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018
(all amounts are expressed in lei, unless specified otherwise)

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ISSUED CAPITAL

	01-Jan-18	30-Jun-18
264,122,096 fully paid ordinary shares (2018: 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-18	30-Jun-18
	RON	RON
Legal reserves	3,874,993	3,874,993
Other reserves	10,009,015	10,009,015
Revaluation reserves	39,338,852	38,932,451
Total	53,222,860	52,816,459

BORROWINGS
Borrowings – short-term

	01-Jan-18	30-Jun-18
Credit line – BRD	10,978,977	10,591,700
Investment loan I - BRD	408,071	-
Investment loan II - BRD	582,250	582,425
Investment loan III - BRD	2,098,969	2,099,599
UniCredit Bank (linie de credit)	21,828,211	22,873,357
Investment loan UniCredit Bank - CCE 2015	2,026,970	2,027,579
Investment loan I - Eximbank SA	1,023,750	1,023,750
Investment loan I - UniCredit Bank	499,579	499,579
Investment loan II - UniCredit Bank	306,263	306,263
Investment loan III - UniCredit Bank	526,587	526,745
Investment loan IV - UniCredit Bank	1,077,878	1,077,878
Investment loan V - UniCredit Bank	369,156	531,947
Investment loan II - Eximbank SA	-	162,122
Total	41,726,661	42,302,944

Borrowings – long-term

	01-Jan-18	30-Jun-18
Investment loan II - BRD	2,231,955	1,941,413
Investment loan III - BRD	6,471,819	5,423,964
Investment loan UniCredit Bank - CCE 2015	10,705,287	9,694,714
Investment loan I - UniCredit Bank	2,289,738	2,039,947
Investment loan II - UniCredit Bank	842,223	689,092
Investment loan III - UniCredit Bank	1,448,113	1,185,176
Investment loan IV - UniCredit Bank	3,233,636	2,694,697
Investment loan V - UniCredit Bank	1,199,761	1,507,184
Investment loan I - Eximbank SA	3,583,125	3,071,250
Investment loan II - Eximbank SA	905,935	1,134,850
Total	32,911,592	29,382,287

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018
(all amounts are expressed in lei, unless specified otherwise)

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As at 30.06.2018 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Initial amount	Balance as at 30.06.2018		Tenor
			in euro	in lei	
UniCredit Bank	Credit line	€ 3,450,000	€ 4,907,287	22,873,355 lei	10/04/2019
BRD GSG	Credit line	€ 2,550,000	€ 2,272,361	10,591,700 lei	30/10/2018
UniCredit Bank	Investment loan III	€ 442,500	€ 367,278	1,711,920 lei	19/09/2021
BRD GSG	Investment loan II	€ 1,000,000	€ 541,468	2,523,838 lei	03/09/2022
BRD GSG	Investment loan III	€ 3,153,160	€ 1,614,118	7,523,563 lei	03/02/2022
UniCredit Bank	Investment loan - CCE 2015	€ 3,042,240	€ 2,514,920	11,722,293 lei	04/12/2023
Total in euro		€ 13,637,900	€ 12,217,432	56,946,670 lei	
Eximbank SA	Investment loan I	6,142,500 lei		4,350,938 lei	20/06/2022
Eximbank SA	Investment loan II	2,432,500 lei		1,296,971 lei	16/12/2022
UniCredit Bank	Investment loan I	3,200,000 lei		2,664,421 lei	11/07/2023
UniCredit Bank	Investment loan II	2,500,000 lei		1,071,920 lei	19/09/2021
UniCredit Bank	Investment loan IV	5,400,000 lei		4,042,045 lei	01/12/2021
UniCredit Bank	Investment loan V	2,250,000 lei		1,698,283 lei	06/04/2022
Total in lei		21,925,000 lei		15,124,577 lei	
Total expunere				72,071,247 lei	

Short term loans has the following structure :

Bank	Type	CCY	Initial amount	Balance as at 30.06.2018	
				in euro	in lei
UniCredit Bank SA	Linie de credit	euro	€ 5,450,000	€ 4,907,287	22,873,355 lei
BRD GSG	Linie de credit	euro	€ 2,550,000	€ 2,272,361	10,591,700 lei
Total				€ 7,179,648	33,465,055 lei

Long term loans has the following structure :

Bank	Type	Balance as at 30.06.2018		< 1 Year	> 1 Year
		in euro	in lei		
UniCredit Bank	Investment loan III	€ 367,278	1,711,920 lei	526,745 lei	1,185,176 lei
BRD GSG	Investment loan II	€ 541,468	2,523,838 lei	582,425 lei	1,941,413 lei
BRD GSG	Investment loan III	€ 1,614,118	7,523,563 lei	2,099,599 lei	5,423,964 lei
UniCredit Bank	Investment loan - CCE 2015	€ 2,514,920	11,722,293 lei	2,027,579 lei	9,694,714 lei
Total credits in euro		€ 5,037,784	23,481,615 lei	5,236,347 lei	18,245,267 lei
Eximbank SA	Investment loan I		4,350,938 lei	1,023,750 lei	3,071,250 lei
Eximbank SA	Investment loan II		1,296,971 lei	162,121 lei	1,134,850 lei
UniCredit Bank	Investment loan I		2,664,421 lei	499,579 lei	2,039,947 lei
UniCredit Bank	Investment loan II		1,071,920 lei	306,263 lei	689,092 lei
UniCredit Bank	Investment loan IV		4,042,045 lei	1,077,878 lei	2,694,697 lei
UniCredit Bank	Investment loan V		1,698,283 lei	531,947 lei	1,507,185 lei
Total credits in lei			15,124,577 lei	3,601,539 lei	11,137,020 lei
Total bank exposure			38,606,192 lei	8,837,886 lei	29,382,287 lei

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 JUNE 30, 2018
(all amounts are expressed in lei, unless specified otherwise)

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OTHER LIABILITIES

	01-Jan-18	30-Jun-18
Liabilities to employees	930,442	1,119,718
Liabilities related to social contributions	818,625	929,632
Other tax liabilities	784,792	719,279
Total	2,533,859	2,768,629

TRADE PAYABLES AND OTHER PAYABLES

	01-Jan-18	30-Jun-18
Trade payables	27,252,655	30,622,637
Other payables	203,569	1,303,029
Suppliers invoices not received	863,344	1,110,990
Advances from clients	251,875	257,569
Total	28,571,443	33,294,225

FINANCE LEASE OBLIGATIONS

	01-Jan-18	30-Jun-18
Amounts due within one year	86,797	-
Amounts due in more than one year	-	-
Total	86,797	-



**Thinking
forward**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018

(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		Receivables from affiliates		Payables to affiliates	
	6 Months 2017	6 Months 2018	6 Months 2017	6 Months 2018	01.01.18	30.06.18	01.01.18	30.06.18
INFO TECH SOLUTION SRL	12,166	12,007	208,485	224,447	0	0	64,464	96,911
LIVING JUMBO INDUSTRY SA	16,587,368	17,308,415	630,084	504,302	12,355,709	18,834,078	202,113	222,979
RC ENERGO INSTALL SRL	50,186	47,631	1,020,369	895,220	0	0	397,856	140,206
YENKI SRL BUZAU	7,276	1,765	0	0	0	0	0	0
TOTAL	16,656,996	17,369,819	1,858,938	1,623,969	12,355,709	18,834,078	664,433	460,096



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018
(all amounts are expressed in lei, unless specified otherwise)

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FINANCIAL RATIOS

Indicator	Formula	30.06.16	30.06.17	30.06.18
		3,456,081	2,706,879	6,099,654
EBIT	Gross profit + Expenses with interests	7,069,839	6,913,443	10,434,405
EBITDA	EBIT + Depreciation-Subsidies for investment	91,098,066	98,816,823	101,655,073
Sales	Revenue + Rental and royalty income	7.76%	7.00%	10.26%
EBITDA to sales ratio	EBITDA/Sales	5.43%	5.23%	7.54%
EBITDA to Equity ratio	EBITDA/Equity	2.73%	1.92%	5.17%
Gross profit margin	Gross profit/Sales	0.71	0.77	0.90
Current ratio	Current assets/Current liabilities	0.45	0.48	0.66
Quick ratio	(Current assets-Inventories)/Current liabilities	49%	48%	41%
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	53%	52%	50%
Total liabilities to Assets ratio	Total liabilities/Total Assets	24%	26%	21%
Long term loans to Equity ratio	Long term loans/Equity	20%	20%	18%
Long term loans to engaged capital ratio	Long term loans/(Equity+long term loans)	3.58	3.36	7.24
Interest coverage ratio	EBIT/Interest expenses	65	50	67
Account receivable turnover ratio	Average receivables/Sales (days)	63	54	55
Account payable turnover ratio	Average payables/Sales (days)	0.42	0.46	0.50
Non-current assets rotation	Non-current liabilities/Sales	0.84%	0.66%	1.90%
Return on assets (ROA)	Net profit/Assets	1.77%	1.36%	3.79%
Return on equity (ROE)	Net profit/Equity	2.52%	1.82%	5.15%

The Financial Statements for the period ended JUNE 30, 2018 have not been audited.

**CHAIRMAN OF THE BOARD
HUANG LIANG NENG**

Signature _____

**FINANCIAL MANAGER
ZAINESCU VIORICA**

Signature _____

**GENERAL MANAGER
ANDREI RADU**

Signature _____

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