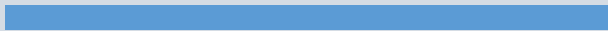


S.C. ROMCARBON S.A.

Quarterly report for the period ended
September 30,2019

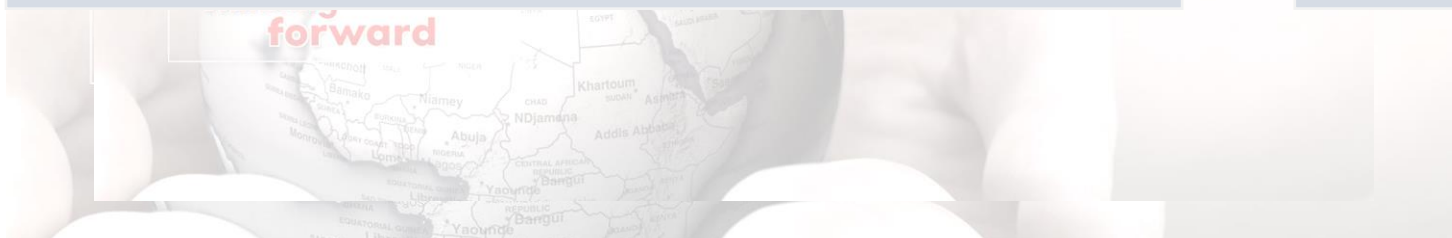


QUARTERLY REPORT REGARDING THE SEPARATE FINANCIAL STATEMENTS

STATEMENT OF THE FINANCIAL POSITION (COMPARISONS AND EVOLUTIONS)	Page.2-8
STATEMENT OF THE COMPREHENSIVE INCOME (COMPARISON AND EVOLUTIONS)	Page.8-10
SALES EVOLUTION	Page.11
FINANCIAL RATIOS	Page.11
SHAREHOLDERS' STRUCTURE	Page.11-12

SEPARATE FINANCIAL STATEMENTS

STATEMENT OF THE COMPREHENSIVE INCOME	Page.18
STATEMENT OF THE FINANCIAL POSITION	Page.19
STATEMENT OF CHANGES IN EQUITY	Page.20
NOTES TO SEPARATE FINANCIAL STATEMENTS	Page.21-29
FINANCIAL RATIOS	Page.30





S.C. ROMCARBON S.A.

Quarterly report according with FSA regulation no.5/2018

Date of release: 14.11.2019

Reporting date: 30.09.2019

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.

Thinking
forward

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.



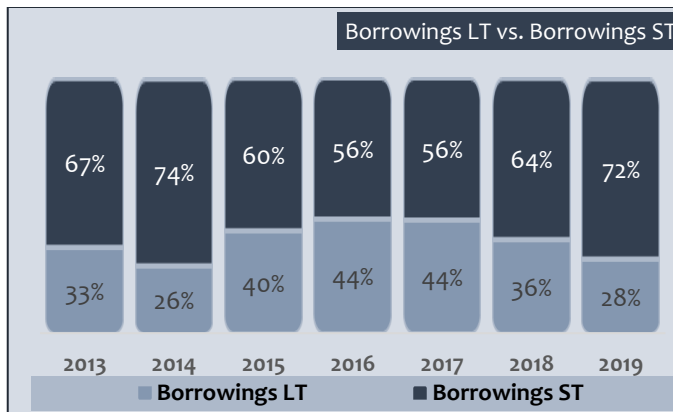
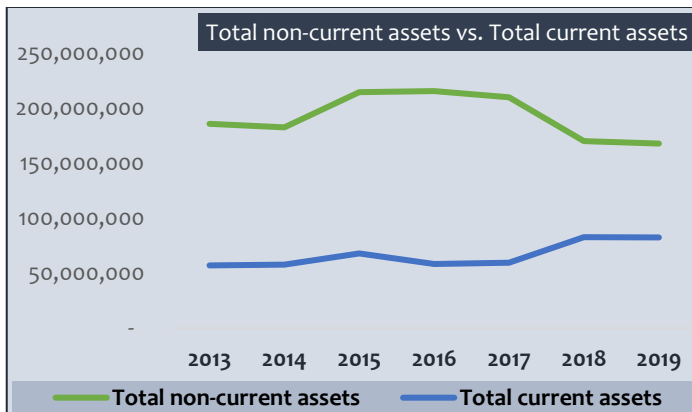
A.1. During the reporting period there were no major events to affect the company's financial position.

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

1. STATEMENT OF THE FINANCIAL POSITION

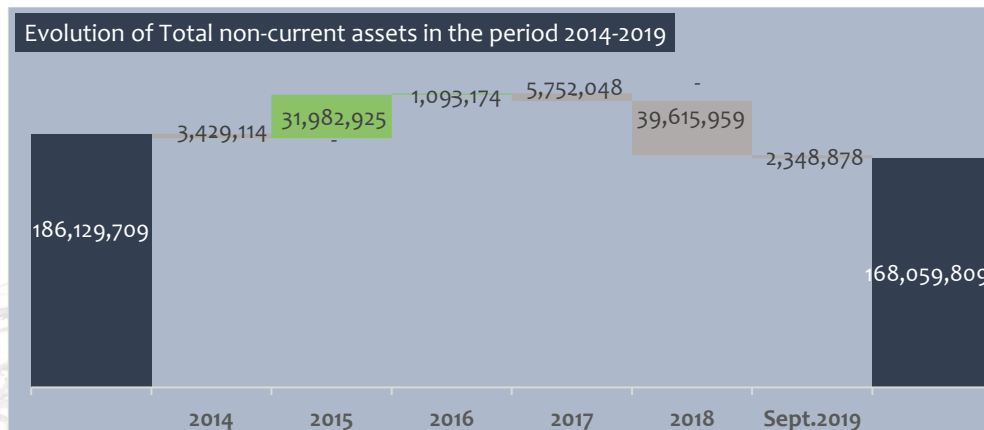
Indicator	30.09.2018	31.12.2018	30.09.2019	30.09.2019 vs. 31.12.2018	
Property, plant and equipment	132,002,706	130,049,723	122,606,471	-7,443,252	▼ -5.72%
Investment property	34,482,968	18,033,515	18,033,515	0	▲ 0.00%
Intangible assets	102,306	78,269	334,242	255,973	▲ 327.04%
Financial assets	22,247,181	22,247,181	27,085,581	4,838,400	▲ 21.75%
Total non-current assets	188,835,161	170,408,687	168,059,809	-2,348,878	▼ -1.38%
Non-current assets held for sale	0	16,000,390	10,136,261	-5,864,129	▼ -36.65%
Inventories	20,053,148	20,695,919	21,699,690	1,003,771	▲ 4.85%
Trade and other receivables	43,831,722	35,722,416	45,865,489	10,143,073	▲ 28.39%
Amounts to receive from affiliates (financial)	5,276,421	6,174,452	0	-6,174,452	▼
Taxes receivables	17,051	0	0	0	—
Other assets	1,690,559	1,007,913	1,271,048	263,135	▲ 26.11%
Cash and bank balances	6,626,512	3,331,011	3,812,958	481,947	▲ 14.47%
Total current assets	77,495,413	82,932,101	82,785,446	-146,655	▼ -0.18%
Total assets	266,330,574	253,340,788	250,845,255	-2,495,533	▼ -0.99%
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	52,616,623	58,492,792	57,921,324	-571,468	▼ -0.98%
Retained earnings	54,980,326	50,103,010	50,229,578	126,568	▲ 0.25%
Total equity	136,191,442	137,190,295	136,745,395	-444,900	▼ -0.32%
Borrowings [Long-term]	23,956,768	22,666,822	17,117,428	-5,549,394	▼ -24.48%
Deferred tax liabilities	10,758,395	8,902,075	8,902,075	0	— 0.00%
Deferred income	15,979,097	15,413,305	13,704,234	-1,709,070	▼ -11.09%
Total non-current liabilities	50,694,260	46,982,202	39,723,737	-7,258,464	▼ -15.45%
Trade and other payables	37,695,399	24,537,065	25,717,299	1,180,234	▲ 4.81%
Borrowings [Short – term]	36,664,240	39,935,674	42,988,452	3,052,778	▲ 7.64%
Deferred revenue	2,265,476	2,265,476	2,360,438	94,962	▲ 4.19%
Other liabilities	2,819,757	2,430,076	3,309,934	879,858	▲ 36.21%
Total current liabilities	79,444,872	69,168,292	74,376,123	5,207,831	▲ 7.53%
Total liabilities	130,139,132	116,150,493	114,099,860	-2,050,633	▼ -1.77%
Total equity and liabilities	266,330,574	253,340,788	250,845,255	-2,495,533	▼ -0.99%

ASSETS



NON-CURRENT ASSETS

In the first 9 months of 2019 **Non-currents assets** hold 67.00% of the company's assets, recording a decrease of RON 2,348,878, i.e. 1.38%, as compared with the beginning of the year.



Non-current assets(NCA)	30.09.2019	% in total NCA	% in total Assets	30.09.19 vs. 31.12.18
Property, plant and equipment	122,606,471	72.95%	48.88%	-5.72%
Investment property	18,033,515	10.73%	7.19%	0.00%
Intangible assets	334,242	0.20%	0.13%	327.04%
Financial assets	27,085,581	16.12%	10.80%	21.75%
Total non-current assets	168,059,809	100.00%	67.00%	-1.38%

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

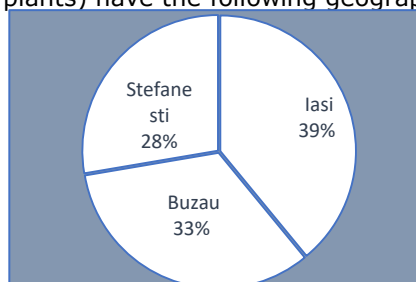
· Buildings (including rearrangements and improvement)	:	348,389 lei
· Equipment and installations	:	146,945 lei
· Furniture and office equipment	:	70,494 lei

The non-current assets entries in the first 9 months of 2019 had the following destinations: CP7-Compounds : RON 204,477; CP5- Polystyrene: RON 22,781; Administrative and others: RON 338,570.

The outputs of Non-current assets in the reporting period were as per registration cost in amount of RON 1,018,537, out of which RON 971,043 sales and RON 47,494 dismantles/casation.

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

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



Financial Investments hold 10.80% of Total Assets, and 16.12% of Non-current assets.

As at 30.09.2019, S.C. ROMCARBON S.A. held shares in other companies totalizing RON 30,449,725, 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*	1,400	4,032	5,644,800	5,636,736	1,398	6,477,632	99.8571%
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	2,889,993			0	139,000	203,963	1.95%
BIOTECHNOLOGY CO.LTD							
REGISTRUL MIORITA SA	10,500	10	105,000	3,980	398	5,000	3.79%
TOTAL						30,449,725	

*On 01.06.2019, SC Romcarbon SA participated in the increase of the capital of the affiliate Livingjumbo Industry SA with an amount of RON 4,834,400 (1,200 shares * 4,032 lei/share) representing the conversion in equity of the loan granted to the affiliate and partly of the related interest as follows:

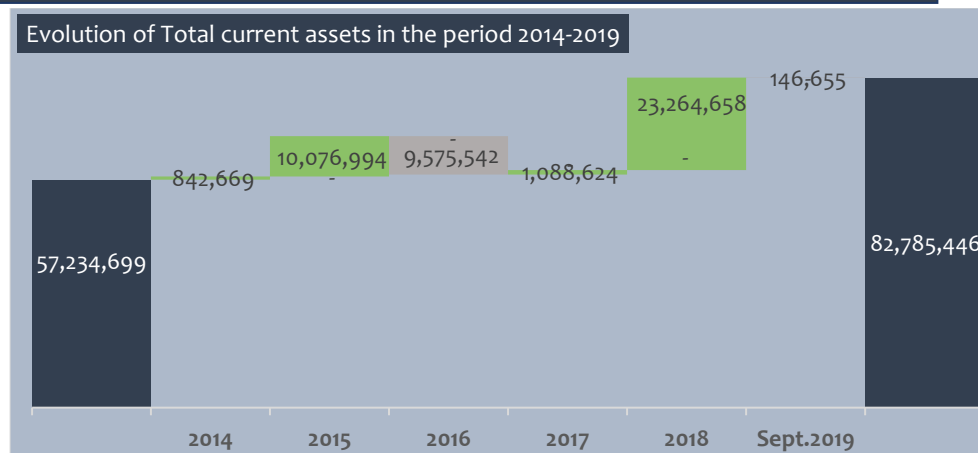
- RON 4,740,000 (EUR 1,000,000 * RON 4.74 /EUR) representing the balance of the loan;
- RON 94,800 (EUR 20,759.49 * RON 4.74 /EUR)) representing the interest related to the loan.

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 33.00% of total assets recording a decrease of RON 146,655, i.e. 0.18% as compared with the beginning of the year.



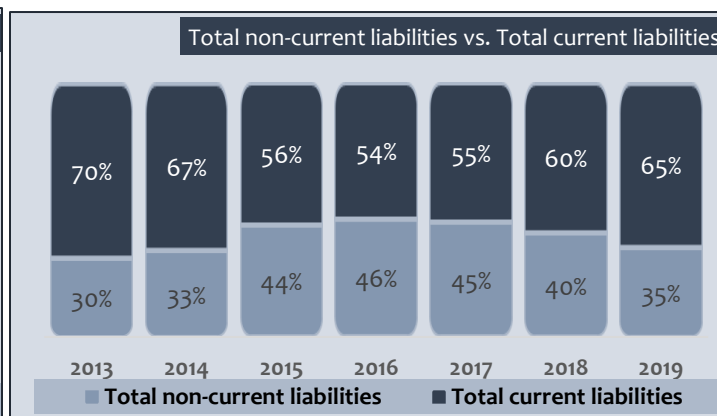
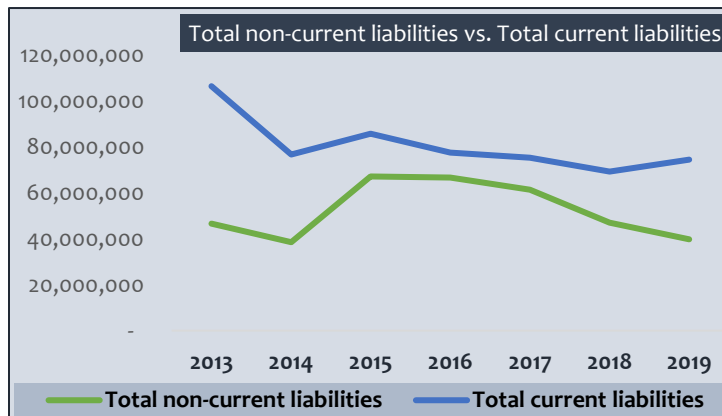
Current assets (CA)	30.09.2019	% in total CA	% in Total Assets	30.09.19 vs. 31.12.18
Non-current assets held for sale*	10,136,261	12.24%	4.04%	-36.65%
Inventories	21,699,690	26.21%	8.65%	4.85%
Trade and other receivables	45,865,489	55.40%	18.28%	28.39%
Other assets	1,271,048	1.54%	0.51%	26.11%
Cash and bank balances	3,812,958	4.61%	1.52%	14.47%
Total	82,785,446	100.00%	33.00%	-0.18%

*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.

In May 2019 took place an intermediary stage of the selling-buying antecontract signed with Office&Logistic SRL which has the object the selling of a land in a total area of 1,289 sq m for which it was cashed the price of RON 600,566 (EUR 126,322).

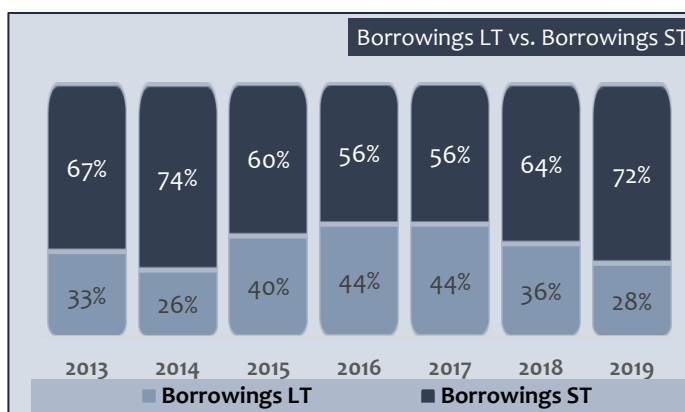
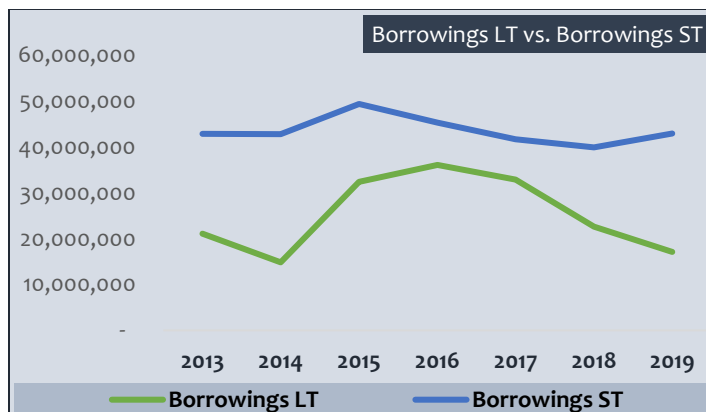
On 13.08.2019 it was completed the stage agreed according to the 2nd Presale contract concluded with OFFICE & LOGISTIC S.R.L. (as buyer) representing the countervalue of an asset (land and buildings) located in Iasi, Calea Chisinaului, nr.29 having a total area of 17,569 sq m, out of which 1,906 sq m built area, according with the selling-buying contract no. 2917 signed on 13.08.2019. According to the selling-buying contract it was cashed the price of RON 5,435,475 (equivalent of EUR 1,150,000).

LIABILITIES



Total Liabilities hold 45.49% of the company’s Equity&Liabilities recording an decrease of RON 2,050,633, i.e. 1.77%, as compared with the beginning of the year.

BORROWINGS



As at 30.09.2019 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Initial amount/ceiling	Balance as at 30.09.2019		Tenor
			in euro	in lei	
UniCredit Bank	Credit line(overdraft)	€ 5,450,000	€ 4,835,542	22,974,146 lei	10/04/2020
BRD GSG	Credit line(overdraft)	€ 2,550,000	€ 2,532,291	12,031,166 lei	30/10/2019
UniCredit Bank	Investment loan III	€ 442,500	€ 226,017	1,073,831 lei	19/09/2021
BRD GSG	Investment loan II	€ 1,000,000	€ 385,275	1,830,482 lei	03/09/2022
BRD GSG	Investment loan III	€ 3,153,160	€ 368,127	1,749,006 lei	03/02/2022
UniCredit Bank	Investment loan - CCE 2015	€ 3,042,240	€ 1,971,170	9,365,225 lei	04/12/2023
Total credits in euro		€ 15,637,900	€ 10,318,422	49,023,856 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				62,124,003 lei	

Short-term loans have the following structure :

Banca	Type	CCY	Initial amount	Balance as at 30.09.2019	
				in euro	in lei
UniCredit Bank SA	Credit line(overdraft)	euro	€ 5,450,000	€ 4,835,542	22,974,146 lei
BRD GSG	Credit line(overdraft)	euro	€ 2,550,000	€ 2,532,291	12,031,166 lei
Total			€ 8,000,000	€ 7,367,833	35,005,312 lei

Long-term loans have the following structure :

Bank	Type	Balance as at 30.09.2019		< 1 year	> 1 year
		in euro	in lei		
UniCredit Bank	Investment loan III	€ 226,017	1,073,831 lei	536,916 lei	536,916 lei
BRD GSG	Investment loan II	€ 385,275	1,830,482 lei	593,670 lei	1,236,812 lei
BRD GSG	Investment loan III	€ 368,127	1,749,006 lei	749,574 lei	999,432 lei
UniCredit Bank	Investment loan - CCE 2015	€ 1,971,170	9,365,225 lei	2,066,729 lei	7,298,496 lei
Total credits in euro		€ 2,950,589	14,018,544 lei	3,946,888 lei	10,071,656 lei

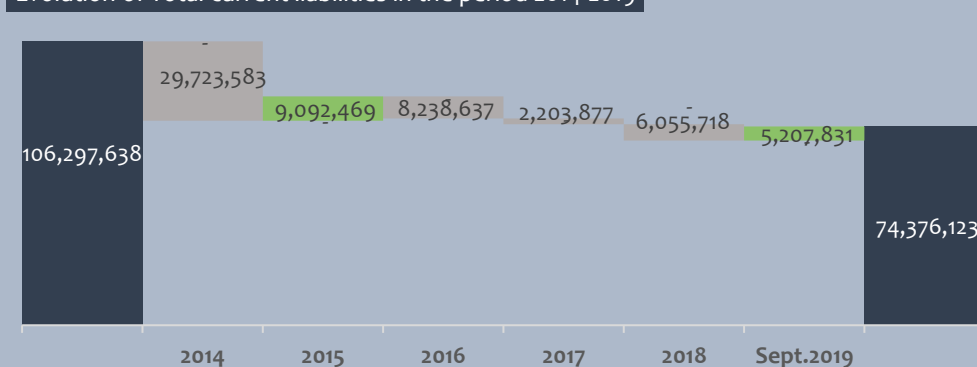
Bank	Type	Balance as at 30.09.2019		< 1 year	>1 year
		in euro	in lei		
Eximbank SA	Investment loan I		3,327,188 lei	1,023,750 lei	1,791,563 lei
Eximbank SA	Investment loan II		2,238,122 lei	596,833 lei	1,342,873 lei
UniCredit Bank	Investment loan I		2,164,842 lei	499,579 lei	1,415,474 lei
UniCredit Bank	Investment loan II		765,658 lei	306,264 lei	306,264 lei
UniCredit Bank	Investment loan IV		2,964,166 lei	1,077,878 lei	1,347,349 lei
UniCredit Bank	Investment loan V		1,640,172 lei	531,947 lei	842,251 lei
Total credits in lei			13,100,147 lei	4,036,251 lei	7,045,773 lei
Total bank exposure			27,118,691 lei	7,983,139 lei	17,117,428 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 65.19% of the Total Liabilities and 29.65% of Total Equity & Liabilities have increased by RON 5,207,831 as compared with the beginning of the year, i.e. 7.53%.

Evolution of Total current liabilities in the period 2014-2019

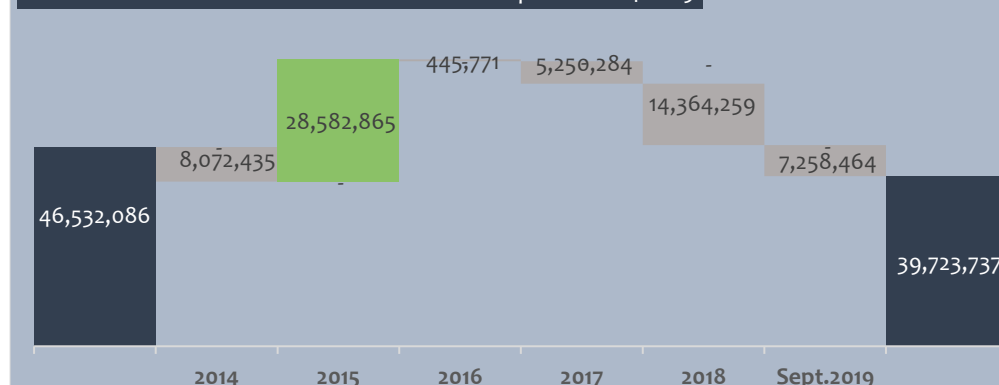


Current liabilities	30.09.2019	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	30.09.19 vs. 31.12.18
Trade and other payables	25,717,299	22.54%	34.58%	10.25%	4.81%
Borrowings [Short - term]	42,988,452	37.68%	57.80%	17.14%	7.64%
Deferred revenue	2,360,438	2.07%	3.17%	0.94%	4.19%
Other liabilities	3,309,934	2.90%	4.45%	1.32%	36.21%
Total current liabilities	74,376,123	65.19%	100.00%	29.65%	7.53%

NON-CURRENT LIABILITIES

Non-current Liabilities representing 15.84% of the company's Equity & Liabilities recording in the reporting period a decrease of RON 7,258,464, i.e. 15.45%, as compared with the beginning of the year.

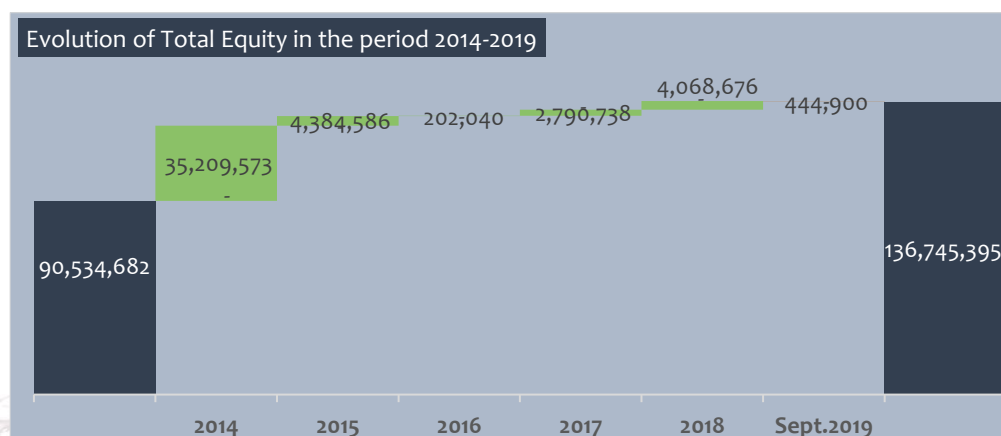
Evolution of Total non-current liabilities in the period 2014-2019



Non-current liabilities	30.09.2019	% in total liabilities	% in Total non-current liabilities	% in Total Equity and Liabilities	30.09.19 vs. 31.12.18
Borrowings [Long-term]	17,117,428	15.00%	43.09%	6.82%	-24.48%
Deferred tax liabilities	8,902,075	7.80%	22.41%	3.55%	0.00%
Deferred income	13,704,234	12.01%	34.50%	5.46%	-11.09%
Total non-current liabilities	39,723,737	34.81%	100.00%	15.84%	-15.45%

EQUITY

Total Equity holds **54.51%** of Total Equity & Liabilities, recording in the reporting period a decrease of RON 444,900, as compared with the beginning of the year.



Equity	30.09.2019	% in Total Equity and liabilities
Issued capital (264,122,096 shares at RON 0.10/share)	26,412,210	10.53%
Share premium	2,182,283	0.87%
Reserves	57,921,324	23.09%
Retained earnings	50,229,578	20.02%
Total Equity	136,745,395	54.51%

2. STATEMENT OF THE COMPREHENSIVE INCOME

Indicator	9 months of 2017	9 months of 2018	9 months of 2019	2019 vs. 2018	
Net sales	149,253,815	152,759,694	142,372,892	▼	(10,386,802) -7%
Investment income *	3,307,478	2,921,397	1,459,066	▼	(1,462,331) -50%
Other gains and losses	118,151	2,888,260	(726,847)	▼	(3,615,107) -125%
Changes in inventories of finished goods and work in progress	943,996	457,235	1,903,837	▲	1,446,602 316%
Raw materials and consumables used	(106,718,694)	(106,459,727)	(95,872,354)	▼	10,587,373 -10%
Depreciation and amortization expenses	(8,006,905)	(8,132,037)	(7,980,631)	▼	151,406 -2%
Employee salaries and benefits	(20,807,878)	(27,044,120)	(28,020,274)	▲	(976,154) 4%
Social security expenses	(4,811,368)	(782,737)	(791,463)	▲	(8,726) 1%
Net finance costs	(1,286,324)	(1,454,514)	(1,374,111)	▼	80,403 -6%
Income from subsidies	1,698,327	1,697,377	1,709,537	▲	12,160 1%
Other expenses	(10,218,113)	(11,773,676)	(11,509,784)	▼	263,892 -2%
Profit (loss) before taxation	3,472,485	5,077,152	1,169,868	▼	(3,907,284) -77%
Profit tax	(454,402)	-	(274,357)	▲	- 274,357 n/a
Profit (loss) of the year	3,018,083	5,077,152	895,511	▼	(4,181,641) -82%
Item of the comprehensive income	-	-	-	-	-
Total comprehensive income	3,018,083	5,077,152	895,511	▼	(4,181,641) -82%

Indicator	9 luni 2017	9 luni 2018	9 luni 2019	2019 vs. 2018
EBITDA Operational	9,855,129	8,902,515	9,505,569 ▲	603,054 7%

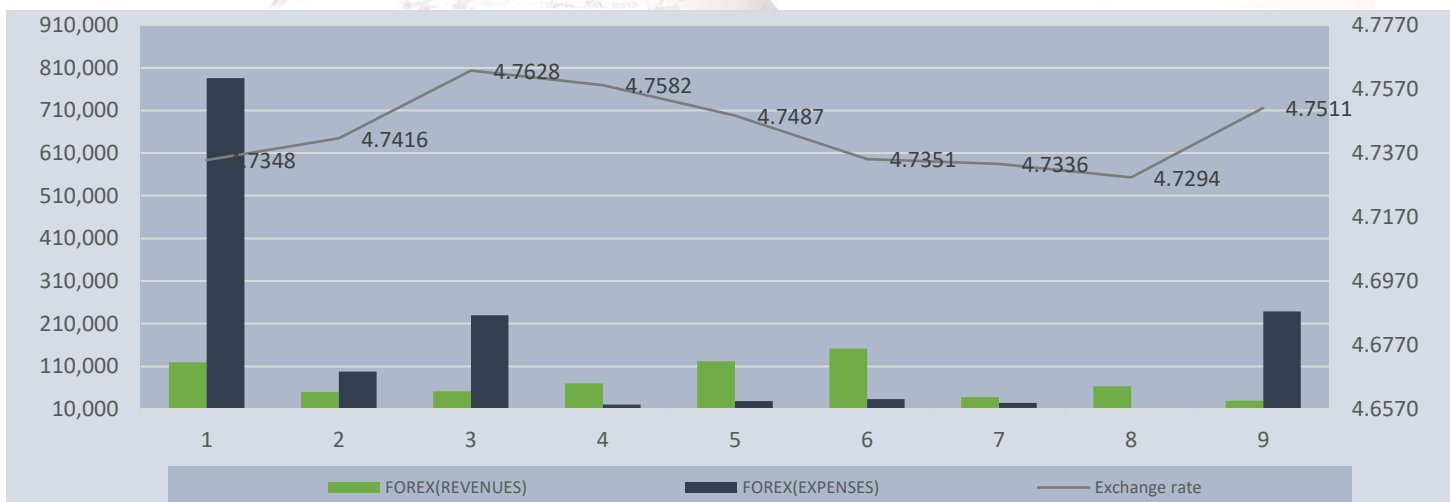
EBITDA operational is calculated only for operational activity, excluding the depreciation, sales of non-current assets, non-repeating elements and financial activity.

Indicator	30.09.2017	30.09.2018	30.09.2019
Average no. of employees	930	933	876

*Investment income – details:

Indicator	9 months of 2017	9 months of 2018	9 months of 2019	2019 vs. 2018
Rental and royalty income	2,147,216	1,772,031	1,375,409 ▼	(396,622) -22%
Interest income	2,265	32,096	83,657 ▲	51,561 161%
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	3,307,478	2,921,397	1,459,066 ▼	(1,462,331) -50%

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 9 months of 2019 the company registered revenues in amount of RON 694,297 and expenses in amount of RON 1,470,171, resulting a loss of RON 775,874.



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 loss of RON 74,500.

Statement of the comprehensive income by quarters:

Indicator	QI 2018	QII 2018	QIII 2018	QI 2019	QII 2019	QIII 2019	QI 2019 vs. QI 2018	QII 2019 vs. QII 2018	QIII 2019 vs. QIII 2018
Net sales	48,150,522	52,215,963	52,393,209	47,862,182	47,857,112	46,653,598	(288,340)	(4,358,851)	(5,739,611)
Investment income	1,841,841	565,327	514,229	501,221	466,962	490,883	(1,340,620)	(98,365)	(23,346)
Other gains and losses	50,328	3,556,857	(718,925)	(1,089,777)	505,462	(142,532)	(1,140,105)	(3,051,395)	576,393
Changes in inventories of finished goods and work in progress	1,135,483	(1,160,042)	481,794	982,707	25,650	895,480	(152,776)	1,185,692	413,686
Raw materials and consumables used	(34,490,118)	(34,958,231)	(37,011,378)	(33,093,151)	(31,902,022)	(30,877,181)	1,396,967	3,056,209	6,134,197
Depreciation and amortization expenses	(2,710,902)	(2,755,433)	(2,665,702)	(2,669,122)	(2,656,531)	(2,654,978)	41,780	98,902	10,724
Employee salaries and benefits	(9,003,923)	(9,067,123)	(8,973,074)	(9,257,232)	(9,478,255)	(9,284,787)	(253,309)	(411,132)	(311,713)
Social security expenses	(216,597)	(353,943)	(212,197)	(218,175)	(355,187)	(218,101)	(1,578)	(1,244)	(5,904)
Net finance costs	(461,440)	(491,738)	(501,336)	(529,241)	(443,675)	(401,195)	(67,801)	48,063	100,141
Income from subsidies	565,792	565,792	565,793	578,187	654,944	476,406	12,395	89,152	(89,387)
Other expenses	(3,716,945)	(4,004,799)	(4,051,932)	(3,694,361)	(3,941,096)	(3,874,327)	22,584	63,703	177,605
Profit (loss) before taxation	1,144,041	4,112,630	-179,519	-626,762	733,364	1,063,266	-1,770,803	-3,379,266	1,242,785
Profit tax		(17,051)	17,051		(81,175)	(193,182)	-	(64,124)	(210,233)
Profit (loss) of the year	1,144,041	4,095,579	-162,468	-626,762	652,189	870,084	-1,770,803	-3,443,390	1,032,552



3. NET SALES

The item "Net Sales" had the following evolution:

	9 Months of 2017	9 Months of 2018	9 Months of 2019		2019 vs. 2018	
- Sales of finished goods	106,845,434	113,930,660	107,605,712	▼	(6,324,947)	-6%
- Sales of intermediary goods	40,550	7,657	13,303	▲	5,646	74%
- Services rendered	247,057	125,108	230,758	▲	105,649	84%
- Sales of commodities	39,565,155	35,280,793	30,982,350	▼	(4,298,443)	-12%
- Other sales	2,555,617	3,415,475	3,540,769	▲	125,294	4%
Total sales	149,253,813	152,759,694	142,372,892	▼	(10,386,802)	-7%

Indicator	9 Months of 2017	9 Months of 2018	9 Months of 2019		2019 vs. 2018	
Net sales	149,253,813	152,759,694	142,372,892	▼	(10,386,802)	-7%
Rental and royalty income	2,147,216	1,772,031	1,375,409	▼	(396,622)	-22%
Total Sales, out of which:	151,401,029	154,531,725	143,748,301	▼	(10,783,424)	-7%
~domestic market	112,069,215	114,113,903	107,536,203	▼	(6,577,700)	-6%
~exports	39,331,814	40,417,822	36,212,098	▼	(4,205,724)	-10%

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

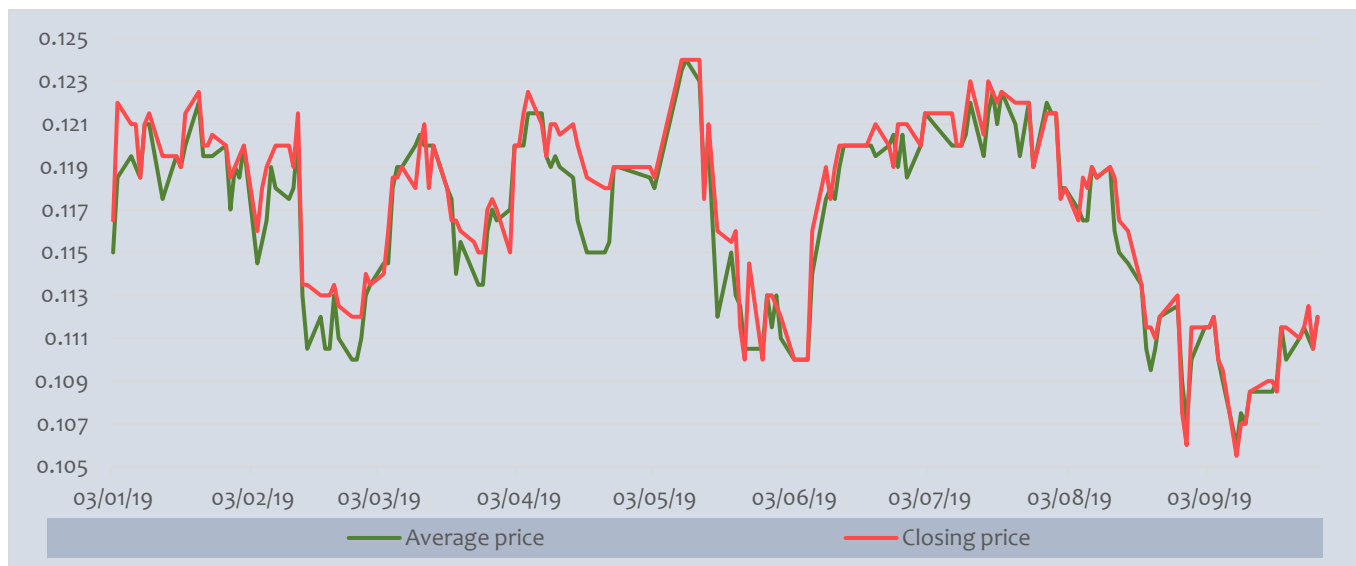
Indicator	Formula	30.09.17	30.09.18	30.09.19
Current ratio	Current assets/Current liabilities	0.80	0.98	1.11
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	25%	18%	13%
Long term loans to Equity ratio	Long term loans/Equity	20%	15%	11%
Account receivable turnover ratio (days)	Average receivables/Sales	55	67	77
Account payable turnover ratio (days)	Average payables/Sales	58	58	47
Non-current assets rotation	Non-current liabilities/Sales	0.72	0.82	0.86

5.SHAREHOLDERS' STRUCTURE

As at 30.09.2019 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	19,829,122	7.51%
INDIVIDUALS	103,323,377	39.12%
Total	264,122,096	100.00%

Evolution of the price of Romcarbon SA shares during 2019.



The Separate Financial Statements for the period ended September 30, 2019 have not been audited.

**Chairman of the Board
Huang Liang Neng**

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

Thinking
forward

S.C. ROMCARBON S.A.

SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019

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



CONTENTS

STATEMENT OF THE COMPREHENSIVE INCOME.....page.1
STATEMENT OF THE FINANCIAL POSITION.....page.2
STATEMENT OF THE CHANGES IN EQUITY.....page.3
NOTES TO THE FINANCIAL STATEMENTS.....page.4-12
FINANCIAL RATIOS.....page.13



STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30 ,2019
 (all amounts are expressed in lei, unless specified otherwise)

	Period ended September 30,2018	Period ended September 30,2019
	RON	RON
Net sales	152,759,694	142,372,892
Investment income	2,921,397	1,459,066
Other gains or losses	2,888,260	(726,847)
Changes in inventories	457,235	1,903,837
Raw materials and consumables used	(106,459,727)	(95,872,354)
Depreciation and amortization expense	(8,132,037)	(7,980,631)
Employee salaries and benefits	(27,044,120)	(28,020,274)
Social security expenses	(782,737)	(791,463)
Net finance cost	(1,454,514)	(1,374,111)
Income from subsidies	1,697,377	1,709,537
Other expenses	(11,773,676)	(11,509,784)
Profit (loss) before taxation	5,077,152	1,169,868
Profit tax	-	(274,357)
Net profit	5,077,152	895,511
Other comprehensive income	-	-
Total comprehensive income	5,077,152	895,511
Earnings per share	0.0192	0.0034
Number of shares	264,122,096	264,122,096



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 SEPTEMBER 30 ,2019

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

	<u>01-Jan-19</u>	<u>30-Sept-19</u>
	RON	RON
Non-current assets		
Property, plant and equipment	130,049,723	122,606,471
Investment property	18,033,515	18,033,515
Intangible assets	78,269	334,242
Financial assets	22,247,181	27,085,581
Total non-current assets	170,408,688	168,059,809
Current assets		
Inventories	20,695,918	21,699,690
Trade and other receivables	35,722,416	45,865,489
Amounts to receive from affiliates (financial)	6,174,452	-
Other assets	1,007,913	1,271,048
Cash and bank balances	3,331,011	3,812,958
Non-current assets held for sale	16,000,390	10,136,261
Total current assets	82,932,100	82,785,446
Total assets	253,340,788	250,845,255
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	57,921,324
Retained earnings	50,103,010	50,229,578
Total Equity	137,190,295	136,745,395
Non-current liabilities		
Borrowings	22,666,821	17,117,428
Deferred tax liabilities	8,902,075	8,902,075
Deferred income	15,413,305	13,704,234
Total non-current liabilities	46,982,201	39,723,737
Current liabilities		
Trade and other payables	24,537,065	25,717,299
Borrowings	39,935,675	42,988,452
Deferred income	2,265,476	2,360,438
Other liabilities	2,430,076	3,309,934
Total current liabilities	69,168,292	74,376,123
Total liabilities	116,150,493	114,099,860
Total equity and liabilities	253,340,788	250,845,255

CHAIRMAN OF THE BOARD
HUANG LIANG NENG
 Signature _____

GENERAL MANAGER
ANDREI RADU
 Signature _____

PREPARED BY,
FINANCIAL MANAGER
ZAINESCU VIORICA
 Signature _____

ROMCARBON S.A.**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED SEPTEMBER 30 , 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
Revaluation reserve	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-
Net profit of the period	-	-	-	-	-	895,511	895,511
Corrections	-	-	-	-	-	(1,340,410)	(1,340,410)
Transfers between capital accounts	-	-	(571,467)	-	-	571,467	-
30/Sept/2019	26,412,210	2,182,283	39,236,960	4,115,011	14,569,353	50,229,578	136,745,395

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 SEPTEMBER 30, 2019
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

NET SALES	Period ended September 30,2018 RON	Period ended September 30,2019 RON
Sales of finished goods	114,193,250	107,988,898
Sales of commodities	35,025,610	30,612,467
Services rendered	125,108	230,758
Other sales	3,415,726	3,540,769
Total	152,759,694	142,372,892
	Period ended September 30,2018 RON	Period ended September 30,2019 RON
INVESTMENT INCOME		
Income from renting investment property	1,772,031	1,375,409
Income from interest on bank deposits	32,096	83,657
Dividends received from participations	1,117,270	-
Total	2,921,397	1,459,066
	Period ended September 30,2018 RON	Period ended September 30,2019 RON
OTHER GAINS AND LOSSES		
Income from penalties charged	6,671	10,395
Gain / (Loss) on disposal of property, plant and equipment	-	(51,328)
Gain / (Loss) on disposal of property investments	2,709,699	-
FOREX gain / (loss)	73,815	(792,179)
Gain / (Loss) on changes of provisions	19,669	23,740
Other gains	78,406	82,525
Other losses	-	-
Total	2,888,260	(726,847)
	Period ended September 30,2018 RON	Period ended September 30,2019 RON
RAW MATERIALS AND CONSUMABLES USED		
Raw materials	58,722,362	52,019,222
Commodities sold	34,471,985	30,106,571
Energy and water	9,381,513	9,776,047
Expenses with consumables	3,883,868	3,970,515
Total	106,459,727	95,872,354

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

DEPRECIATION AND AMORTIZATION EXPENSES	Period ended September 30,2018	Period ended September 30,2019
	RON	RON
Total expenses, Of which:	8,132,037	7,980,631
Depreciation of fixed assets	8,055,122	7,898,874
Amortization of intangible assets	76,915	81,757
Total	8,132,037	7,980,631
EMPLOYEES SALARIES AND BENEFITS	Period ended September 30,2018	Period ended September 30,2019
	RON	RON
Salaries	26,082,199	27,186,267
Social contributions	782,737	791,463
Meal tickets	961,921	834,007
Total	27,826,857	28,811,737
NET FINANCE COST	Period ended September 30,2018	Period ended September 30,2019
	RON	RON
Bank interest and leases expenses	1,249,427	1,098,272
Bank commissions and assimilated charges	205,087	275,839
Total	1,454,514	1,374,111
OTHER EXPENSES	Period ended September 30,2018	Period ended September 30,2019
	RON	RON
Expenses with transport and logistics	3,979,333	4,098,410
Other expenses with third party services	4,555,711	4,061,893
Protocol and marketing	379,375	188,525
Expenses with repairs	777,981	1,068,133
Taxes and levies	1,344,401	1,364,661
Expenses with insurances	302,309	284,022
Expenses with postal charges and telecommunications	101,486	90,631
Expenses with travels	83,888	81,452
Expenses with rents	181,623	143,307
Expenses with commissions and fees	4,866	5,251
Expenses with fines and penalties	612	8,457
Other expenses	62,091	115,042
Total	11,773,676	11,509,784

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

PROFIT TAX	Period ended September 30,2018 RON	Period ended September 30,2019 RON
Current profit tax expense	-	274,357
Deferred profit tax expense	-	-
Total	-	274,357

PROPERTY INVESTMENTS

Balance as at January 01, 2019	18,033,515
Additions	-
Disposals	-
Balance as at September 30, 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	280,850	-	308,003	588,853
Transfers	-	-	-	-
Disposals	(1,775)	-	(250,922)	(252,697)
Balance as at September 30, 2019	1,009,271	592,467	57,081	1,658,819

Accumulated amortization

Balance as at January 01, 2019	(674,351)	(570,043)	-	(1,244,394)
Expenses with depreciation	(61,584)	(20,173)	-	(81,757)
Decrease from sale of assets	1,575	-	-	1,575
Balance as at September 30, 2019	(734,360)	(590,216)	-	(1,324,577)

Net Book Value

as at September 30, 2019	274,911	2,251	57,081	334,242
---------------------------------	----------------	--------------	---------------	----------------

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

	<u>Land</u>	<u>Buildings</u>	<u>Plant and</u>	<u>Installations</u>	<u>Tangible</u>	<u>Total</u>
	<u>RON</u>	<u>RON</u>	<u>equipment</u>	<u>and furniture</u>	<u>assets in</u>	<u>RON</u>
			<u>RON</u>	<u>RON</u>	<u>progress and</u>	
					<u>advances</u>	
					<u>RON</u>	<u>RON</u>
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	0	348,389	146,945	70,494	843,421	1,409,249
Disposals	-	(201,164)	(84,902)	(732,472)	(565,828)	(1,584,366)
Balance as at September 30, 2019	45,876,831	24,490,438	116,932,698	803,564	486,271	188,589,802
	<u>Land</u>	<u>Buildings</u>	<u>Plant and</u>	<u>Installations</u>	<u>Tangible</u>	<u>Total</u>
	<u>RON</u>	<u>RON</u>	<u>equipment</u>	<u>and furniture</u>	<u>assets in</u>	<u>RON</u>
			<u>RON</u>	<u>RON</u>	<u>progress and</u>	
					<u>advances</u>	
					<u>RON</u>	<u>RON</u>
CUMULATED DEPRECIATION						
Balance as at January 01, 2019	-	(3,593,604)	(54,314,139)	(807,452)	-	(58,715,195)
Expenses with depreciation		(1,330,157)	(6,516,113)	(52,602)		(7,898,872)
Decrease from sale of assets		143,536	75,173	412,028		630,737
Balance as at September 30, 2019	-	(4,780,225)	(60,755,079)	(448,026)	-	(65,983,330)
Net Book Value as at September 30, 2019	45,876,831	19,710,213	56,177,619	355,538	486,271	122,606,471

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

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	%	September 30, 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	Germany	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%	6,477,632
GRINFILD LTD	Wholesales	Odessa	62.62%	2,687,755
ECO PACK MANAGEMENT SA	Other business support service activities n.e.c. (NACE code 8299)	Bucharest	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		30,449,725
				(3,364,144)
				27,085,581

Financial assets impairment
Net book value

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

INVENTORIES

	01-Jan-19	30-Sept-19
Raw materials	10,140,307	9,957,334
Consumables	3,045,873	3,052,494
Items of inventory	112,158	93,251
Packaging	226,298	226,568
Finished products	4,618,155	5,502,487
Unfinished products	1,711,621	2,253,164
Semi-finished products	2,055,979	1,756,383
Residual products	2,734	14,562
Commodities	187,924	268,525
Advances for purchases of inventory	25,125	5,178
Provisions for obsolete inventories	(1,430,256)	(1,430,256)
Total	20,695,918	21,699,690

TRADE AND OTHER RECEIVABLES

	01-Jan-19	30-Sept-19
Trade receivables	36,394,466	46,310,973
Provisions for doubtful clients	(1,202,652)	(1,178,912)
Taxes to recover	118,587	360,671
Other receivables	412,015	372,756
Total	35,722,416	45,865,489

CASH ON HAND AND AT BANKS

	01-Jan-19	30-Sept-19
Cash at banks	3,197,884	3,537,553
Cash on hand	24,317	25,382
Cash equivalents	108,810	250,023
Total	3,331,011	3,812,958

OTHER CURRENT ASSETS

	01-Jan-19	30-Sept-19
Prepaid expenses	839,094	1,101,806
Advances to services suppliers	168,819	169,242
Total	1,007,913	1,271,048

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(all amounts are expressed in lei, unless specified otherwise)**

This is a free translation from Romanian original version

ISSUED CAPITAL

	01-Jan-19	30-Sept-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	30-Sept-19
	RON	RON
Legal reserves	4,115,011	4,115,011
Other reserves	14,569,353	14,569,353
Revaluation reserves	39,808,428	39,236,960
Total	58,492,792	57,921,324

BORROWINGS
Borrowings – short-term

	01-Jan-19	30-Sept-19
Credit line Euro – BRD	11,643,846	12,031,166
Investment loan Euro II - BRD	582,774	593,670
Investment loan Euro III - BRD	735,816	749,574
UniCredit Bank (linie de credit)	20,447,388	22,974,146
UniCredit Bank - Investment loan - CCE 2015	2,028,797	2,066,729
Investment loan I - Eximbank SA	1,023,753	1,023,750
Investment loan II - Eximbank SA	530,573	596,833
Investment loan I - UniCredit Bank	499,579	499,579
Investment loan II - UniCredit Bank	306,263	306,263
Investment loan III - UniCredit Bank	527,061	536,917
Investment loan IV - UniCredit Bank	1,077,878	1,077,878
Investment loan V - UniCredit Bank	531,947	531,947
Total	39,935,675	42,988,452

Borrowings – long-term

	01-Jan-19	30-Sept-19
Investment loan Euro II - BRD	1,651,193	1,236,812
Investment loan Euro III - BRD	1,532,951	999,432
UniCredit Bank - Investment loan - CCE 2015	8,686,140	7,298,496
Investment loan I - UniCredit Bank	1,790,158	1,415,474
Investment loan II - UniCredit Bank	535,961	306,264
Investment loan III - UniCredit Bank	922,357	536,916
Investment loan IV - UniCredit Bank	2,155,758	1,347,349
Investment loan V - UniCredit Bank	1,241,211	842,251
Investment loan I - Eximbank SA	2,559,373	1,791,563
Investment loan II - Eximbank SA	1,591,719	1,342,871
Total	22,666,821	17,117,428

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 SEPTEMBER 30, 2019
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

OTHER LIABILITIES

	01-Jan-19	30-Sept-19
Liabilities to employees	1,004,630	1,157,142
Liabilities related to social contributions	865,963	821,568
Other tax liabilities	559,483	1,331,224
Total	2,430,076	3,309,934

TRADE PAYABLES AND OTHER PAYABLES

	01-Jan-19	30-Sept-19
Trade payables	23,166,515	23,290,020
Other payables	793,136	1,839,574
Suppliers invoices not received	359,085	358,440
Advances from clients	218,329	229,265
Total	24,537,065	25,717,299

FINANCE LEASE OBLIGATIONS

	01-Jan-19	30-Sept-19
Amounts due within one year	-	-
Amounts due within one year	-	-
Total	-	-

**Thinking
forward**

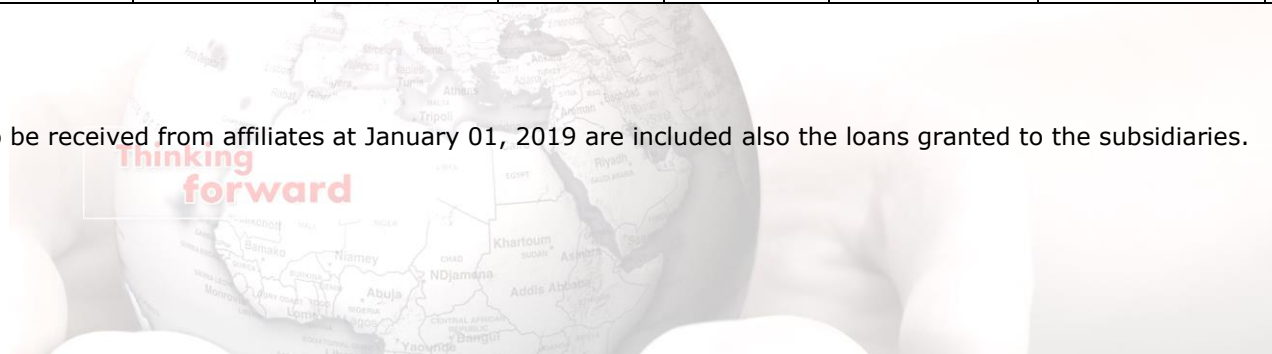
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

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	
	9 Months 2018	9 Months 2019	9 Months 2018	9 Months 2019	January 01, 2019	September 30, 2019	January 01, 2019	September 30, 2019
ECO PACK MANAGEMENT SA		2,050		0		1,830		0
INFO TECH SOLUTIONS S.R.L.	17,481	19,385	306,231	419,473	0	0	30,532	91,656
LIVINGJUMBO INDUSTRY SA	26,685,492	25,161,581	734,843	966,141	23,000,525	23,044,423	242,854	327,811
RC ENERGO INSTALL SRL	64,718	69,987	1,433,784	1,940,297	1,422,490	0	197,659	222,278
YENKI SRL BUZAU	1,765	2,521	0	0	0	0	0	0
TOTAL	26,769,455	25,253,474	2,474,858	3,325,911	24,423,015	23,044,423	471,045	641,745

Note : In the Amounts to be received from affiliates at January 01, 2019 are included also the loans granted to the subsidiaries.



FINANCIAL RATIOS

Indicator	Formula	30.09.2017	30.09.2018	30.09.2019
EBIT	Gross profit + Profit tax + Expenses with interest	4,659,756	6,355,582	2,291,864
EBITDA	EBIT + Depreciation - Subsidies for investments	10,968,334	12,790,242	8,562,958
EBITDA to sales ratios	EBITDA/Sales	7.24%	8.28%	5.96%
EBITDA to Equity	EBITDA/Equity	8.35%	9.39%	6.26%
Gross profit ratio	Gross profit/Sales	2.29%	3.29%	0.81%
Current liquidity	Current assets/Current liabilities	0.80	0.98	1.11
Quick liquidity	(Current assets-Inventories)/Current liabilities	0.50	0.72	0.82
Non-current liabilities to Equity	Non-current liabilities/Equity	47%	37%	29%
Total liabilities to Assets	Total liabilities/Total Assets	52%	49%	45%
Interest coverage ratio	EBIT/Interest expenses	4	5	2
Receivables rotation (days)	Average receivables/Sales	55	67	77
Payables rotation (days)	Average payables/Sales	58	58	47
Return on Assets(ROA)	Net profit/Assets	1.09%	1.91%	0.36%
Return on Equity(ROE)	Net profit/Equity	2.30%	3.73%	0.65%
Return on Sales(ROS)	Net profit/Sales	1.99%	3.29%	0.62%

Note : The Separate Financial Statements for the period ended **September 30, 2019** have not been audited.

CHAIRMAN OF THE BOARD
HUANG LIANG NENG
 Signature _____

PREPARED BY,
FINANCIAL MANAGER
ZAINESCU VIORICA
 Signature _____

GENERAL MANAGER
ANDREI RADU
 Signature _____

ROMCARBON SA

Buzau, 132 Transilvaniei street

Postal code 120012

Tel. 0238.711.155

Fax. 0238.710.697

www.romcarbon.com

investor.relations@romcarbon.com