

**S.C. ROMCARBON S.A.**

Quarterly report for the period ended  
March 31, 2020



## QUARTERLY REPORT REGARDING THE SEPARATE FINANCIAL STATEMENTS

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## SEPARATE FINANCIAL STATEMENTS

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## S.C. ROMCARBON S.A.

### Quarterly report according with FSA regulation no.5/2018

**Date of release:** 14.05.2020

**Reporting date:** 31.03.2020

**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

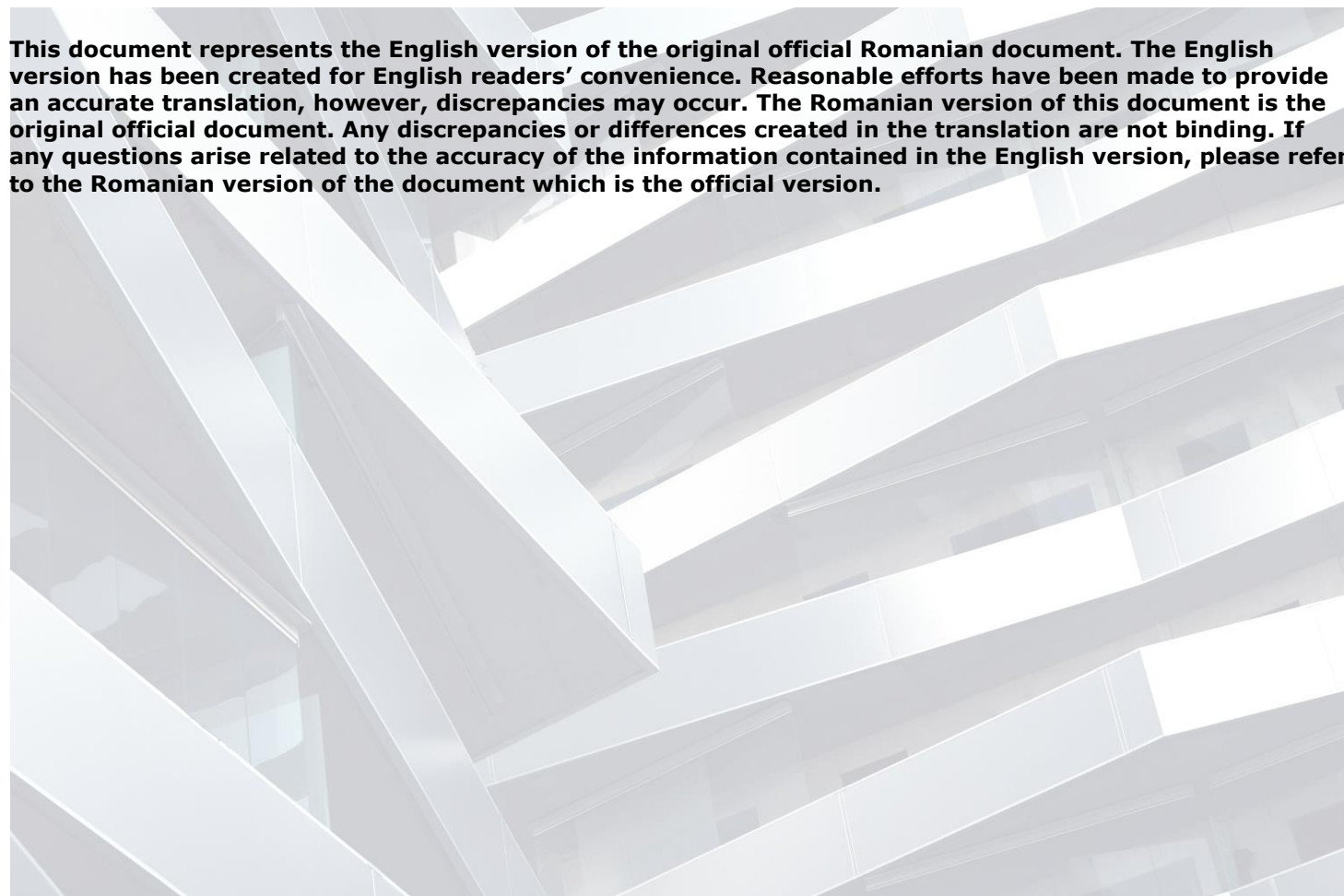
**Subscribed and paid up share capital:** RON 26,412,209.60

**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.

## 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.

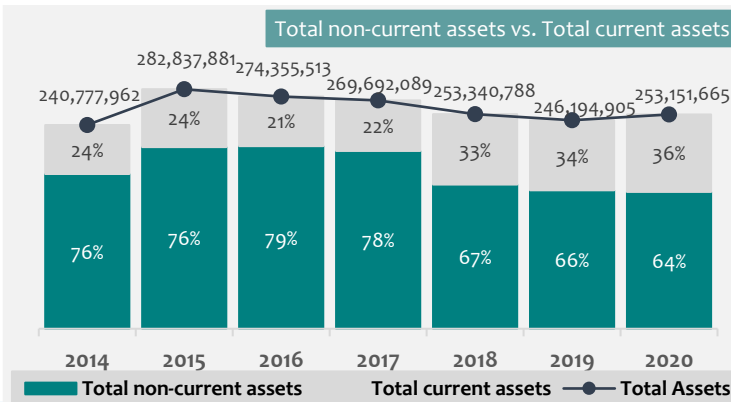
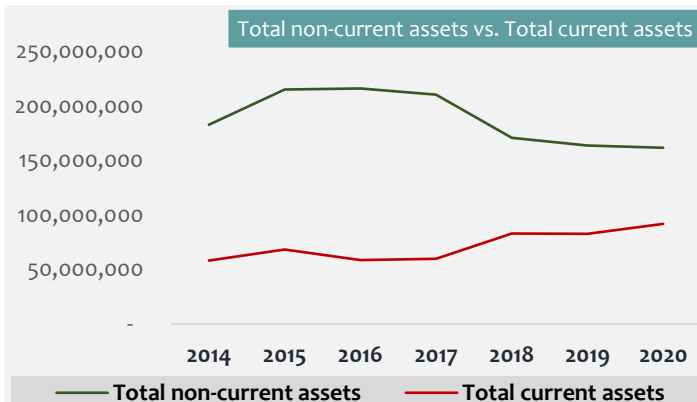
A.2.A general description of the Financial position of the company and its financial performance.

# 1.STATEMENT OF THE FINANCIAL POSITION

Indicator	31.03.2019	31.12.2019	31.03.2020	31.03.2020 vs. 31.12.2019		
Property, plant and equipment	127,217,283	122,648,084	120,442,650	-2,205,434	▼	-1.80%
Investment property	18,033,515	13,432,444	13,425,346	-7,098	▼	-0.05%
Intangible assets	305,925	314,136	479,384	165,248	▲	52.60%
Financial assets	22,247,181	27,085,581	27,085,581	0	▲	0.00%
<b>Total non-current assets</b>	<b>167,803,904</b>	<b>163,480,245</b>	<b>161,432,961</b>	<b>-2,047,284</b>	<b>▼</b>	<b>-1.25%</b>
Non-current assets held for sale	16,000,390	4,367,166	70,845	-4,296,321	▼	-98.38%
Inventories	20,964,194	25,346,355	26,102,501	756,146	▲	2.98%
Trade and other receivables	43,320,129	45,865,813	56,828,890	10,963,077	▲	23.90%
Amounts to receive from affiliates (financial)	4,886,502	335,912	295,137	-40,775	▼	-12.14%
Taxes receivables	23,000	0	0	0	—	
Other assets	721,269	1,249,969	900,357	-349,612	▼	-27.97%
Cash and bank balances	2,880,198	5,549,445	7,520,974	1,971,529	▲	35.53%
<b>Total current assets</b>	<b>88,795,682</b>	<b>82,714,661</b>	<b>91,718,704</b>	<b>9,004,043</b>	<b>▲</b>	<b>10.89%</b>
<b>Total assets</b>	<b>256,599,586</b>	<b>246,194,906</b>	<b>253,151,665</b>	<b>6,956,759</b>	<b>▲</b>	<b>2.83%</b>
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	58,302,303	58,845,305	58,755,805	-89,500	▼	-0.15%
Retained earnings	49,666,737	49,614,454	49,541,136	-73,318	▼	-0.15%
<b>Total equity</b>	<b>136,563,533</b>	<b>137,054,252</b>	<b>136,891,434</b>	<b>-162,818</b>	<b>▼</b>	<b>-0.12%</b>
Borrowings [Long-term]	21,138,659	12,705,852	11,158,137	-1,547,715	▼	-12.18%
Deferred tax liabilities	8,902,075	8,368,626	8,368,626	0	—	0.00%
Deferred income	14,835,585	13,138,559	12,572,884	-565,675	▼	-4.31%
<b>Total non-current liabilities</b>	<b>44,876,319</b>	<b>34,213,037</b>	<b>32,099,647</b>	<b>-2,113,390</b>	<b>▼</b>	<b>-6.18%</b>
Trade and other payables	30,706,953	23,643,049	31,171,189	7,528,140	▲	31.84%
Borrowings [Short – term]	39,607,383	46,071,939	44,302,010	-1,769,930	▼	-3.84%
Deferred revenue	2,265,009	2,345,590	2,365,755	20,165	▲	0.86%
Other liabilities	2,580,389	2,867,038	6,321,629	3,454,591	▲	120.49%
<b>Total current liabilities</b>	<b>75,159,734</b>	<b>74,927,616</b>	<b>84,160,583</b>	<b>9,232,967</b>	<b>▲</b>	<b>12.32%</b>
<b>Total liabilities</b>	<b>120,036,053</b>	<b>109,140,653</b>	<b>116,260,231</b>	<b>7,119,578</b>	<b>▲</b>	<b>6.52%</b>
<b>Total equity and liabilities</b>	<b>256,599,586</b>	<b>246,194,905</b>	<b>253,151,665</b>	<b>6,956,760</b>	<b>▲</b>	<b>2.83%</b>



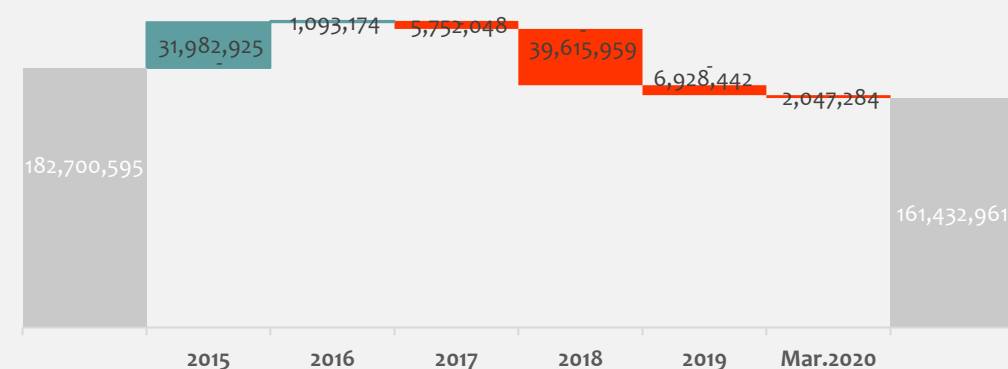
## ASSETS



## NON-CURRENT ASSETS

In the first 3 months of 2020 **Non-currents assets** hold 63.77% of the company's assets, recording a decrease of RON 2,047,284, i.e. 1.25%, as compared with the beginning of the year.

### Evolution of Total non-current assets in the period 2015-2020



Non-current assets (NCA)	31.03.2020	% in total NCA	% in total Assets	31.03.20 vs. 31.12.19
Property, plant and equipment	120,442,650	74.61%	47.58%	-1.80%
Investment property	13,425,346	8.32%	5.30%	-0.05%
Intangible assets	479,384	0.30%	0.19%	52.60%
Financial assets	27,085,581	16.78%	10.70%	0.00%
<b>Total non-current assets</b>	<b>161,432,961</b>	<b>100.00%</b>	<b>63.77%</b>	<b>-1.25%</b>

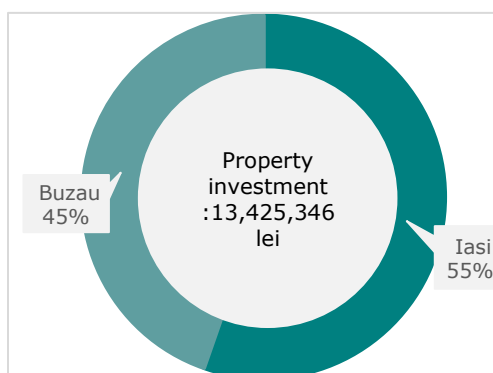
In the reporting period the entries of Non-current assets (except the investments in progress) are presented in the following table:

· Buildings (including rearrangements and improvement)	:	29,139 lei
· Equipment and installations	:	402,733 lei

The non-current assets entries in the first 3 months of 2020 had the following destinations: CP7-Compounds : RON 357,653 ; CP5- Polystyrene: RON 22,456; Administrative and others: RON 51,762

The outputs of Non-current assets in the reporting period were as per registration cost in amount of RON 218,532, out of which RON 5,632 sales and RON 212,900 dismantles/casation.

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



**Financial Investments** hold 10.70% of Total Assets, and 16.78% of Non-current assets.

As at 31.03.2020, 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 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%
<b>TOTAL</b>						<b>30,449,725</b>	

\*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:

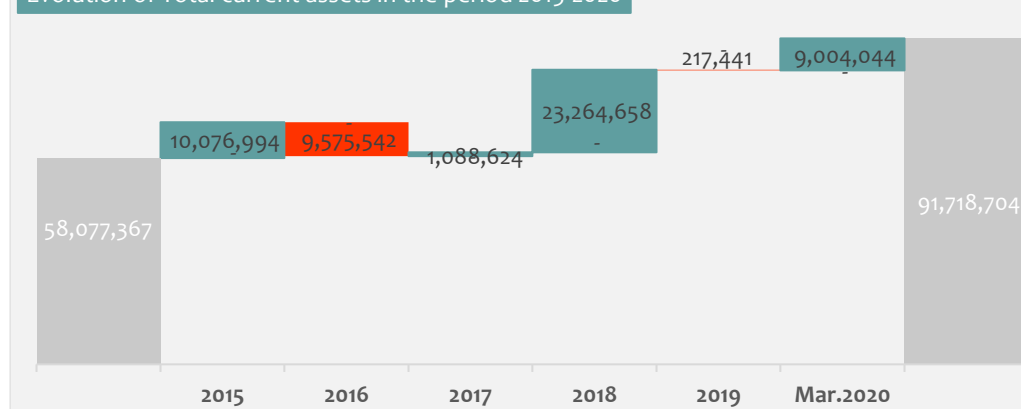
Company	Holdings (%)	Adjustments
ROMCARBON DEUTSCHLAND GmbH	100.00%	110,138
GRINFILD LLC UCRAINA	62.62%	2,687,755
YENKI SRL	33.34%	11,989
ECO PACK MANAGEMENT SA	25.36%	554,262
<b>Total</b>		<b>3,364,144</b>



## CURRENT ASSETS

**Current assets** hold 36.23% of total assets recording an increase of RON 9,004,044, i.e. 10.89% as compared with the beginning of the year.

Evolution of Total current assets in the period 2015-2020



Current assets	31.03.2020	% in total CA	% in Total Assets	31.03.20 vs. 31.12.19
Non-current assets held for sale <sup>1</sup>	70,845	0.08%	0.03%	-98.38%
Inventories	26,102,501	28.46%	10.31%	2.98%
Trade and other receivables	56,828,890	61.96%	22.45%	23.90%
Amounts to receive from affiliates (financial) <sup>2</sup>	295,137	0.32%	0.12%	0.00%
Taxes receivables	0	0.00%	0.00%	0.00%
Other assets	900,357	0.98%	0.36%	-27.97%
Cash and bank balances	7,520,974	8.20%	2.97%	35.53%
<b>Total current assets</b>	<b>91,718,704</b>	<b>100.00%</b>	<b>36.23%</b>	<b>10.89%</b>

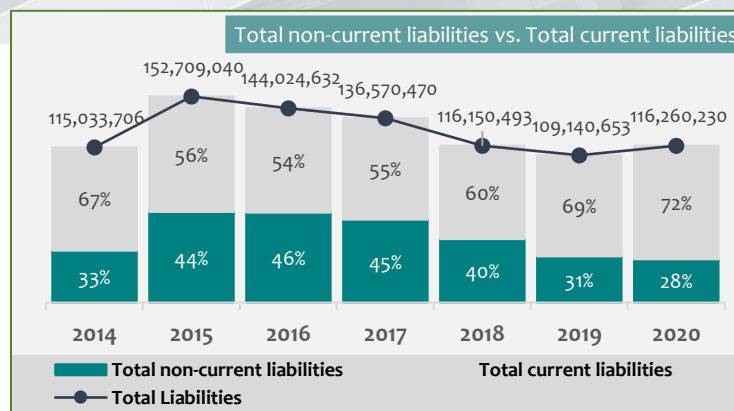
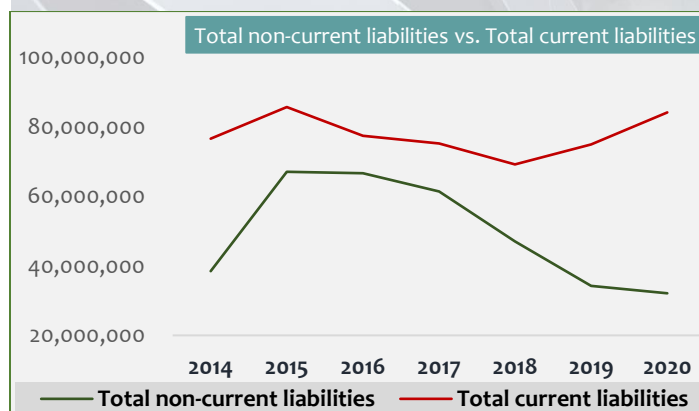
<sup>1</sup> On 31.01.2020 it was completed the sales agreed according to the Presale agreement no.1830 dated 18.12.2019 concluded with GREEN PC AMBALAJE S.R.L (as buyer) representing the countervalue of an asset (land and buildings) located in Ilfov, Stefanestii de Jos, Str. Sinaia nr.15 having a total area of 12,774 sq m, out of which 4,928 sq m built area, according with the selling-buying contract no. 183 signed on 31.01.2020. According to the selling-buying contract it was cashed the price of RON 3,987,387.32 (equivalent of EUR 834,356).

<sup>2</sup> Loan granted to affiliates

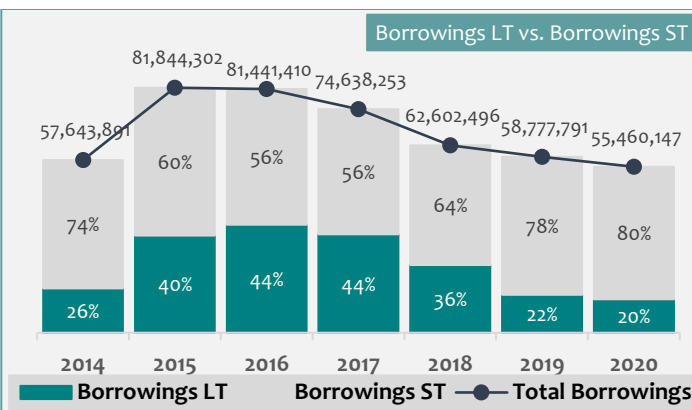
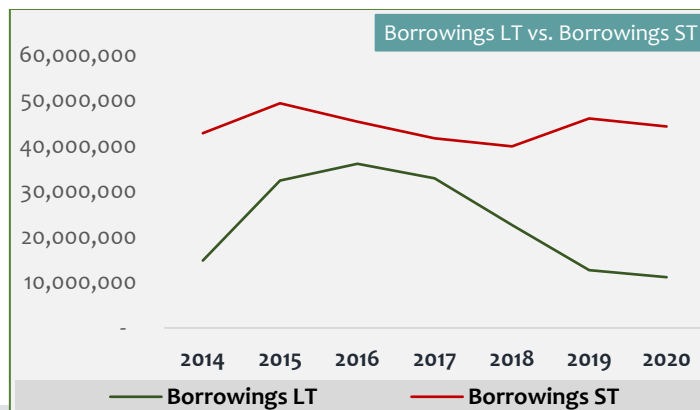
Company	Value of the contract	Balance as at 31.03.2020	Interest	Total
RC Energo Install SRL	€ 250,000	€ 60,000	289,524 lei	5,613 lei
<b>Total</b>	<b>€ 250,000</b>	<b>€ 60,000</b>	<b>289,524 lei</b>	<b>5,613 lei</b>

## LIABILITIES

**Total Liabilities** hold 45.93% of the company's Equity&Liabilities recording an increase of RON 7,119,578, i.e. 6.52%, as compared with the beginning of the year





**BORROWINGS**

As at 31.03.2020 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Initial amount/ceiling	Balance as at 31.03.2020		Tenor
			in euro	in lei	
UniCredit Bank	Overdraft	€ 5,450,000	€ 5,315,781	25,650,768 lei	10/04/2020
BRD GSG	Overdraft	€ 2,550,000	€ 2,509,176	12,107,779 lei	29/10/2020
UniCredit Bank	Investment loan III	€ 442,500	€ 169,513	817,968 lei	19/09/2021
BRD GSG	Investment loan II	€ 1,000,000	€ 322,798	1,557,631 lei	03/09/2022
BRD GSG	Investment loan III	€ 3,153,160	€ 289,242	1,395,710 lei	03/02/2022
UniCredit Bank	Investment loan - CCE 2015	€ 3,042,240	€ 1,753,670	8,462,158 lei	04/12/2023
<b>Total credits in euro</b>		<b>€ 15,637,900</b>	<b>€ 10,360,180</b>	<b>49,992,013 lei</b>	
Eximbank SA	Investment loan I	6,142,500 lei		2,303,438 lei	20/06/2022
Eximbank SA	Investment loan II	2,432,500 lei		1,641,289 lei	16/12/2022
UniCredit Bank	Investment loan I	3,200,000 lei			11/07/2023
UniCredit Bank	Investment loan II	2,500,000 lei		459,395 lei	19/09/2021
UniCredit Bank	Investment loan IV	5,400,000 lei		1,064,012 lei	01/12/2021
UniCredit Bank	Investment loan V	2,250,000 lei		- lei	06/04/2022
<b>Total credits in lei</b>		<b>€ 21,925,000</b>		<b>5,468,134 lei</b>	
<b>Total exposure</b>				<b>55,460,147 lei</b>	

Short-term loans have the following structure :

Bank	Type	CCY	Ceilling	Balance as at 31.03.2020	
				in euro	in lei
UniCredit Bank SA	Linie de credit	euro	€ 5,450,000	€ 5,315,781	25,650,768 lei
BRD GSG	Linie de credit	euro	€ 2,550,000	€ 2,509,176	12,107,779 lei
<b>Total</b>			<b>€ 8,000,000</b>	<b>€ 7,824,957</b>	<b>37,758,546 lei</b>

Long-term loans have the following structure :

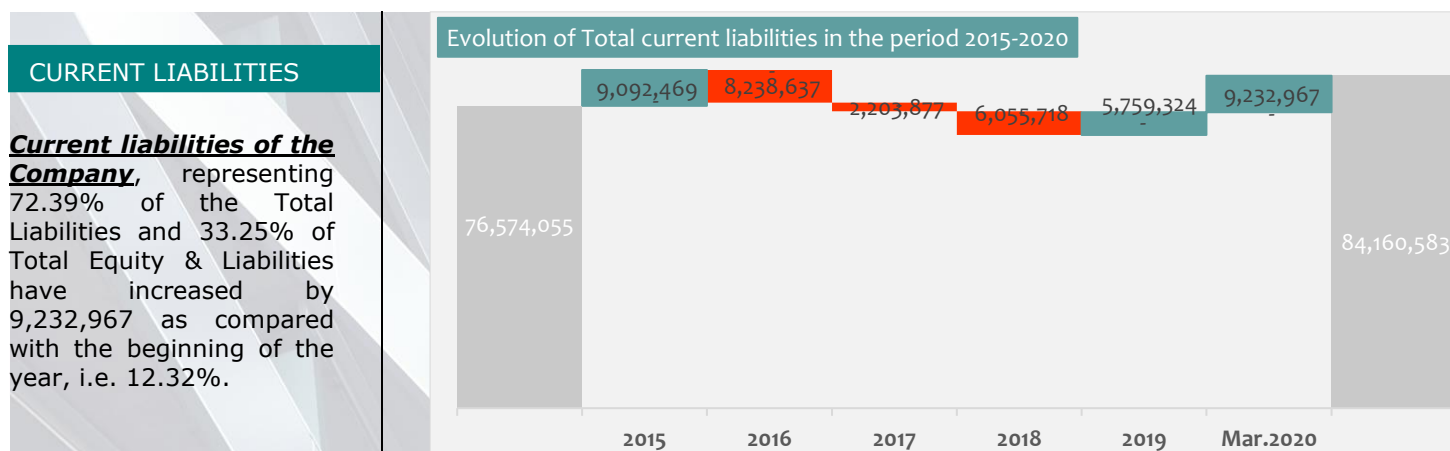
Bank	Type	Balance as at 31.03.2020		< 1 year	> 1 year
		in euro	in lei		
UniCredit Bank	Investment loan III	€ 169,513	817,968 lei	545,312 lei	272,656 lei
BRD GSG	Investment loan II	€ 322,798	1,557,631 lei	602,955 lei	954,676 lei
BRD GSG	Investment loan III	€ 289,242	1,395,710 lei	761,296 lei	634,414 lei
UniCredit Bank	Investment loan - CCE 2015	€ 1,753,670	8,462,158 lei	2,099,049 lei	6,363,109 lei
<b>Total credit in euro</b>		<b>€ 2,535,223</b>	<b>12,233,467 lei</b>	<b>4,008,611 lei</b>	<b>8,224,855 lei</b>
Eximbank SA	Investment loan I		2,303,438 lei	1,023,750 lei	1,279,688 lei
Eximbank SA	Investment loan II		1,641,289 lei	596,833 lei	1,044,457 lei
UniCredit Bank	Investment loan II		459,395 lei	306,263 lei	153,132 lei

Bank	Type	Balance as at 31.03.2020		< 1 year	>1 year
		in euro	in lei		
UniCredit Bank	Investment loan IV <sup>3</sup>		1,064,012 lei	608,007 lei	456,005 lei
UniCredit Bank	Investment loan V <sup>4</sup>		- lei	- lei	- lei
<b>Total credit in lei</b>			<b>5,468,134 lei</b>	<b>2,534,852 lei</b>	<b>2,933,282 lei</b>
<b>Total exposure</b>			<b>17,701,601 lei</b>	<b>6,543,464 lei</b>	<b>11,158,137 lei</b>

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

<sup>3</sup> In February 2020 it was reimbursed before term the amount of RON 861,432. After reimbursement the balance of the loan became RON 1,114,679, payable in 22 equal monthly installments.

<sup>4</sup> In February 2020 it was reimbursed before term the entire balance of the loan, RON 1,196,882.



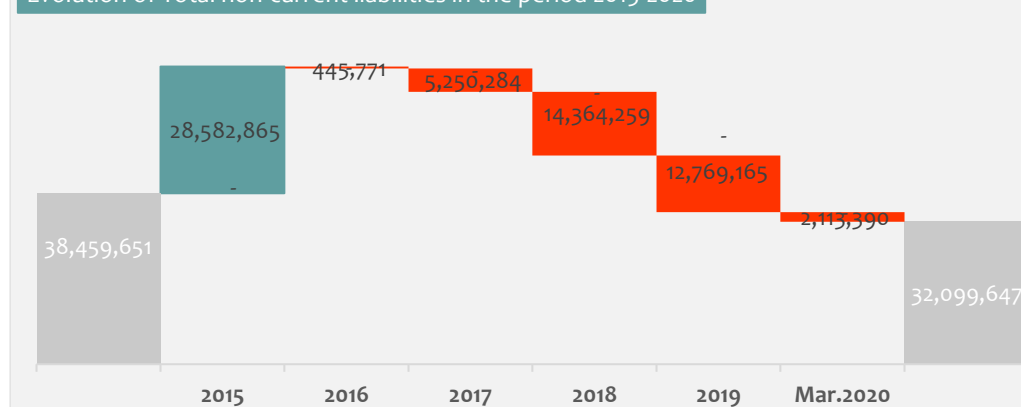
Current liabilities	31.03.2020	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	31.03.20 vs. 31.12.19
Trade and other payables	31,171,189	26.81%	37.04%	12.31%	31.84%
Borrowings [Short – term]	44,302,010	38.11%	52.64%	17.50%	-3.84%
Deferred revenue	2,365,755	2.03%	2.81%	0.93%	0.86%
Other liabilities	6,321,629	5.44%	7.51%	2.50%	120.49%
<b>Total current liabilities</b>	<b>84,160,583</b>	<b>72.39%</b>	<b>100.00%</b>	<b>33.25%</b>	<b>12.32%</b>

## NON-CURRENT LIABILITIES

### **Non-current Liabilities**

representing 12.68% of the company's Equity & Liabilities recording in the reporting period a decrease of RON 2,113,390, i.e. 6.18%, as compared with the beginning of the year.

Evolution of Total non-current liabilities in the period 2015-2020

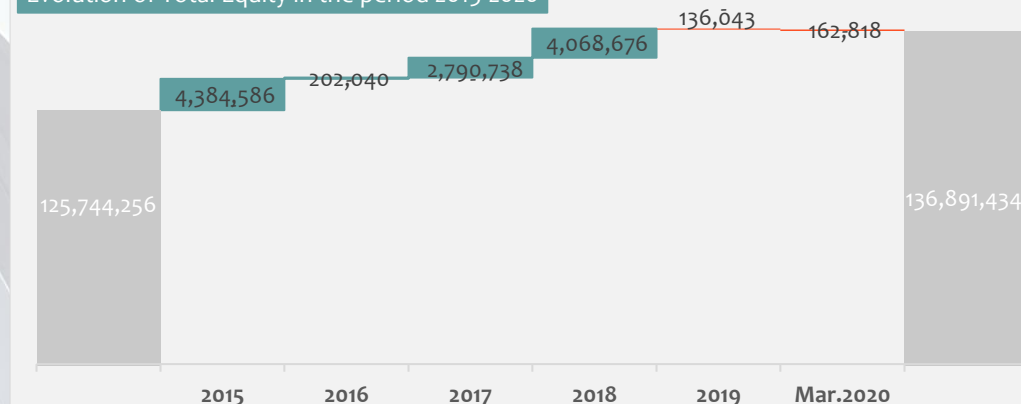


Non-current liabilities	31.03.2020	% in total liabilities	% in Total non-current liabilities	% in Total Equity and Liabilities	31.03.20 vs. 31.12.19
Borrowings [Long-term]	11,158,137	9.60%	34.76%	4.41%	-12.18%
Deferred tax liabilities	8,368,626	7.20%	26.07%	3.31%	0.00%
Deferred income	12,572,884	10.81%	39.17%	4.97%	-4.31%
<b>Total non-current liabilities</b>	<b>32,099,647</b>	<b>27.61%</b>	<b>100.00%</b>	<b>12.68%</b>	<b>-6.18%</b>

## EQUITY

**Total Equity** holds **54.07%** of Total Equity & Liabilities, recording in the reporting period a decrease of RON 162,818, as compared with the beginning of the year.

Evolution of Total Equity in the period 2015-2020



Equity	31.03.2020	% in Total Equity and liabilities
Issued capital (264,122,096 shares at RON 0.10/share)	26,412,210	10.43%
Share premium	2,182,283	0.86%
Reserves	58,755,805	23.21%
Retained earnings	49,541,136	19.57%
<b>Total Equity</b>	<b>136,891,434</b>	<b>54.07%</b>

## 2.STATEMENT OF THE COMPREHENSIVE INCOME

Indicator	3 months of 2018	3 months of 2019	3 months of 2020	2020 vs. 2019	
Net sales	48,150,522	47,862,182	48,249,634	▲	387,452 1%
Investment income <sup>5</sup>	1,841,841	501,221	412,764	▼	(88,457) -18%
Other gains and losses	50,328	(1,089,777)	(685,079)	▼	404,698 -37%
Changes in inventories of finished goods and work in progress	1,135,483	982,707	967,836	▼	(14,871) -2%
Raw materials and consumables used	(34,490,118)	(33,093,151)	(33,018,478)	▼	74,673 0%
Depreciation and amortization expenses	(2,710,902)	(2,669,122)	(2,553,186)	▼	115,936 -4%
Employee salaries and benefits	(9,003,923)	(9,257,232)	(9,664,020)	▲	(406,788) 4%
Social security expenses	(216,597)	(218,175)	(238,314)	▲	(20,139) 9%
Net finance costs	(461,440)	(529,241)	(360,070)	▼	169,171 -32%
Income from subsidies	565,792	578,187	565,675	▼	(12,512) -2%
Other expenses	(3,716,945)	(3,694,361)	(3,812,057)	▲	(117,696) 3%
<b>Profit (loss) before taxation</b>	<b>1,144,041</b>	<b>(626,762)</b>	<b>(135,295)</b>	▼	<b>491,467</b> -78%
Profit tax	-	-	(27,523)	▲	27,523 n/a
<b>Profit (loss) of the year</b>	<b>1,144,041</b>	<b>(626,762)</b>	<b>(162,818)</b>	▼	<b>463,944</b> -74%
<b>Total comprehensive income</b>	<b>1,144,041</b>	<b>(626,762)</b>	<b>(162,818)</b>	▼	<b>463,944</b> -74%

Indicator	3 months of 2018	3 months of 2019	3 months of 2020	2020 vs. 2019	
EBITDA Operational	2,571,235	3,027,163	2,949,137	▼	(78,026) -3%

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

Indicator	31.03.2018	31.03.2019	31.03.2020
Average no. of employees	947	904	856

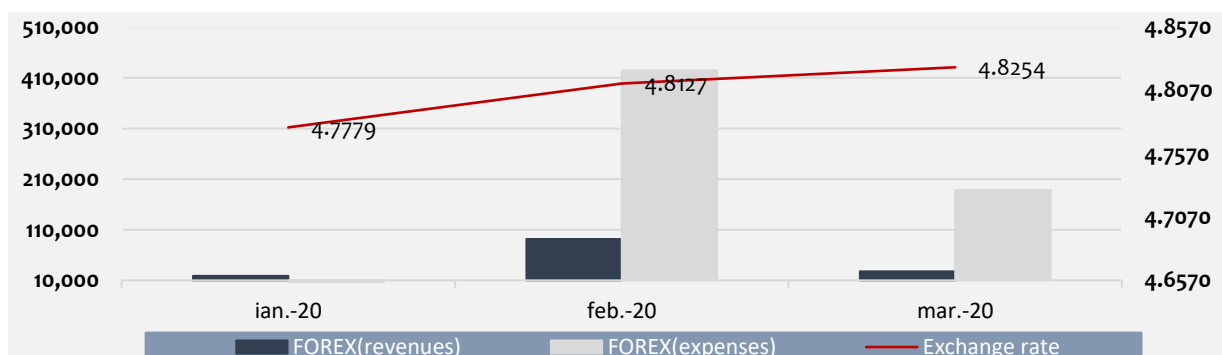
### Subsequent events

International epidemiological evolution caused by the spread of SARS - cov - 2 coronavirus in the countries of Western and Southeastern Europe, where countries such as Germany, France, Sweden, Spain, Holland, Belgium, Italy, Bulgaria, Poland, Serbia Moldova, Hungary, where the company has significant commercial interests, took drastic measures, including the closure of all those activities that were not essential, caused a reduction in the volume of orders in the sector of Recycled compounds and polymers and in a smaller measure in the sector of Plastic material processing. Therefore, it was decided to optimize the activity in the mentioned sectors by applying the measure of sending in technical unemployment, during April, an average number of 108 employees of the total employees of the company and in May an average number of 89 employees.

<sup>5</sup> In the item « Investment income » are comprised the following elements :

Indicator	3 months of 2018	3 months of 2019	3 months of 2020	2020 vs. 2019	
Rental and royalty income	724,049	449,098	406,013	▼	(43,085) -10%
Interest income	522	52,123	6,751	▼	(45,372) -87%
Investment income (dividends) - Infotech Solutions	117,270	0	0	—	-
Investment income (dividends) - RC Energo Install	1,000,000	0	0	—	-
<b>Total</b>	<b>1,841,841</b>	<b>501,221</b>	<b>412,764</b>	▼	<b>(88,457)</b> -18%

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 1st Quarter of 2020 the company registered revenues in amount of RON 138,790 and expenses in amount of RON 616,061, resulting a loss of RON 477,270.



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 892,105.

### 3.NET SALES

The item "Net Sales" had the following evolution:

Indicator	3 months of 2018	3 months of 2019	3 months of 2020	2020 vs. 2019	
- Sales of finished goods	37,420,979	35,219,052	34,006,127	▼	(1,212,924) -3%
- Sales of intermediary goods	5,392	1,920	1,920	—	- 0%
- Services rendered	65,573	95,476	92,826	▼	(2,650) -3%
- Sales of commodities	9,606,016	11,519,534	12,786,191	▲	1,266,657 11%
- Other sales	1,052,562	1,026,201	1,362,569	▲	336,368 33%
<b>Total Net sales</b>	<b>48,150,522</b>	<b>47,862,182</b>	<b>48,249,634</b>	<b>▲</b>	<b>387,451 1%</b>

Grouped on segments of activities, the Net sales are presented in the below table:

Indicator	3 months of 2018	3 months of 2019	3 months of 2020	2020 vs. 2019	
Plastic processing sector: polyethylene+polystyrene+polypropylene	27,120,737	24,925,528	25,707,153	▲	781,625 3%
Regenerated polymers & Compounds	9,063,889	9,081,754	6,902,609	▼	(2,179,145) -24%
Other production sectors (industrial and automotive filters, active carbon, breathing protective equipment, PVC traffic base)	1,236,352	1,211,770	1,396,365	▲	184,595 15%
Other activities	10,729,543	12,643,131	14,243,506	▲	1,600,375 13%
<b>Total Net sales</b>	<b>48,150,522</b>	<b>47,862,182</b>	<b>48,249,634</b>	<b>▲</b>	<b>387,451 1%</b>

Indicator	3 months of 2018	3 months of 2019	3 months of 2020	2020 vs. 2019	
Net sales	48,150,522	47,862,182	48,249,634	▲	387,451 1%
Rental and royalty income	724,049	449,098	406,013	▼	(43,085) -10%
<b>Turnover, out of which:</b>	<b>48,874,571</b>	<b>48,311,280</b>	<b>48,655,647</b>	<b>▲</b>	<b>344,366 1%</b>
~domestic market	34,595,513	35,573,235	38,430,891	▲	2,857,656 8%
~exports	14,279,058	12,738,045	10,224,756	▼	(2,513,289) -20%

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

### 4.FINANCIAL RATIOS

Indicator	Formula	31.03.18	31.03.19	31.03.20
Current ratio	Current assets/Current liabilities	0.81	1.18	1.09
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	23%	15%	8%
Long term loans to Equity ratio	Long term loans/Equity	19%	13%	8%
Account receivable turnover ratio (days)	Average receivables/Sales	64	74	95
Account payable turnover ratio (days)	Average payables/Sales	53	51	51
Non-current assets rotation	Non-current liabilities/Sales	0.23	0.29	0.30



## 5.CASH-FLOW

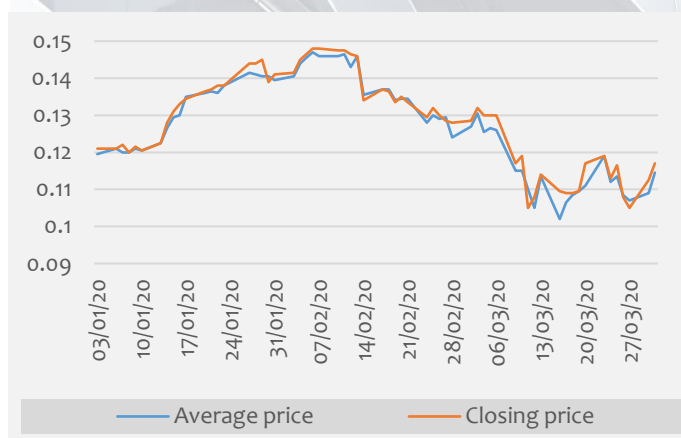
	31/03/2019	31/12/2019	31/03/2020
<b>CASH FLOWS FROM OPERATIONS</b>			
Cash generated from operations ( A )	(396,158)	(7,435,411)	5,188,623
<b>CASH FLOWS FROM INVESTMENT ACTIVITY</b>			
Net cash (used in)/generated by investing activities( B )	1,801,798	13,207,922	100,549
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Net cash generated/used by/in financing activities ( C )	(1,856,454)	(3,554,077)	(3,317,643)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)</b>	(450,813)	2,218,434	1,971,529
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	3,331,011	3,331,011	5,549,445
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	2,880,198	5,549,445	7,520,974

## 6.STRUCTURE OF THE SHAREHOLDERS

As at 31.03.2020 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	15,182,234	5.75%
INDIVIDUALS	107,970,265	40.88%
<b>Total</b>	<b>264,122,096</b>	<b>100.00%</b>

Evolution of the price of Romcarbon SA shares during 2020.



## 7.SUBSEQUENT EVENTS

In the international context regarding the evolution of the epidemiological situation caused by the spread of coronavirus COVID-19, as well as the declaration of the state of emergency in Romania for a period of 30 days, after this period extended with other 30 days, the Company's management has established and implemented preventive measures for the protection of both its employees and collaborators (delegates, drivers, couriers, etc.). The measures are constantly reassessed and adapted according to the evolution of the situation and the official communications / measures ordered by the public authorities / competent bodies.

At the date of this Report, no major difficulties and risks were identified in the activity of supply, production and sale that would significantly affect the economic activity of the Company.

The Company elaborated a Risk Plan in case of establishment of quarantine in the context of the COVID 19 coronavirus pandemic which requires measures to restrict or temporarily interrupt the economic activity of company.

Nevertheless, because countries such as Germany, France, Sweden, Spain, Holland, Belgium, Italy, Bulgaria , Poland, Serbia Moldova, Hungary, where the company has significant commercial interests, took drastic measures, including the closure of all those activities that were not essential, caused a reduction in the volume of orders in the sector of Recycled compounds and polymers and in a smaller measure in the sector of Plastic material processing.

Therefore, it was decided to optimize the activity in the mentioned sectors by applying the measure of sending in technical unemployment, during April, an average number of 108 employees of total employees of the company and 89 employees in May.

The future evolution of the crisis generated by the spread of COVID-19 may have an impact in the coming months as regards the decrease of sales by about 20%, in light of the decrease of the demand in the automotive industry and in the construction sector.

The supply of raw materials and consumables remains stable with no anticipated price growth trends.

There are no premises of concentration risk because there are no major dependencies on significant suppliers or customers or the markets affected to a large extent by COVID-19. The activity of the company is not affected by the restrictions on external financing, it has the ability to control its cash flows and mitigate risks of non-collection. We have not identified any premises for the exposure to major risks in terms of cash flows. There will be pressure on the RON / EUR exchange rate, but we cannot estimate the extent.

**The Separate Financial Statements for the period ended March 31,2020 have not been audited.**

**Chairman of the Board and General Manager,**

Huang Liang Neng

**Financial Manager,**

ec. Zainescu Viorica Ioana

**General Manager for Administrative Operations,**

Manaila Carmen



**S.C. ROMCARBON S.A.**

SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31 , 2020

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

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**STATEMENT OF THE COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

	<b>Period ended</b> <b>31-mar-19</b> <b>RON</b>	<b>Period ended</b> <b>31-mar-20</b> <b>RON</b>
Net sales	47,862,182	48,249,634
Investment income	501,221	412,764
Other gains or losses	(1,089,777)	(685,079)
Changes in inventories	982,707	967,836
Raw materials and consumables used	(33,093,151)	(33,018,478)
Depreciation and amortization expense	(2,669,122)	(2,553,186)
Employee salaries and benefits	(9,257,232)	(9,664,020)
Social security expenses	(218,175)	(238,314)
Net finance cost	(529,241)	(360,070)
Income from subsidies	578,187	565,675
Other expenses	(3,694,361)	(3,812,057)
<b>Profit (loss) before taxation</b>	<b>(626,762)</b>	<b>(135,295)</b>
Profit tax	-	(27,523)
<b>Net profit</b>	<b>(626,762)</b>	<b>(162,818)</b>
Other comprehensive income		
<b>Total comprehensive income</b>	<b>(626,762)</b>	<b>(162,818)</b>
Earnings per share	(0.0024)	(0.0006)
<b>Number of shares</b>	264,122,096	264,122,096

**PREPARED BY,**
**HUANG LIANG NENG,**  
 Chairman of the Board  
 And General Manager

**VIORICA ZAINESCU,**  
 Financial Manager

**CARMEN MANAILA,**  
 Deputy General Manager for  
 Administrative Operations

**STATEMENT OF THE FINANCIAL POSITION  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

	01-jan-20	31-mar-20
	RON	RON
<b>Non-current assets</b>		
Property, plant and equipment	122,648,084	120,442,650
Investment property	13,432,444	13,425,346
Intangible assets	314,136	479,384
Financial assets	27,085,581	27,085,581
<b>Total non-current assets</b>	<b>163,480,245</b>	<b>161,432,961</b>
<b>Current assets</b>		
Inventories	25,346,355	26,102,501
Trade and other receivables	45,865,813	56,828,890
Amounts to receive from affiliates (financial)	335,912	295,137
Other assets	1,249,969	900,357
Cash and bank balances	5,549,445	7,520,974
Non-current assets held for sale	4,367,166	70,845
<b>Total current assets</b>	<b>82,714,660</b>	<b>91,718,704</b>
<b>Total Assets</b>	<b>246,194,905</b>	<b>253,151,665</b>
<b>Equity and Liabilities</b>		
<b>Capital and reserve</b>		
Issued capital	26,412,210	26,412,210
Share premiums	2,182,283	2,182,283
Reserves	58,845,305	58,755,805
Retained earnings	49,614,454	49,541,136
<b>Total Equity</b>	<b>137,054,252</b>	<b>136,891,434</b>
<b>Non-current liabilities</b>		
Borrowings	12,705,852	11,158,137
Deferred tax liabilities	8,368,626	8,368,626
Deferred income	13,138,559	12,572,884
<b>Total non-current liabilities</b>	<b>34,213,037</b>	<b>32,099,647</b>
<b>Current liabilities</b>		
Trade and other payables	23,643,049	31,171,189
Borrowings	46,071,939	44,302,011
Deferred income	2,345,590	2,365,755
Other liabilities	2,867,038	6,321,629
<b>Total current liabilities</b>	<b>74,927,616</b>	<b>84,160,584</b>
<b>Total liabilities</b>	<b>109,140,653</b>	<b>116,260,231</b>
<b>Total equity and liabilities</b>	<b>246,194,905</b>	<b>253,151,665</b>

PREPARED BY,

**HUANG LIANG NENG,**  
Chairman of the Board  
And General Manager

**VIORICA ZAINESCU,**  
Financial Manager

**CARMEN MANAILA,**  
Deputy General Manager for  
Administrative Operations

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIOD ENDED MARCH 31, 2020**

(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>
<b>01/jan/2020</b>	<b><u>26,412,210</u></b>	<b><u>2,182,283</u></b>	<b><u>39,880,741</u></b>	<b><u>4,133,516</u></b>	<b><u>14,831,048</u></b>	<b><u>49,614,454</u></b>	<b><u>137,054,252</u></b>
Revaluation reserve	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-
Net profit of the period	-	-	-	-	-	(162,818)	(162,818)
Corrections	-	-	-	-	-	-	-
Transfers between capital accounts	-	-	(89,500)	-	-	89,500	-
<b>31/mar/2020</b>	<b><u>26,412,210</u></b>	<b><u>2,182,283</u></b>	<b><u>39,791,241</u></b>	<b><u>4,133,516</u></b>	<b><u>14,831,048</u></b>	<b><u>49,541,136</u></b>	<b><u>136,891,434</u></b>

PREPARED BY,

**HUANG LIANG NENG,  
Chairman of the Board  
And General Manager**
**VIORICA ZAINESCU,  
Financial Manager**
**CARMEN MANAILA,  
Deputy General Manager for Administrative  
Operations**

This is a free translation from the original Romanian version.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

<b>NET SALES</b>	<b>Period ended 31-mar-19 RON</b>	<b>Period ended 31-mar-20 RON</b>
Sales of finished goods	35,460,756	34,145,573
Sales of commodities	11,279,749	12,648,666
Services rendered	95,476	92,826
Other sales	1,026,201	1,362,569
<b>Total</b>	<b>47,862,182</b>	<b>48,249,634</b>
<b>INVESTMENT INCOME</b>	<b>Period ended 31-mar-19 RON</b>	<b>Period ended 31-mar-20 RON</b>
Income from renting investment property	449,098	406,013
Income from interest on bank deposits	52,123	6,751
Dividends received from participations	-	-
<b>Total</b>	<b>501,221</b>	<b>412,764</b>
<b>OTHER GAINS AND LOSSES</b>	<b>Period ended 31-mar-19 RON</b>	<b>Period ended 31-mar-20 RON</b>
Income from penalties charged	-	52
Gain / (Loss) on disposal of property, plant and equipment	(226,153)	4,062,150
Gain / (Loss) on disposal of property investments	-	(4,296,321)
FOREX gain / (loss)	(896,501)	(470,782)
Gain / (Loss) on changes of provisions	266	630
Other gains	32,611	19,192
Other losses	-	-
<b>Total</b>	<b>(1,089,777)</b>	<b>(685,079)</b>
<b>RAW MATERIALS AND CONSUMABLES USED</b>	<b>Period ended 31-mar-19 RON</b>	<b>Period ended 31-mar-20 RON</b>
Raw materials	17,480,726	15,376,783
Commodities sold	11,203,837	12,500,695
Energy and water	3,250,349	3,631,596
Expenses with consumables	1,158,240	1,509,405
<b>Total</b>	<b>33,093,151</b>	<b>33,018,478</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>	<b>Period ended 31-mar-19 RON</b>	<b>Period ended 31-mar-20 RON</b>
<b>Total expenses, Of which:</b>	2,669,122	2,553,186
Depreciation of fixed assets	2,647,544	2,516,298
Amortization of intangible assets	21,578	36,888
<b>Total</b>	<b>2,669,122</b>	<b>2,553,186</b>
<b>EMPLOYEES SALARIES AND BENEFITS</b>	<b>Period ended 31-mar-19 RON</b>	<b>Period ended 31-mar-20 RON</b>
Salaries	8,971,262	9,392,210
Social contributions	218,175	238,314
Meal tickets	285,970	271,810
<b>Total</b>	<b>9,475,407</b>	<b>9,902,334</b>
<b>NET FINANCE COST</b>	<b>Period ended 31-mar-19 RON</b>	<b>Period ended 31-mar-20 RON</b>
Bank interest and leases expenses	374,615	311,432
Bank commissions and assimilated charges	154,626	48,638
<b>Total</b>	<b>529,241</b>	<b>360,070</b>
<b>OTHER EXPENSES</b>	<b>Period ended 31-mar-19 RON</b>	<b>Period ended 31-mar-20 RON</b>
Expenses with transport and logistics	1,251,790	1,297,689
Other expenses with third party services	1,309,555	1,424,742
Protocol and marketing	35,827	39,910
Expenses with repairs	404,895	297,593
Taxes and levies	456,089	470,270
Loss from receivables	-	-
Expenses with insurances	101,896	105,103
Expenses with postal charges and telecommunications	29,539	31,686
Expenses with travels	25,026	22,702
Expenses with rents	47,149	47,244
Expenses with commissions and fees	1,033	180
Expenses with fines and penalties	2,761	1,940
Other expenses	28,801	72,998
<b>Total</b>	<b>3,694,361</b>	<b>3,812,057</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

<b>PROFIT TAX</b>	<b>Period ended 31-mar-19 RON</b>	<b>Period ended 31-mar-20 RON</b>
Current profit tax expense	-	27,523
Deferred profit tax expense	-	-
<b>Total</b>	<b>-</b>	<b>27,523</b>

**PROPERTY INVESTMENTS**

<b>Balance as at January 01, 2020</b>	<b>13,432,444</b>
Intrări	(7,098)
Iesiri	-
<b>Balance as at March 31, 2020</b>	<b>13,425,346</b>

**INTANGIBLE ASSETS**

	<b>Licences</b>	<b>Other intangible assets</b>	<b>Intangible assets in progress</b>	<b>Total</b>
<b>Cost</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>
<b>Balance as at January 01, 2020</b>	<b>1,012,329</b>	<b>592,467</b>	<b>57,080</b>	<b>1,661,876</b>
Additions	202,134	-	-	202,134
Transfers	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>1,214,463</b>	<b>592,467</b>	<b>57,080</b>	<b>1,864,011</b>
<b>Accumulated amortization</b>				
<b>Balance as at January 01, 2020</b>	<b>(755,272)</b>	<b>(592,466)</b>		<b>(1,347,738)</b>
Expenses with depreciation	(36,889)	-		(36,889)
Decrease from sale of assets	-	-		-
<b>Balance as at March 31, 2020</b>	<b>(792,161)</b>	<b>(592,466)</b>	<b>-</b>	<b>(1,384,627)</b>
<b>Net Book Value as at March 31, 2020</b>	<b>422,302</b>	<b>-</b>	<b>57,080</b>	<b>479,384</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

	<b>Land</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Installations and furniture</b>	<b>Tangible assets in progress and advances</b>	<b>Total</b>
	<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>
<b><i>COST</i></b>						
<b>Balance as at January 01, 2020</b>	<b>45,747,556</b>	<b>20,237,504</b>	<b>117,459,332</b>	<b>771,891</b>	<b>1,752,105</b>	<b>185,968,388</b>
Additions	0	36,237	402,733	-	327,232	766,202
Disposals	-	-	(218,532)	-	(431,872)	(650,404)
<b>Balance as at March 31, 2020</b>	<b>45,747,556</b>	<b>20,273,741</b>	<b>117,643,533</b>	<b>771,891</b>	<b>1,647,465</b>	<b>186,084,186</b>
	<b>Land</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Installations and furniture</b>	<b>Tangible assets in progress and advances</b>	<b>Total</b>
	<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>	<b>RON</b>
<b><i>CUMULATED DEPRECIATION</i></b>						
<b>Balance as at January 01, 2020</b>	<b>-</b>	<b>-</b>	<b>(62,863,804)</b>	<b>(456,500)</b>	<b>-</b>	<b>(63,320,304)</b>
Expenses with depreciation		(323,016)	(2,178,900)	(14,382)		(2,516,298)
Decrease from sale of assets		-	195,066	-		195,066
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>(323,016)</b>	<b>(64,847,638)</b>	<b>(470,882)</b>	<b>-</b>	<b>(65,641,536)</b>
<b>Net Book Value as at March 31, 2020</b>	<b>45,747,556</b>	<b>19,950,725</b>	<b>52,795,895</b>	<b>301,009</b>	<b>1,647,465</b>	<b>120,442,650</b>

This is a free translation from the original Romanian version.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

**FINANCIAL ASSETS**

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

	<b>Core activity</b>	<b>Place of establishment and operations</b>	<b>%</b>	<b>March 31, 2020 RON</b>
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%	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)	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	Manufacture of products beneficial for human health	Taiwan	1.95%	203,963
BIOTECHNOLOGY CO. LTD	Other financial service activities			
Registrul Miorita SA	n.c.a (NACE code 6499)	Cluj	3.79%	5,000
<b>TOTAL</b>				<b>30,449,725</b>
<b>Financial assets impairment</b>				<b>(3,364,144)</b>
<b>Net book value</b>				<b>27,085,581</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

**INVENTORIES**

	<b>01-jan-20</b>	<b>31-mar-20</b>
Raw materials	11,393,277	12,160,362
Consumables	3,636,550	2,960,127
Items of inventory	92,376	90,295
Packaging	189,478	246,821
Finished products	7,094,415	7,845,893
Unfinished products	1,865,324	1,677,913
Semi-finished products	1,847,960	1,669,823
Residual products	17,074	15,822
Commodities	531,766	764,308
Advances for purchases of inventory	108,391	101,393
Provisions for obsolete inventories	(1,430,256)	(1,430,256)
<b>Total</b>	<b>25,346,355</b>	<b>26,102,501</b>

**TRADE AND OTHER RECEIVABLES**

	<b>01-jan-20</b>	<b>31-mar-20</b>
Trade receivables	46,642,677	57,624,946
Provisions for doubtful clients	(1,222,066)	(1,221,436)
Taxes to recover	90,324	110,582
Other receivables	354,878	314,797
<b>Total</b>	<b>45,865,813</b>	<b>56,828,890</b>

**CASH ON HAND AND AT BANKS**

	<b>01-jan-20</b>	<b>31-mar-20</b>
Cash at banks	5,433,668	7,147,613
Cash on hand	30,237	39,111
Cash equivalents	85,540	334,250
<b>Total</b>	<b>5,549,445</b>	<b>7,520,974</b>

**OTHER CURRENT ASSETS**

	<b>01-jan-20</b>	<b>31-mar-20</b>
Prepaid expenses	965,731	804,612
Advances to services suppliers	284,238	95,745
<b>Total</b>	<b>1,249,969</b>	<b>900,357</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

**ISSUED CAPITAL**

	<b>01-jan-20</b>	<b>31-mar-20</b>
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
<b>Total</b>	<b>26,412,210</b>	<b>26,412,210</b>

**RESERVES**

	<b>01-jan-20</b>	<b>31-mar-20</b>
	<b>RON</b>	<b>RON</b>
Legal reserves	4,133,516	4,133,516
Other reserves	14,831,048	14,831,048
Revaluation reserves	39,880,741	39,791,241
<b>Total</b>	<b>58,845,305</b>	<b>58,755,805</b>

**BORROWINGS****Borrowings – Short term**

	<b>01-ian-20</b>	<b>31-mar-20</b>
Credit line Euro – BRD	12,088,156	12,107,779
Investment credit Euro - BRD	-	-
Investment credit Euro II - BRD	597,194	602,955
Investment credit Euro III - BRD	754,023	761,296
Credit line Euro - UniCredit Bank SA	25,297,660	25,650,768
Investment credit - CCE 2015-UniCredit Bank SA	2,078,996	2,099,049
Investment credit I - Eximbank SA	1,023,750	1,023,750
Investment credit II - Eximbank SA	596,833	596,833
Investment credit I - UniCredit Bank	-	-
Investment credit II - UniCredit Bank	306,263	306,263
Investment credit III - UniCredit Bank	540,102	545,312
Investment credit IV - UniCredit Bank	1,547,751	608,007
Investment credit V - UniCredit Bank	1,241,211	-
<b>Total</b>	<b>46,071,939</b>	<b>44,302,010</b>

**Borrowings – Long term**

	<b>01-ian-20</b>	<b>31-mar-20</b>
Investment credit Euro II – BRD	1,094,854	954,676
Investment credit Euro III - BRD	816,859	634,414
Investment credit - CCE 2015-UniCredit Bank SA	6,822,067	6,363,109
Investment credit I - UniCredit Bank	-	-
Investment credit II - UniCredit Bank	229,698	153,132
Investment credit III - UniCredit Bank	405,077	272,656
Investment credit IV - UniCredit Bank	608,007	456,005
Investment credit V - UniCredit Bank	-	-
Investment credit I - Eximbank SA	1,535,625	1,279,688
Investment credit II - Eximbank SA	1,193,665	1,044,457
<b>Total</b>	<b>12,705,852</b>	<b>11,158,137</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

**OTHER LIABILITIES**

	<b>01-jan-20</b>	<b>31-mar-20</b>
Liabilities to employees	1,013,477	1,156,150
Liabilities related to social contributions	769,921	2,088,439
Other tax liabilities	1,083,640	3,077,040
<b>Total</b>	<b>2,867,038</b>	<b>6,321,629</b>

**TRADE PAYABLES AND OTHER PAYABLES**

	<b>01-jan-20</b>	<b>31-mar-20</b>
Trade payables	23,031,597	30,270,040
Other payables	80,474	82,052
Suppliers invoices not received	256,350	496,756
Advances from clients	274,628	322,341
<b>Total</b>	<b>23,643,049</b>	<b>31,171,189</b>

**FINANCE LEASE OBLIGATIONS**

	<b>01-jan-20</b>	<b>31-mar-20</b>
Amounts due within one year	-	-
Amounts due within one year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2020**

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

**RELATED PARTY TRANSACTIONS**

Affiliate	Sales of goods and services		Purchases of goods and services		Amounts to be received from affiliates		Amounts to be paid to affiliates	
	3 months of 2019	3 months of 2020	3 months of 2019	3 months of 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020
ECO PACK MANAGEMENT SA	0	1,557	0	0	616	620	0	0
INFO TECH SOLUTIONS S.R.L.	7,266	6,499	90,673	146,886	0	7,726	86,685	100,792
LIVINGJUMBO INDUSTRY SA	9,255,695	10,914,269	306,219	228,329	27,974,239	32,911,207	65,239	149,593
RC ENERGO INSTALL SRL	28,054	28,162	476,873	584,404	18,060	0	67,587	196,427
YENKI SRL BUZAU	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>9,291,016</b>	<b>10,948,930</b>	<b>873,765</b>	<b>959,619</b>	<b>27,992,299</b>	<b>32,918,933</b>	<b>219,511</b>	<b>446,813</b>

Note : As at March 31, 2020 the Company has to receive from its subsidiary, RC Energo Install SRL, the amount of RON 289,524 representing a loan granted to the subsidiary whose maturity is June 2020.



## FINANCIAL RATIOS

Indicator	Formula	31.03.2018	31.03.2019	31.03.2020
EBIT	Gross profit + Profit tax + Expenses with interest	1,555,980	(244,786)	184,881
EBITDA	EBIT + Depreciation - Subsidies for investments	3,701,090	1,846,149	2,172,392
EBITDA OPERATIONAL	EBITDA OPERATIONAL	2,571,235	3,027,163	2,949,137
EBITDA to sales ratios	EBITDA/Sales	7.57%	3.82%	4.46%
EBITDA to Equity	EBITDA/Equity	2.76%	1.35%	1.59%
Gross profit ratio	Gross profit/Sales	2.34%	-1.30%	-0.28%
Current liquidity	Current assets/Current liabilities	0.81	1.18	1.09
Quick liquidity	(Current assets - Inventories)/Current liabilities	0.52	0.90	0.78
Non-current liabilities to Equity	Non-current liabilities/Equity	44%	33%	23%
Total liabilities to Assets	Total liabilities/Total Assets	51%	47%	46%
Interest coverage ratio	EBIT/Interest expenses	4	(1)	1
Receivables rotation (days)	Average receivables/Sales	64	74	95
Payables rotation (days)	Average payables/Sales	53	51	51
Return on Assets(ROA)	Net profit/Assets	0.42%	-0.24%	-0.06%
Return on Equity(ROE)	Net profit/Equity	0.85%	-0.46%	-0.12%
Return on Sales(ROS)	Net profit/Sales	2.34%	-1.30%	-0.33%

Note : The Separate Financial Statements for the period ended **March 31, 2020** have not been audited.

**PREPARED BY,**

**HUANG LIANG NENG,**  
Chairman of the Board  
And General Manager

**VIORICA ZAINESCU,**  
Financial Manager

**CARMEN MANAILA,**  
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