

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

Semestrial report for the period ended  
June 30, 2020



## **SEMESTRIAL REPORT REGARDING THE SEPARATE FINANCIAL STATEMENTS**

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## **SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2020**

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## S.C. ROMCARBON S.A.

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

**Date of release:** 14.08.2020

**Reporting date:** 30.06.2020

**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

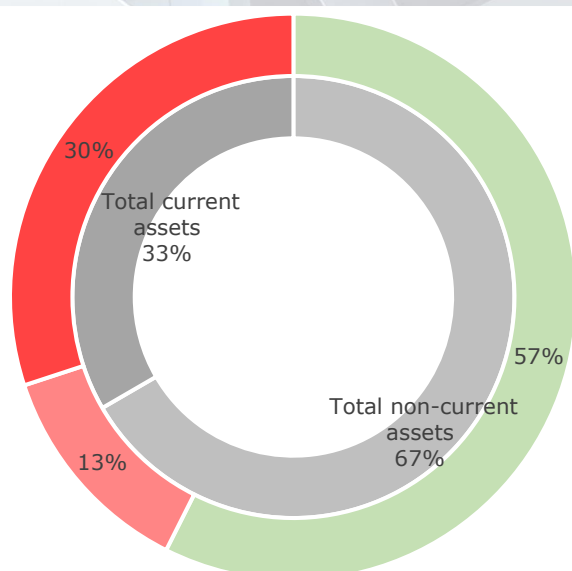
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## 1. FINANCIAL STATEMENTS

## 1.1 STATEMENT OF FINANCIAL POSITION

Indicator	30.06.2019	31.12.2019	30.06.2020	30.06.2020 vs. 31.12.2019		
Property, plant and equipment	124,772,510	122,648,084	118,059,013	-4,589,071	▼	-3.74%
Investment property	18,033,515	13,432,444	13,425,346	-7,098	▼	-0.05%
Intangible assets	345,123	314,136	435,889	121,753	▲	38.76%
Financial assets	27,085,581	27,085,581	27,085,181	-400	▼	0.00%
<b>Total non-current assets</b>	<b>170,236,729</b>	<b>163,480,245</b>	<b>159,005,429</b>	<b>-4,474,816</b>	<b>▼</b>	<b>-2.74%</b>
Non-current assets held for sale	15,607,875	4,367,166	70,845	-4,296,321	▼	-98.38%
Inventories	22,568,153	25,346,355	22,954,986	-2,391,369	▼	-9.43%
Trade and other receivables	43,942,933	45,865,813	47,430,627	1,564,814	▲	3.41%
Amounts to receive from affiliates (financial)	0	335,912	300,155	-35,757	▼	-10.64%
Taxes receivables	0	0	0	0	—	
Other assets	1,493,311	1,249,969	1,189,562	-60,407	▼	-4.83%
Cash and bank balances	2,404,233	5,549,445	7,693,043	2,143,598	▲	38.63%
<b>Total current assets</b>	<b>86,016,505</b>	<b>82,714,660</b>	<b>79,639,218</b>	<b>-3,075,442</b>	<b>▼</b>	<b>-3.72%</b>
<b>Total assets</b>	<b>256,253,234</b>	<b>246,194,905</b>	<b>238,644,647</b>	<b>-7,550,258</b>	<b>▼</b>	<b>-3.07%</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	58,111,814	58,845,305	58,576,805	-268,500	▼	-0.46%
Retained earnings	50,225,493	49,614,454	49,847,013	232,559	▲	0.47%
<b>Total equity</b>	<b>136,931,800</b>	<b>137,054,252</b>	<b>137,018,311</b>	<b>-35,941</b>	<b>▼</b>	<b>-0.03%</b>
Borrowings [Long-term]	19,075,973	12,705,852	9,547,569	-3,158,283	▼	-24.86%
Deferred tax liabilities	8,902,075	8,368,626	8,368,626	0	—	0.00%
Deferred income	14,180,641	13,138,559	12,007,208	-1,131,351	▼	-8.61%
<b>Total non-current liabilities</b>	<b>42,158,689</b>	<b>34,213,037</b>	<b>29,923,403</b>	<b>-4,289,634</b>	<b>▼</b>	<b>-12.54%</b>
Trade and other payables	31,570,852	23,643,049	22,843,579	-799,470	▼	-3.38%
Borrowings [Short – term]	40,172,270	46,071,939	44,023,411	-2,048,528	▼	-4.45%
Deferred revenue	2,348,581	2,345,590	2,287,210	-58,380	▼	-2.49%
Other liabilities	3,071,042	2,867,038	2,548,733	-318,305	▼	-11.10%
<b>Total current liabilities</b>	<b>77,162,745</b>	<b>74,927,616</b>	<b>71,702,933</b>	<b>-3,224,683</b>	<b>▼</b>	<b>-4.30%</b>
<b>Total liabilities</b>	<b>119,321,434</b>	<b>109,140,653</b>	<b>101,626,336</b>	<b>-7,514,317</b>	<b>▼</b>	<b>-6.88%</b>
<b>Total equity and liabilities</b>	<b>256,253,234</b>	<b>246,194,905</b>	<b>238,644,647</b>	<b>-7,550,258</b>	<b>▼</b>	<b>-3.07%</b>

## STRUCTURE OF FINANCIAL POSITION AS AT JUNE 30, 2020



Current liabilities: 71,702,933 lei | 30%

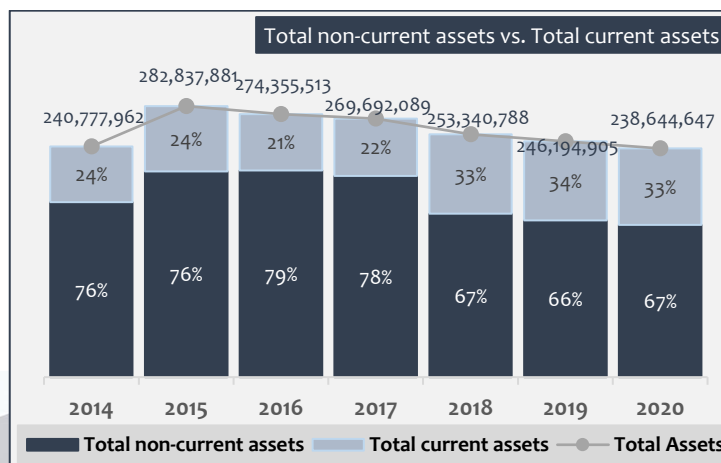
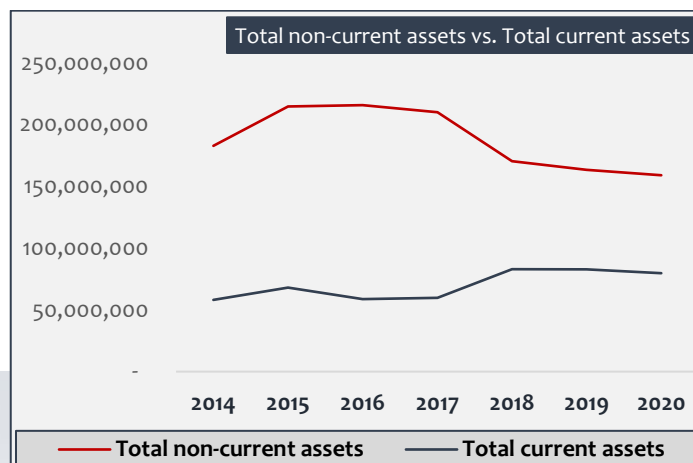
Non-current liabilities: 29,923,403 lei | 13%

Equity: 137,018,311 lei | 57%

Non-current assets: 159,005,429 lei | 67%

Current assets: 79,639,218 lei | 33%

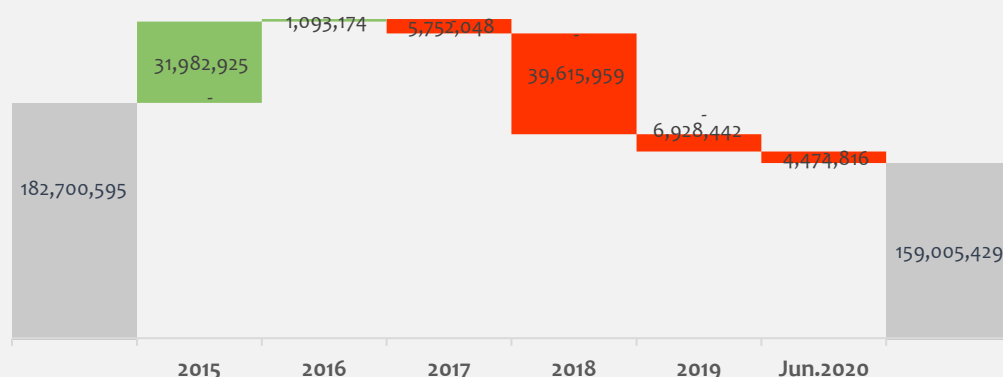
## ASSETS



## NON-CURRENT ASSETS

In the first 6 months of 2020 **Non-currents assets** hold 66.63% of the company's assets, recording a decrease of RON 4,474,816, i.e. 2.74%, as compared with the beginning of the year.

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



Non-current liabilities(NCA)	30.06.2020	% in total NCA	% in total Assets	30.06.20 vs. 31.12.19
Property, plant and equipment	118,059,013	74.25%	49.47%	-3.74%
Investment property	13,425,346	8.44%	5.63%	-0.05%
Intangible assets	435,889	0.27%	0.18%	38.76%
Financial assets	27,085,181	17.03%	11.35%	0.00%
<b>Total non-current assets</b>	<b>159,005,429</b>	<b>100.00%</b>	<b>66.63%</b>	<b>-2.74%</b>

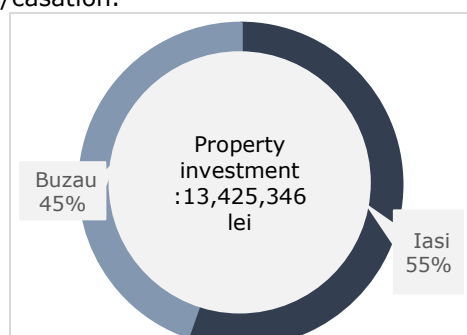
In the reporting period the entries of Non-current assets (except the investments in progress) are presented in the following table:

· Buildings (including rearrangements and improvement)	:	43,999 lei
· Equipment and installations	:	661,725 lei

The non-current assets entries in the first 6 months of 2020 had the following destinations: CP7-Compounds : RON 501,232 ; CP5- Polystyrene: RON 124,919; Administrative and others: RON 79,572

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 11.35% of Total Assets, and 17.03% of Non-current assets.

As at 30.06.2020, S.C. ROMCARBON S.A. held shares in other companies totalizing RON 30,449,325, 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%
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>30,449,325</b>	

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

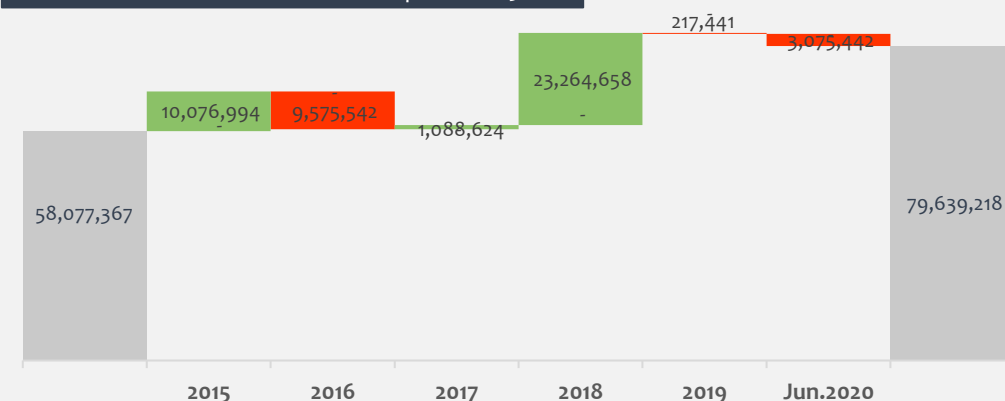
Company	Holdings (%)	Adjustments
ROMCARBON DEUTSCHLAND GmbH	100.00%	110,138
GRINFILD LLC UCRAINA	62.62%	2,687,755
YENKI SRL	33.34%	11,989
ECO PACK MANAGEMENT SA	25.36%	554,262
<b>Total</b>		<b>3,364,144</b>



## CURRENT ASSETS

**Current assets** hold 33.37% of total assets recording a decrease of RON 3,075,442, i.e. 3.72% as compared with the beginning of the year.

Evolution of Total current assets in the period 2015-2020



Current assets (CA)	30.06.2020	% in total CA	% in Total Assets	30.06.20 vs. 31.12.19
Non-current assets held for sale <sup>1</sup>	70,845	0.09%	0.03%	-98.38%
Inventories	22,954,986	28.82%	9.62%	-9.43%
Trade and other receivables	47,430,627	59.56%	19.88%	3.41%
Amounts to receive from affiliates (financial) <sup>2</sup>	300,155	0.38%	0.13%	-10.64%
Taxes receivables	0	0.00%	0.00%	0.00%
Other assets	1,189,562	1.49%	0.50%	-4.83%
Cash and bank balances	7,693,043	9.66%	3.22%	38.63%
<b>Total current assets</b>	<b>79,639,218</b>	<b>100.00%</b>	<b>33.37%</b>	<b>-3.72%</b>

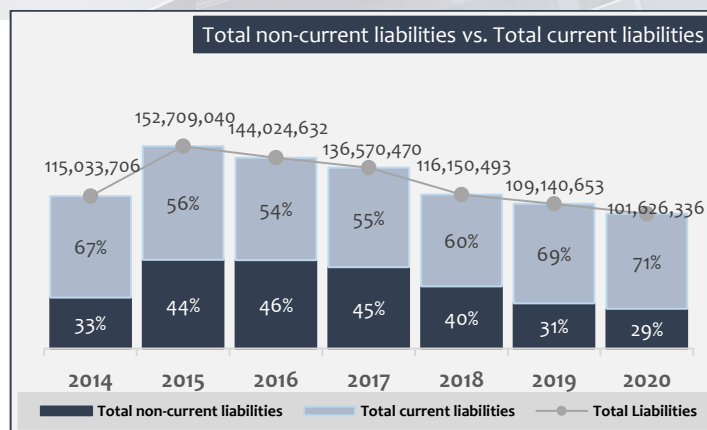
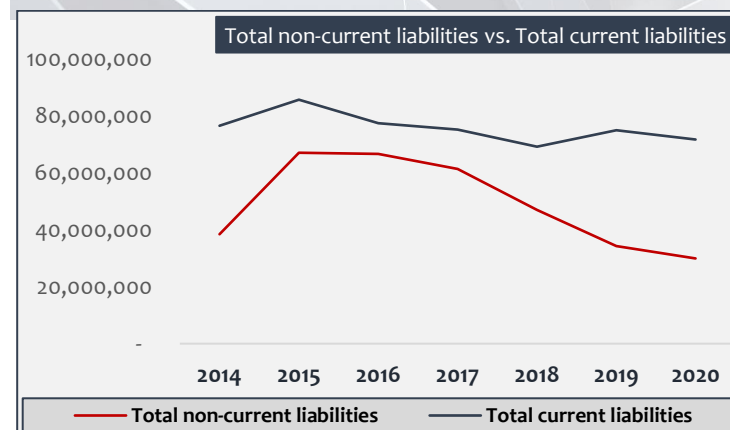
<sup>1</sup> On 31.01.2020 it was completed the sales agreed according to the Presale agreement no.1830 dated 18.12.2019 concluded with GREEN PC AMBALAJE S.R.L (as buyer) representing the countervalue of an asset (land and buildings) located in Ilfov, Stefanestii de Jos, Str. Sinaia nr.15 having a total 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

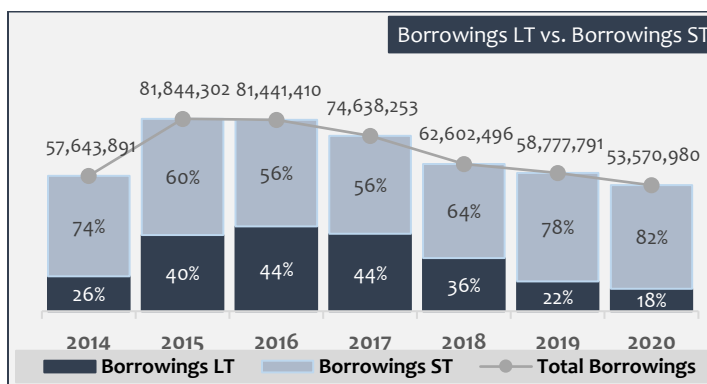
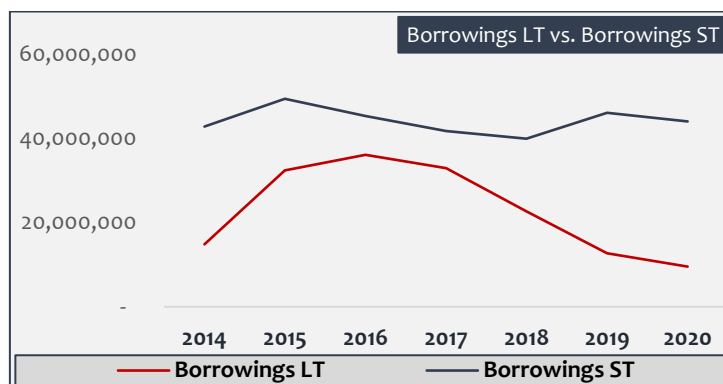
Company	Value of the contract	Balance as at 30.06.2020	Interest	Total	
RC Energo Install SRL	€ 250,000	€ 60,000	290,538 lei	9,617 lei	300,155 lei
<b>Total</b>	<b>€ 250,000</b>	<b>€ 60,000</b>	<b>290,538 lei</b>	<b>9,617 lei</b>	<b>300,155 lei</b>

## LIABILITIES

**Total Liabilities** hold 42.58% of the company's Equity&Liabilities recording a decrease of RON 7,514,317, i.e. 6.88% as compared with the beginning of the year





**BORROWINGS**

As at 30.06.2020 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Initial amount	Balance as at 30.06.2020		Tenor
			in euro	in lei	
UniCredit Bank	Credit line	€ 5,450,000	€ 5,222,804	25,290,385 lei	10/10/20
Eximbank SA	Credit line <sup>4</sup>	€ 2,550,000	€ 2,514,409	12,175,524 lei	27/05/21
UniCredit Bank	Investment loan III	€ 442,500	€ 141,261	684,029 lei	19/09/21
BRD GSG	Investment loan II	€ 1,000,000	€ 291,560	1,411,820 lei	03/09/22
BRD GSG	Investment loan III	€ 3,153,160	€ 249,800	1,209,608 lei	03/02/22
UniCredit Bank	Investment loan - CCE 2015	€ 3,042,240	€ 1,644,920	7,965,195 lei	04/12/23
<b>Total credits in euro</b>		<b>€ 15,637,900</b>	<b>€ 10,064,754</b>	<b>48,736,559 lei</b>	
Eximbank SA	Investment loan I	6,142,500 lei		2,047,500 lei	20/06/22
Eximbank SA	Investment loan II	2,432,500 lei		1,492,081 lei	16/12/22
UniCredit Bank	Investment loan II	2,500,000 lei		382,830 lei	19/09/21
UniCredit Bank	Investment loan IV <sup>3</sup>	5,400,000 lei		912,010 lei	01/12/21
<b>Total credits in lei</b>		<b>16,475,000 lei</b>		<b>4,834,421 lei</b>	
<b>Total bank exposure</b>				<b>53,570,980 lei</b>	

Short-term loans have the following structure :

Bank	Type	CCY	Ceilling	Balance as at 30.06.2020	
				in euro	in lei
UniCredit Bank SA	Credit line	euro	€ 5,450,000	€ 5,222,804	25,290,385 lei
Eximbank SA	Credit line <sup>4</sup>	euro	€ 2,550,000	€ 2,514,409	12,175,524 lei
<b>Total Imprumuturi pe termen scurt</b>			<b>€ 8,000,000</b>	<b>€ 7,737,213</b>	<b>37,465,908 lei</b>

Long-term loans have the following structure :

Bank	Type	Balance as at 30.06.2020		< 1 year	> 1 year
		in euro	in lei		
UniCredit Bank	Investment loan III	€ 141,261	684,029 lei	547,222 lei	136,807 lei
BRD GSG	Investment loan II	€ 291,560	1,411,820 lei	605,066 lei	806,753 lei
BRD GSG	Investment loan III	€ 249,800	1,209,608 lei	763,962 lei	445,645 lei
UniCredit Bank	Investment loan - CCE 2015	€ 1,644,920	7,965,195 lei	2,106,401 lei	5,858,795 lei
<b>TOTAL Credits in euro</b>		<b>€ 2,327,541</b>	<b>11,270,651 lei</b>	<b>4,022,651 lei</b>	<b>7,248,000 lei</b>
Eximbank SA	Investment loan I		2,047,500 lei	1,023,750 lei	1,023,750 lei
Eximbank SA	Investment loan II		1,492,081 lei	596,833 lei	895,249 lei
UniCredit Bank	Investment loan II		382,830 lei	306,263 lei	76,567 lei
UniCredit Bank	Investment loan IV <sup>3</sup>		912,010 lei	608,007 lei	304,003 lei
<b>Total credits in lei</b>			<b>4,834,421 lei</b>	<b>2,534,852 lei</b>	<b>2,299,569 lei</b>
<b>Total bank exposure</b>			<b>16,105,072 lei</b>	<b>6,557,503 lei</b>	<b>9,547,569 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.

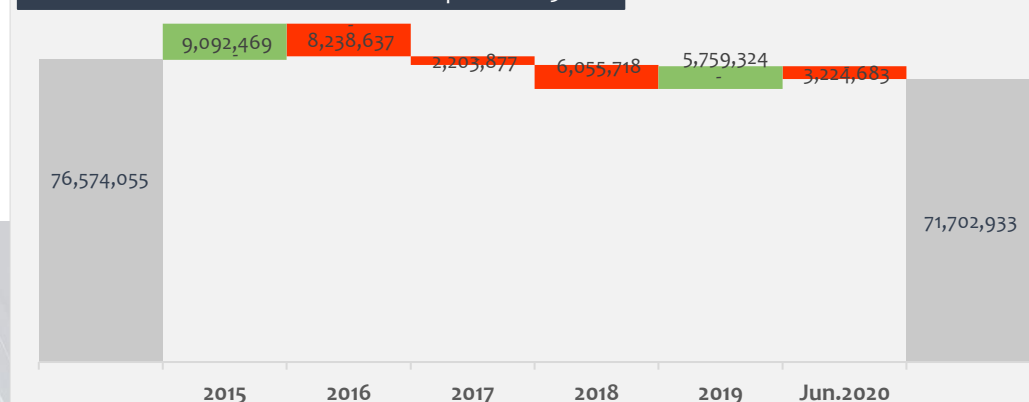
<sup>3</sup> In February 2020 it was reimbursed before term the amount of RON 861,432. After reimbursement the balance of the loan became RON 1,114,679, payable in 22 equal monthly installments.

<sup>4</sup> In June 2020, the credit line amounting EUR 2,550,000 contracted with BRD GSG SA was refinanced by EximBank SA.

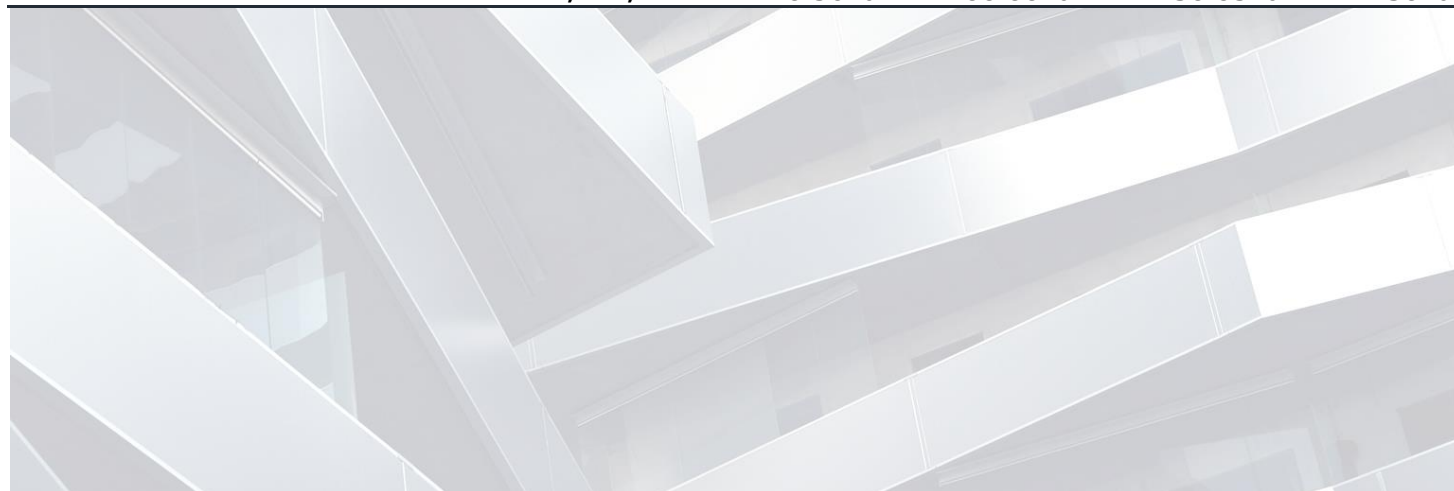
## CURRENT LIABILITIES

**Current liabilities of the Company**, representing 70.56% of the Total Liabilities and 30.05% of Total Equity & Liabilities have decreased by RON 3,224,683 as compared with the beginning of the year, i.e. 4.30%.

Evolution of Total current liabilities in the period 2015-2020



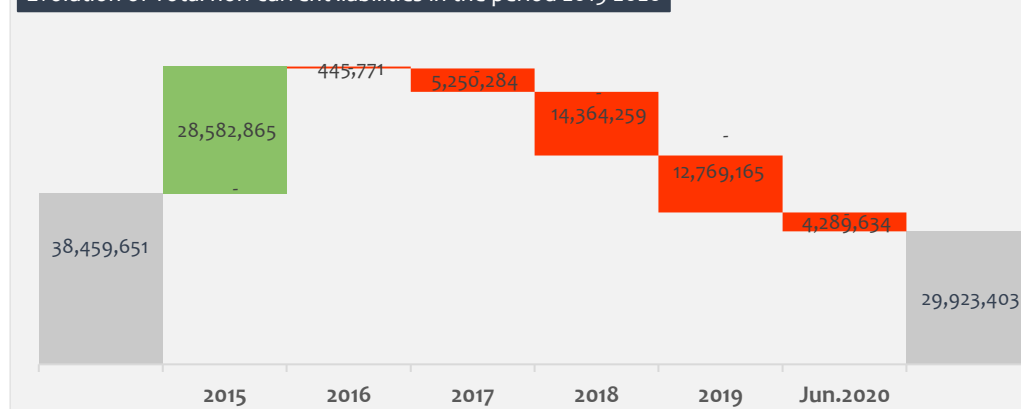
Current liabilities	30.06.2020	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	30.06.20 vs. 31.12.19
Trade and other payables	22,843,579	22.48%	31.86%	9.57%	-3.38%
Borrowings [Short – term]	44,023,411	43.32%	61.40%	18.45%	-4.45%
Deferred revenue	2,287,210	2.25%	3.19%	0.96%	-2.49%
Other liabilities	2,548,733	2.51%	3.55%	1.07%	-11.10%
<b>Total current liabilities</b>	<b>71,702,933</b>	<b>70.56%</b>	<b>100.00%</b>	<b>30.05%</b>	<b>-4.30%</b>



## NON-CURRENT LIABILITIES

**Non-current Liabilities** representing 12.54% of the company's Equity & Liabilities recording in the reporting period a decrease of RON 4,289,634, i.e. 12.54%, as compared with the beginning of the year.

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

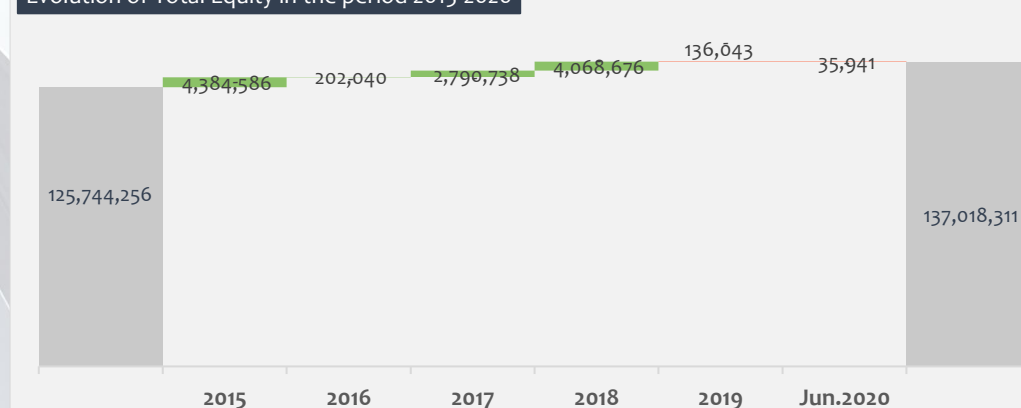


Non-current liabilities	30.06.2020	% in total liabilities	% in Total non-current liabilities	% in Total Equity and Liabilities	30.06.20 vs. 31.12.19
Borrowings [Long-term]	9,547,569	9.39%	31.91%	4.00%	-24.86%
Deferred tax liabilities	8,368,626	8.23%	27.97%	3.51%	0.00%
Deferred income	12,007,208	11.82%	40.13%	5.03%	-8.61%
<b>Total non-current liabilities</b>	<b>29,923,403</b>	<b>29.44%</b>	<b>100.00%</b>	<b>12.54%</b>	<b>-12.54%</b>

## EQUITY

**Total Equity** holds **57.42%** of Total Equity & Liabilities, recording in the reporting period a decrease of RON 35,941 as compared with the beginning of the year.

Evolution of Total Equity in the period 2015-2020



EQUITY	30.06.2020	% in Total Equity and liabilities
Issued capital (264,122,096 shares at RON 0.10/share)	26,412,210	11.07%
Share premium	2,182,283	0.91%
Reserves	58,576,805	24.55%
Retained earnings	49,847,013	20.89%
<b>Total Equity</b>	<b>137,018,311</b>	<b>57.42%</b>

## 1.2 STATEMENT OF COMPREHENSIVE INCOME

Indicator	6 months of 2018	6 months of 2019	6 months of 2020		2020 vs. 2019	
Net sales	100,366,485	95,719,294	89,315,554	▼	(6,403,740)	-7%
Investment income <sup>5</sup>	2,407,168	968,183	903,944	▼	(64,239)	-7%
Other gains and losses	3,607,185	(584,315)	(820,097)	▲	(235,782)	40%
Changes in inventories of finished goods and work in progress	(24,559)	1,008,357	(152,771)	▼	(1,161,128)	-115%
Raw materials and consumables used	(69,448,349)	(64,995,173)	(58,742,558)	▼	6,252,615	-10%
Depreciation and amortization expenses	(5,466,335)	(5,325,653)	(5,126,978)	▼	198,675	-4%
Employee salaries and benefits	(18,071,046)	(18,735,487)	(17,914,305)	▼	821,182	-4%
Social security expenses	(570,540)	(573,362)	(571,872)	▼	1,490	0%
Net finance costs	(953,178)	(972,916)	(700,678)	▼	272,238	-28%
Income from subsidies	1,131,584	1,233,131	1,131,351	▼	(101,780)	-8%
Other expenses	(7,721,744)	(7,635,457)	(7,277,396)	▼	358,061	-5%
<b>Profit (loss) before taxation</b>	<b>5,256,671</b>	<b>106,602</b>	<b>44,194</b>	▼	<b>(62,408)</b>	<b>-59%</b>
Profit tax	(17,051)	(81,175)	(80,135)	▼	1,040	n/a
<b>Profit (loss) of the year</b>	<b>5,239,620</b>	<b>25,427</b>	<b>(35,941)</b>	▲	<b>(61,368)</b>	<b>-241%</b>
<b>Total comprehensive income</b>	<b>5,239,620</b>	<b>25,427</b>	<b>(35,941)</b>	▲	<b>(61,368)</b>	<b>-241%</b>
<b>EBITDA Operational</b>	<b>5,800,133</b>	<b>5,690,226</b>	<b>5,596,014</b>	▼	<b>(94,211)</b>	<b>-2%</b>

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

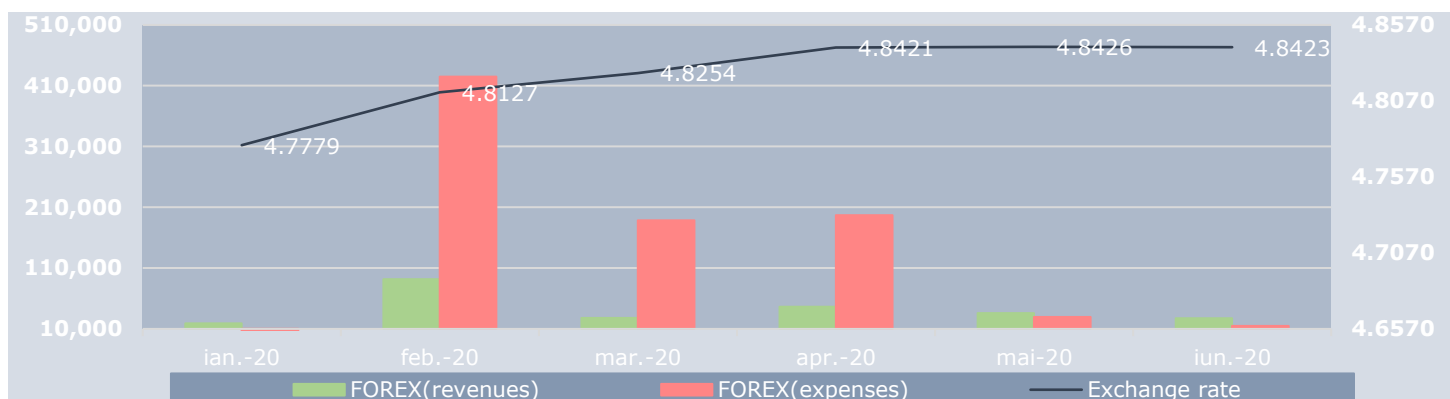
Indicator	6 months of 2018	6 months of 2019	6 months of 2020
Average no. of personnel	941	889	800

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 **111 employees**.

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

Indicator	6 months of 2018	6 months of 2019	6 months of 2020		2020 vs. 2019	
Rental and royalty income	1,288,589	885,948	889,205	▲	3,257	0%
Interest income	1,309	82,235	14,739	▼	(67,496)	-82%
Investment income (dividends)						
- Infotech Solutions	117,270	0	0	—	-	-
Investment income (dividends)						
- RC Energo Install	1,000,000	0	0	—	-	-
<b>Total</b>	<b>2,407,168</b>	<b>968,183</b>	<b>903,944</b>	▼	<b>(64,239)</b>	<b>-7%</b>

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 communicated by NBR. From this evaluation for 1st Semester of 2020 the company registered revenues in amount of RON 248,917 and expenses in amount of RON 858,004, resulting a loss of RON 609,087.



In the same period of last year by re-valuing the company bank availabilities, receivables and liabilities expressed in a foreign currency it was registered a loss of RON 631,031

Statement of the comprehensive income by quarters:

Indicator	Q I 2020	Q II 2020	Q I 2020 vs. Q I 2019	Q II 2020 vs. Q II 2019
Net sales	48,249,634	41,065,920	387,452	(6,791,192)
Investment income	412,764	491,180	(88,457)	24,218
Other gains and losses	(685,079)	(135,018)	404,698	(640,480)
Changes in inventories of finished goods and work in progress	967,836	(1,120,607)	(14,871)	(1,146,257)
Raw materials and consumables used	(33,018,478)	(25,724,080)	74,673	6,177,942
Depreciation and amortization expenses	(2,553,186)	(2,573,792)	115,936	82,739
Employee salaries and benefits	(9,664,020)	(8,250,285)	(406,788)	1,227,970
Social security expenses	(238,314)	(333,558)	(20,139)	21,629
Net finance costs	(360,070)	(340,608)	169,171	103,067
Income from subsidies	565,675	565,676	(12,512)	(89,268)
Other expenses	(3,812,057)	(3,465,339)	(117,696)	475,757
<b>Profit (loss) before taxation</b>	<b>(135,295)</b>	<b>179,489</b>	<b>491,467</b>	<b>(553,875)</b>
Profit tax	(27,523)	(52,612)	(27,523)	28,563
<b>Profit (loss) of the year</b>	<b>(162,818)</b>	<b>126,877</b>	<b>463,944</b>	<b>(525,312)</b>
<b>Comprehensive income</b>	<b>(162,818)</b>	<b>126,877</b>	<b>463,944</b>	<b>(525,312)</b>
<b>EBITDA Operational</b>	<b>2,949,137</b>	<b>2,646,878</b>	<b>(78,026)</b>	<b>(16,185)</b>

### 1.3 NET SALES

The item "Net Sales" had the following evolution:

	6 months of 2018	6 months of 2019	6 months of 2020	2020 vs. 2019	
- Sales of finished goods	76,032,594	71,143,343	63,990,341	▼	(7,153,002) -10%
- Sales of intermediary goods	5,558	5,538	2,320	▼	(3,218) -58%
- Services rendered	96,957	182,273	182,347	▲	73 0%
- Sales of commodities	22,036,379	22,237,825	22,287,829	▲	50,005 0%
- Other sales	2,194,995	2,150,316	2,852,718	▲	702,402 33%
<b>Total Net sales</b>	<b>100,366,485</b>	<b>95,719,294</b>	<b>89,315,555</b>	▼	<b>(6,403,739) -7%</b>

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

	6 months of 2018	6 months of 2019	6 months of 2020	2020 vs. 2019	
Plastic processing sector: polyethylene+polystyrene+polypropylene	55,200,316	51,805,973	49,595,286	▼	(2,210,686) -4%
Regenerated polymers & Compounds	18,024,282	16,648,566	11,586,140	▼	(5,062,425) -30%
Other production sectors (industrial and automotive filters, active carbon, breathing protective equipment, PVC traffic base)	2,807,996	2,688,804	2,808,914	▲	120,110 4%
Other activities	24,333,891	24,575,951	25,325,214	▲	749,263 3%
<b>Total Net sales</b>	<b>100,366,485</b>	<b>95,719,294</b>	<b>89,315,555</b>	▼	<b>(6,403,739) -7%</b>



The monthly evolution of the Net sales and the comparison with 2019



The company's activity was mostly affected in April 2020 by the closure of some economic sectors due to the evolution of the Covid-19 pandemic. In May and June the gap between sales recorded in 2020 and in the similar period of 2019 narrowed, the trend being that in the coming months sales will have a slightly upward evolution.

Indicator	6 months of 2018	6 months of 2019	6 months of 2020	2020 vs. 2019
Net sales	100,366,485	95,719,294	89,315,555 ▼	(6,403,739) -7%
Rental and royalty income	1,288,589	885,948	889,205 ▲	3,257 0%
<b>Turnover, out of which:</b>	<b>101,655,074</b>	<b>96,605,242</b>	<b>90,204,760 ▼</b>	<b>(6,400,482) -7%</b>
~domestic market	74,375,459	71,318,794	71,551,926 ▲	233,132 0%
~exports	27,279,615	25,286,448	18,652,834 ▼	(6,633,614) -26%

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	30.06.18	30.06.19	30.06.20
EBIT	Gross profit + Expenses with interests	6,099,654	884,595	657,564
EBITDA	EBIT + Depreciation-Subsidies for investment	10,434,405	4,977,117	4,653,191
Sales	Revenue + Rental and royalty income	101,655,074	96,605,242	90,204,759
EBITDA to sales ratio	EBITDA/Sales	10.26%	5.15%	5.16%
EBITDA to Equity ratio	EBITDA/Equity	7.54%	3.63%	3.40%
Gross profit margin	Gross profit/Sales	5.17%	0.11%	0.05%
Current ratio	Current assets/Current liabilities	0.90	1.11	1.11
Quick ratio	(Current assets -Inventories)/Current liabilities	0.66	0.82	0.79
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	41%	31%	22%
Total liabilities to Assets ratio	Total liabilities/Total Assets	50%	47%	43%
Interest coverage ratio	EBIT/Interest expenses	7.24	1.14	1.07
Account receivable turnover ratio (days)	Average receivables/Sales	67	74	93
Account payable turnover ratio (days)	Average payables/Sales	55	52	46
Non-current assets rotation	Non-current liabilities/Sales	0.50	0.57	0.57
Return on assets (ROA)	Net profit/Assets	1.90%	0.01%	-0.02%
Return on equity (ROE)	Net profit/Equity	3.79%	0.02%	-0.03%
Return on sales (ROS)	Net profit/Sales	5.15%	0.03%	-0.04%



## 1.5 STATEMENT OF CASH-FLOW

	30/06/2019	31/12/2019	30/06/2020
<b>CASH FLOWS FROM OPERATIONS</b>			
<i>Cash generated from operations ( A )</i>	<b>457,512</b>	<b>(7,435,411)</b>	<b>6,835,463</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITY</b>			
<i>Net cash (used in)/generated by investing activities( B )</i>	<b>2,253,890</b>	<b>13,207,922</b>	<b>514,946</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
<i>Net cash generated/used by/in financing activities ( C )</i>	<b>(3,638,175)</b>	<b>(3,554,077)</b>	<b>(5,206,811)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)</b>	<b>(926,774)</b>	<b>2,218,434</b>	<b>2,143,598</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>3,331,011</b>	<b>3,331,011</b>	<b>5,549,445</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>2,404,237</b>	<b>5,549,445</b>	<b>7,693,043</b>

## 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. TRANZACTIIONS WITH AFFILIATES

In the first half of 2020, transactions with affiliated parties were conducted as follows:

Affiliate	Sales (w/o VAT)	Acquisitions (w/o VAT)
ECO PACK MANAGEMENT S.A.	3,128	0
INFO TECH SOLUTIONS S.R.L.	12,008	314,438
LIVINGJUMBO INDUSTRY SA	19,917,193	383,494
RC ENERGO INSTALL SRL	49,642	1,191,466
<b>Total</b>	<b>19,981,972</b>	<b>1,889,398</b>

## 5. SHAREHOLDERS' STRUCTURE

As at 30.06.2020 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%
ALTE PERSOANE JURIDICE	13,626,879	5.16%
ALTE PERSOANE FIZICE	109,525,620	41.47%
<b>Total</b>	<b>264,122,096</b>	<b>100.00%</b>

Evolution of the price of Romcarbon SA shares in the first 6 months of 2020.



**The Financial Statements for the period ended June 30, 2020 have not been audited.**

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

Huang Liang Neng

**Financial Manager,**

ec. Zainescu Viorica Ioana

**Deputy General Manager for Administrative Operations,**

Manaila Carmen

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

SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 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 JUNE 30, 2020**

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

	<b>Period ended June 30, 2019</b> <b>RON</b>	<b>Period ended June 30, 2020</b> <b>RON</b>
Net sales	95,719,294	89,315,554
Investment income	968,183	903,944
Other gains or losses	(584,315)	(820,097)
Changes in inventories	1,008,357	(152,771)
Raw materials and consumables used	(64,995,173)	(58,742,558)
Depreciation and amortization expense	(5,325,653)	(5,126,978)
Employee salaries and benefits	(18,735,487)	(17,914,305)
Social security expenses	(573,362)	(571,872)
Net finance cost	(972,916)	(700,678)
Income from subsidies	1,233,131	1,131,351
Other expenses	(7,635,457)	(7,277,396)
<b>Profit (loss) before taxation</b>	<b>106,602</b>	<b>44,194</b>
Profit tax	(81,175)	(80,135)
<b>Net profit</b>	<b>25,427</b>	<b>(35,941)</b>
Other comprehensive income		
<b>Total comprehensive income</b>	<b>25,427</b>	<b>(35,941)</b>
Earnings per share	0.0001	(0.0001)
<b>Number of shares</b>	<b>264,122,096</b>	<b>264,122,096</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 THE FINANCIAL POSITION  
FOR THE PERIOD ENDED JUNE 30, 2020**

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

	<b>01-Jan-20</b>	<b>30-Jun-20</b>
	<b>RON</b>	<b>RON</b>
<b>Non-current assets</b>		
Property, plant and equipment	122,648,084	118,059,013
Investment property	13,432,444	13,425,346
Intangible assets	314,136	435,889
Financial assets	27,085,581	27,085,181
<b>Total non-current assets</b>	<b>163,480,245</b>	<b>159,005,429</b>
<b>Current assets</b>		
Inventories	25,346,355	22,954,986
Trade and other receivables	45,865,813	47,430,627
Amounts to receive from affiliates (financial)	335,912	300,155
Other assets	1,249,969	1,189,562
Cash and bank balances	5,549,445	7,693,043
Non-current assets held for sale	4,367,166	70,845
<b>Total current assets</b>	<b>82,714,660</b>	<b>79,639,218</b>
<b>TOTAL ASSETS</b>	<b>246,194,905</b>	<b>238,644,647</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	58,576,805
Retained earnings	49,614,454	49,847,013
<b>Total Equity</b>	<b>137,054,252</b>	<b>137,018,311</b>
<b>Non-current liabilities</b>		
Borrowings	12,705,852	9,547,569
Deferred tax liabilities	8,368,626	8,368,626
Deferred income	13,138,559	12,007,208
<b>Total non-current liabilities</b>	<b>34,213,037</b>	<b>29,923,403</b>
<b>Current liabilities</b>		
Trade and other payables	23,643,049	22,843,579
Borrowings	46,071,939	44,023,411
Deferred income	2,345,590	2,287,210
Other liabilities	2,867,038	2,548,733
<b>Total current liabilities</b>	<b>74,927,616</b>	<b>71,702,933</b>
<b>Total liabilities</b>	<b>109,140,653</b>	<b>101,626,336</b>
<b>Total equity and liabilities</b>	<b>246,194,905</b>	<b>238,644,647</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 JUNE 30, 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>26,412,210</b>	<b>2,182,283</b>	<b>39,880,741</b>	<b>4,133,516</b>	<b>14,831,048</b>	<b>49,614,454</b>	<b>137,054,253</b>
Revaluation reserve	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-
Net profit of the period	-	-	-	-	-	(35,941)	(35,941)
Corrections	-	-	-	-	-	-	-
Transfers between capital accounts	-	-	(268,499)	-	-	268,499	-
<b>30/jun/2020</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>39,612,242</b>	<b>4,133,516</b>	<b>14,831,048</b>	<b>49,847,012</b>	<b>137,018,311</b>

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

**PREPARED BY,**  
**VIORICA ZAINESCU,**  
Financial Manager

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2020**

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

<b>NET SALES</b>	<b>Period ended June 30, 2019 RON</b>	<b>Period ended June 30, 2020 RON</b>
Sales of finished goods	71,462,747	64,270,001
Sales of commodities	21,923,958	22,010,488
Services rendered	182,273	182,347
Other sales	2,150,316	2,852,718
<b>Total</b>	<b>95,719,294</b>	<b>89,315,554</b>
<b>INVESTMENT INCOME</b>	<b>Period ended June 30, 2019 RON</b>	<b>Period ended June 30, 2020 RON</b>
Income from renting investment property	885,948	889,205
Income from interest on bank deposits	82,235	14,739
Dividends received from participations	-	-
<b>Total</b>	<b>968,183</b>	<b>903,944</b>
<b>OTHER GAINS AND LOSSES</b>	<b>Period ended June 30, 2019 RON</b>	<b>Period ended June 30, 2020 RON</b>
Income from penalties charged	-	3,704
Gain / (Loss) on disposal of property, plant and equipment	(18,102)	4,062,150
Gain / (Loss) on disposal of property investments	-	(4,296,321)
FOREX gain / (loss)	(647,763)	(632,289)
Gain / (Loss) on disposal of financial assets	-	(400)
Gain / (Loss) on changes of provisions	23,739	630
Other gains	57,811	42,429
Other losses	-	-
<b>Total</b>	<b>(584,315)</b>	<b>(820,097)</b>
<b>RAW MATERIALS AND CONSUMABLES USED</b>	<b>Period ended June 30, 2019 RON</b>	<b>Period ended June 30, 2020 RON</b>
Raw materials	34,571,723	27,996,158
Commodities sold	21,634,759	21,738,820
Energy and water	6,303,025	6,517,892
Expenses with consumables	2,485,667	2,489,689
<b>Total</b>	<b>64,995,173</b>	<b>58,742,558</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2020**

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

	Period ended June 30, 2019 RON	Period ended June 30, 2020 RON
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
<b>Total expenses, Of which:</b>	5,325,653	5,126,978
Depreciation of fixed assets	5,276,214	5,021,436
Amortization of intangible assets	49,439	105,542
<b>Total</b>	<b>5,325,653</b>	<b>5,126,978</b>
<b>EMPLOYEES SALARIES AND BENEFITS</b>		
	Period ended June 30, 2019 RON	Period ended June 30, 2020 RON
Salaries	18,172,136	17,387,918
Social contributions	573,362	571,872
Meal tickets	563,351	526,387
<b>Total</b>	<b>19,308,849</b>	<b>18,486,177</b>
<b>NET FINANCE COST</b>		
	Period ended June 30, 2019 RON	Period ended June 30, 2020 RON
Bank interest and leases expenses	763,988	595,135
Bank commissions and assimilated charges	208,928	105,543
<b>Total</b>	<b>972,916</b>	<b>700,678</b>
<b>OTHER EXPENSES</b>		
	Period ended June 30, 2019 RON	Period ended June 30, 2020 RON
Expenses with transport and logistics	2,649,637	2,486,639
Other expenses with third party services	2,725,964	2,767,310
Protocol and marketing	116,240	82,928
Expenses with repairs	739,546	593,105
Taxes and levies	915,453	882,818
Loss from receivables	-	-
Expenses with insurances	200,127	197,203
Expenses with postal charges and telecommunications	60,078	63,319
Expenses with travels	54,564	29,233
Expenses with rents	93,049	92,875
Expenses with commissions and fees	3,000	180
Expenses with fines and penalties	7,939	2,235
Other expenses	69,860	79,551
<b>Total</b>	<b>7,635,457</b>	<b>7,277,396</b>

This is a free translation from the original Romanian version.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2020**

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

<b>PROFIT TAX</b>	<b>Period ended June 30, 2019 RON</b>	<b>Period ended June 30, 2020 RON</b>
Current profit tax expense	81,175	80,135
Deferred profit tax expense	-	-
<b>Total</b>	<b>81,175</b>	<b>80,135</b>

**PROPERTY INVESTMENTS**

<b>Balance as at January 01, 2020</b>	<b>13,432,444</b>
Additions	(7,098)
Disposals	-
<b>Balance as at June 30, 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	215,499	68,875	11,796	296,170
Transfers	-	-	-	-
Disposals	-	-	(68,876)	(68,876)
<b>Balance as at June 30, 2020</b>	<b>1,227,828</b>	<b>661,342</b>	<b>-</b>	<b>1,889,171</b>

**Accumulated amortization**

<b>Balance as at January 01, 2020</b>	<b>(755,272)</b>	<b>(592,466)</b>		<b>(1,347,738)</b>
Expenses with depreciation	(105,543)	-		(105,543)
Decrease from sale of assets	-	-		-
<b>Balance as at June 30, 2020</b>	<b>(860,815)</b>	<b>(592,466)</b>	<b>-</b>	<b>(1,453,281)</b>

<b>Net Book Value as at June 30, 2020</b>	<b>367,013</b>	<b>68,875</b>	<b>-</b>	<b>435,890</b>
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This is a free translation from the original Romanian version.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2020**

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

<b>IMOBILIZARI CORPORALE</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>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	-	51,097	661,725	-	445,445	1,158,267
Disposals	-	-	(218,532)	-	(702,436)	(920,968)
<b>Balance as at June 30, 2020</b>	<b>45,747,556</b>	<b>20,288,601</b>	<b>117,902,525</b>	<b>771,891</b>	<b>1,495,114</b>	<b>186,205,688</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>AMORTIZARE CUMULATĂ</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		(655,712)	(4,336,962)	(28,763)		(5,021,437)
Decrease from sale of assets		-	195,066	-		195,066
Decrease from re-valuation						
<b>Balance as at June 30, 2020</b>	<b>-</b>	<b>(655,712)</b>	<b>(67,005,700)</b>	<b>(485,263)</b>	<b>-</b>	<b>(68,146,675)</b>
<b>Net Book Value as at June 30, 2020</b>	<b>45,747,556</b>	<b>19,632,889</b>	<b>50,896,825</b>	<b>286,628</b>	<b>1,495,114</b>	<b>118,059,013</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 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>30 June 2020</b>
			<b>%</b>	<b>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
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
<b>TOTAL</b>				<b>30,449,325</b>
<b>Financial assets impairment</b>				<b>(3,364,144)</b>
<b>Net book value</b>				<b>27,085,181</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2020**

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

**INVENTORIES**

	<b>01-Jan-20</b>	<b>30-Jun-20</b>
Raw materials	11,393,277	10,697,663
Consumables	3,636,550	3,099,870
Items of inventory	92,376	87,904
Packaging	189,478	204,529
Finished products	7,094,415	6,864,858
Unfinished products	1,865,324	1,425,104
Semi-finished products	1,847,960	1,412,331
Residual products	17,074	28,197
Commodities	531,766	555,337
Advances for purchases of inventory	108,391	9,449
Provisions for obsolete inventories	(1,430,256)	(1,430,256)
<b>Total</b>	<b>25,346,355</b>	<b>22,954,986</b>

**TRADE AND OTHER RECEIVABLES**

	<b>01-Jan-20</b>	<b>30-Jun-20</b>
Trade receivables	46,642,677	48,257,124
Provisions for doubtful clients	(1,222,066)	(1,221,436)
Taxes to recover	90,324	89,143
Other receivables	354,878	305,795
<b>Total</b>	<b>45,865,813</b>	<b>47,430,627</b>

**CASH ON HAND AND AT BANKS**

	<b>01-Jan-20</b>	<b>30-Jun-20</b>
Cash at banks	5,433,668	7,530,442
Cash on hand	30,237	58,770
Cash equivalents	85,540	103,831
<b>Total</b>	<b>5,549,445</b>	<b>7,693,043</b>

**OTHER CURRENT ASSETS**

	<b>01-Jan-20</b>	<b>30-Jun-20</b>
Prepaid expenses	965,731	1,110,483
Advances to services suppliers	284,238	79,079
<b>Total</b>	<b>1,249,969</b>	<b>1,189,562</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2020**

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

**ISSUED CAPITAL**

	01-Jan-20	30-Jun-20
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**

	01-Jan-20	30-Jun-20
Legal reserves	4,133,516	4,133,516
Other reserves	14,831,048	14,831,048
Revaluation reserves	39,880,741	39,612,241
<b>Total</b>	<b>58,845,305</b>	<b>58,576,805</b>

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

	01-Jan-20	30-Jun-20
Credit line- Euro – BRD	12,088,156	0
Credit line- Euro – Eximbank SA	0	12,175,524
Investment loan Euro II – BRD	597,194	605,066
Investment loan Euro III – BRD	754,023	763,962
Credit line- Euro – Unicredit Bank SA	25,297,660	25,290,384
Investment loan Euro – CCE 2015 – UniCredit Bank SA	2,078,996	2,106,401
Investment loan I Eximbank SA	1,023,750	1,023,750
Investment loan II Eximbank SA	596,833	596,833
Investment loan II – UniCredit Bank SA	306,263	306,263
Investment loan III – UniCredit Bank SA	540,102	547,222
Investment loan IV – UniCredit Bank SA	1,547,751	608,006
Investment loan V – UniCredit Bank SA	1,241,211	0
<b>Total</b>	<b>46,071,939</b>	<b>44,023,411</b>

**Borrowings – Long term**

	01-Jan-20	30-Jun-20
Investment loan Euro II – BRD	1,094,854	806,753
Investment loan Euro III – BRD	816,859	445,645
Investment loan Euro – CCE 2015 – UniCredit Bank SA	6,822,067	5,858,795
Investment loan II – UniCredit Bank SA	229,698	76,567
Investment loan III – UniCredit Bank SA	405,077	136,807
Investment loan IV – UniCredit Bank SA	608,007	304,003
Investment loan I Eximbank SA	1,535,625	1,023,750
Investment loan II – Eximbank SA	1,193,665	895,249
<b>Total</b>	<b>12,705,852</b>	<b>9,547,569</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 JUNE 30, 2020**

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

**OTHER LIABILITIES**

	<b>01-Jan-20</b>	<b>30-Jun-20</b>
Liabilities to employees	1,013,477	1,135,142
Liabilities related to social contributions	769,921	863,869
Other tax liabilities	1,083,640	549,722
<b>Total</b>	<b>2,867,038</b>	<b>2,548,733</b>

**TRADE PAYABLES AND OTHER PAYABLES**

	<b>01-Jan-20</b>	<b>30-Jun-20</b>
Trade payables	23,031,597	21,787,510
Other payables	80,474	81,646
Suppliers invoices not received	256,350	172,686
Advances from clients	274,628	801,737
<b>Total</b>	<b>23,643,049</b>	<b>22,843,579</b>

**FINANCE LEASE OBLIGATIONS**

	<b>01-Jan-20</b>	<b>30-Jun-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 JUNE 30, 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	
	6 months of 2019	6 months of 2020	6 months of 2019	6 months of 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020
ECO PACK MANAGEMENT SA	0	3,128	0	0	616	0	0	0
INFO TECH SOLUTIONS S.R.L.	13,018	12,008	300,239	314,438	0	6,549	86,685	95,382
LIVINGJUMBO INDUSTRY SA	17,723,921	19,917,193	670,889	383,494	27,974,239	27,173,272	65,239	166,503
RC ENERGO INSTALL SRL	50,868	49,642	1,310,582	1,191,466	18,060	7,712	67,587	239,672
YENKI SRL BUZAU	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>17,787,807</b>	<b>19,981,972</b>	<b>2,281,710</b>	<b>1,889,398</b>	<b>27,992,916</b>	<b>27,187,532</b>	<b>219,511</b>	<b>501,558</b>

Note : As at June 30, 2020 the Company has to receive from its subsidiary, RC Energo Install SRL, the amount of RON 290,538 representing a loan granted to the subsidiary whose maturity is June 2020.

**FINANCIAL RATIOS**

<b>Indicator</b>	<b>Formula</b>	<b>30.06.18</b>	<b>30.06.19</b>	<b>30.06.20</b>
EBIT	Gross profit + Profit tax + Expenses with interest	6,099,654	884,595	657,564
EBITDA	EBIT + Depreciation - Subsidies for investments	10,434,405	4,977,117	4,653,191
EBITDA to sales ratios	EBITDA/Sales	10.26%	5.15%	5.16%
EBITDAto Equity	EBITDA/Equity	7.54%	3.63%	3.40%
Gross profit ratio	Gross profit/Sales	5.17%	0.11%	0.05%
Current liquidity	Current assets/Current liabilities	0.90	1.11	1.11
Quick liquidity	(Current assets-Inventories)/Current liabilities	0.66	0.82	0.79
Non-current liabilities to Equity	Non-current liabilities/Equity	41%	31%	22%
Total liabilities to Assets	Total liabilities/Total Assets	50%	47%	43%
Interest coverage ratio	EBIT/Interest expenses	7	1	1
Receivables rotation (days)	Average receivables/Sales	67	74	93
Payables rotation (days)	Average payables/Sales	55	52	46
Return on Assets(ROA)	Net profit/Assets	1.90%	0.01%	-0.02%
Return on Equity(ROE)	Net profit/Equity	3.79%	0.02%	-0.03%
Return on Sales(ROS)	Net profit/Sales	5.15%	0.03%	-0.04%

Note : The Separate Financial Statements for the period ended **June 30, 2020** have not been audited.

**PREPARED BY,**

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

**VIORICA ZAINESCU,**  
Financial Manager

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

## MANAGEMENT DECLARATION

## DECLARATION

Undersigners, **HUANG LIANG NENG**- the Chairman of the Board and General Manager, **MANAILA CARMEN**- the Deputy General Manager for Administrative Operations and **ZĂINESCU VIORICA-IOANA**, the Financial Manager 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, 2020 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, 13.08.2020

**HUANG LIANG NENG**

**MĂNĂILĂ CARMEN**

**ZĂINESCU VIORICA IOANA**

*For signatures, please refer to the original Romanian version.*

**ROMCARBON SA** | Thinking forward

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