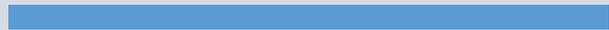


# **S.C. ROMCARBON S.A.**

Quarterly report for the period ended  
March 31, 2018



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

## **DATE DE IDENTIFICARE**

**Quarterly report according with CNVM regulation (1/2006)**

**Date of release:** 14.05.2018

**Reporting date:** 31.03.2018

**Name of the Company:** SC ROMCARBON SA

**Headquarters:** Buzau , 132 Transilvaniei street

**Tel / fax:** 0238/711155; 0238/710697

**Sole registration code:** RO 1158050

**Registered business number:** J10 / 83/1991

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

**Regulated market where the issued securities are traded:** Bucharest Stock Exchange,

**Standard category, Symbol** ROCE

**The main characteristics of the securities issued by the company:** 264,122,096 registered shares, dematerialized, with a nominal value of RON 0.1.

Thinking  
forward

## LANGUAGE DISCLAIMER

**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.**



Thinking  
forward

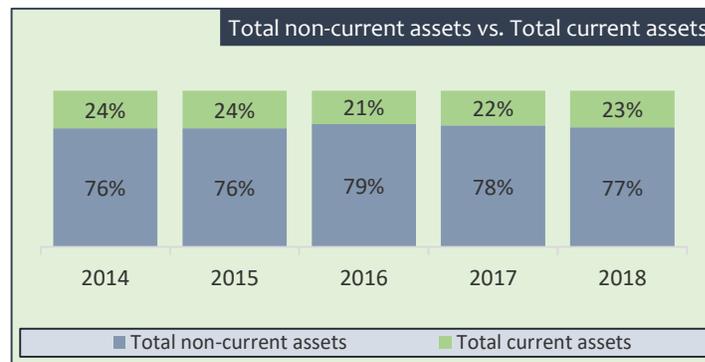
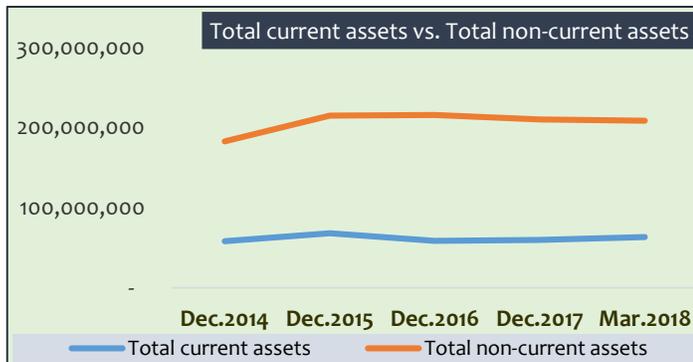
A.1. During the reporting period there were no major events to affect the company's financial position.

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

**a) STATEMENT OF THE FINANCIAL POSITION**

Indicator	31.03.2017	31.12.2017	31.03.2018	31.03.2018 vs. 31.12.2017	
Property, plant and equipment	146,741,774	137,757,935	136,149,586	-1,608,349	▼ -1.17%
Investment property	45,680,013	49,859,449	49,859,449	0	— 0.00%
Intangible assets	224,010	160,081	137,466	-22,615	▼ -14.13%
Financial assets	22,844,368	22,247,181	22,247,181	0	— 0.00%
<b>Total non-current assets</b>	<b>215,490,165</b>	<b>210,024,646</b>	<b>208,393,682</b>	<b>-1,630,964</b>	<b>▼ -0.78%</b>
Inventories	24,149,885	23,824,916	22,799,727	-1,025,189	▼ -4.30%
Trade and other receivables	32,716,146	32,493,266	36,775,569	4,282,303	▲ 13.18%
Amounts to receive from affiliates (financial)	1,157,997	0	117,270	117,270	▲
Taxes receivables	447,239	0	0	0	—
Other assets	157,683	820,245	1,475,152	654,907	▲ 79.84%
Cash and bank balances	3,854,027	2,529,017	2,204,112	-324,905	▼ -12.85%
<b>Total current assets</b>	<b>62,482,977</b>	<b>59,667,445</b>	<b>63,371,830</b>	<b>3,704,385</b>	<b>▲ 6.21%</b>
<b>Total assets</b>	<b>277,973,142</b>	<b>269,692,090</b>	<b>271,765,512</b>	<b>2,073,422</b>	<b>▲ 0.77%</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	54,298,229	53,222,860	53,016,412	-206,448	▼ -0.39%
Retained earnings	48,462,923	51,304,266	52,654,755	1,350,489	▲ 2.63%
<b>Total equity</b>	<b>131,355,645</b>	<b>133,121,619</b>	<b>134,265,660</b>	<b>1,144,041</b>	<b>▲ 0.86%</b>
Borrowings [Long-term]	35,076,768	32,911,592	31,259,812	-1,651,780	▼ -5.02%
Long term finance leases and other interest bearing obligations	38,169	0	0	0	—
Deferred tax liabilities	10,468,240	10,758,395	10,758,395	0	— 0.00%
Deferred income	19,373,534	17,676,474	17,110,681	-565,793	▼ -3.20%
<b>Total non-current liabilities</b>	<b>64,956,711</b>	<b>61,346,461</b>	<b>59,128,888</b>	<b>-2,217,573</b>	<b>▼ -3.61%</b>
Trade and other payables	32,467,425	28,571,443	29,397,306	825,863	▲ 2.89%
Borrowings [Short – term]	43,616,499	41,726,661	43,780,578	2,053,917	▲ 4.92%
Short term finance leases and other interest bearing obligations	737,315	86,797	39,062	-47,735	▼ -55.00%
Deferred revenue	2,312,990	2,305,250	2,315,642	10,393	▲ 0.45%
Other liabilities	2,526,557	2,533,859	2,838,376	304,517	▲ 12.02%
<b>Total current liabilities</b>	<b>81,660,786</b>	<b>75,224,010</b>	<b>78,370,964</b>	<b>3,146,954</b>	<b>▲ 4.18%</b>
<b>Total liabilities</b>	<b>146,617,497</b>	<b>136,570,471</b>	<b>137,499,852</b>	<b>929,382</b>	<b>▲ 0.68%</b>
<b>Total equity and liabilities</b>	<b>277,973,142</b>	<b>269,692,090</b>	<b>271,765,512</b>	<b>2,073,422</b>	<b>▲ 0.77%</b>

ASSETS



NON-CURRENT ASSETS

In the first 3 months of 2018 **Non-currents assets** hold 76.68% of the company's assets, recording a decrease of RON 1,630,964, i.e. 0.78%, as compared with the beginning of the year.



Non-current assets	31.03.2018	% in total NCA	% in total Assets	31.03.18 vs. 31.12.17
Property, plant and equipment	136,149,586	65.33%	50.10%	-1.17%
Investment property	49,859,449	23.93%	18.35%	0.00%
Intangible assets	137,466	0.07%	0.05%	-14.13%
Financial assets	22,247,181	10.68%	8.19%	0.00%
<b>Total non-current assets</b>	<b>208,393,682</b>	<b>100.00%</b>	<b>76.68%</b>	<b>-0.78%</b>

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

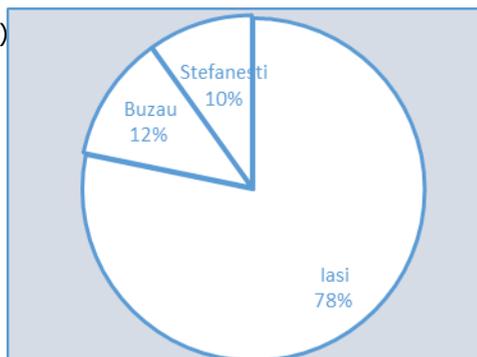
- Buildings (including rearrangements and improvement) : 3,103,707 lei
- Equipment and installations : 4,172,787 lei
- Furniture and office equipment : 74,877 lei

The non-current assets entries in the first 3 months of 2018 had as main destination the production sections CP7-Compounds and CP5-EPS.

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

The property investments (land and constructions) have the following geographical distribution:

Property investment	Total
Iasi	39,010,547
Buzau	5,915,503
Stefanesti	4,933,400
<b>Total</b>	<b>49,859,449</b>



**Subsequent events**

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

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

**Financial Investments** hold 8.19% of Total Assets, and 10.68% of Non-current assets.

As at 31.03.2018, S.C. ROMCARBON S.A. held shares in other companies totalizing RON 25,611,325 lei, as follows:

Company	Total no. of shares	Nominal value (lei)	Capital (lei)	Capital held (lei)	No. of shares held	Acquisition value of the shares (lei)	Participation quota (%)
RECYPLAT LTD CIPRU ROMCARBON	26,000	4.3521	113,154	113,154	26,000	20,261,120	100.00%
DEUTSCHLAND GmbH			110,138	110,138		110,138	100.00%
RC ENERGO INSTALL SRL	200	10	2,000	2,000	200	15,112	100.00%
INFO TECH SOLUTIONS SRL	200	10	2,000	1,980	198	1,980	99.00%
LIVINGJUMBO INDUSTRY SA	200	4,032	806,400	798,336	198	1,639,232	99.00%
GRINFILD LLC UCRAINA						2,687,755	62.62%
YENKI SRL	32,800	10	328,000	109,340	10,934	100,000	33.34%
ASOCIATIA ECOLOGICA GREENLIFE (Non-Profit Organization)				0	1,200	400	33.33%
ECO PACK MANAGEMENT SA	144,600	10	1,446,000	366,700	36,670	586,625	25.36%
KANG YANG BIOTECHNOLOGY CO.LTD	2,889,993			0	139,000	203,963	1.95%
REGISTRUL MIORITA SA	10,500	10	105,000	3,980	398	5,000	3.79%
<b>TOTAL</b>						<b>25,611,325</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>

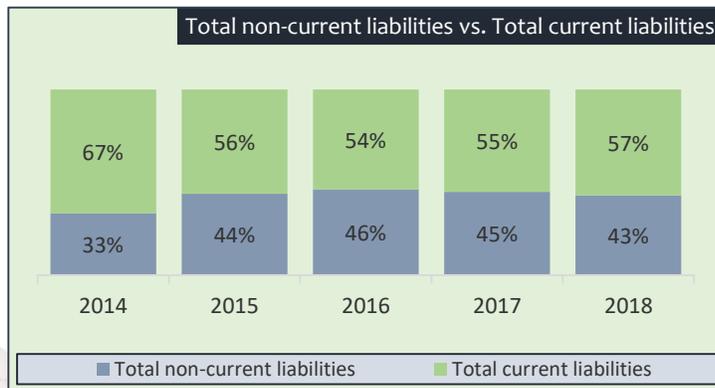
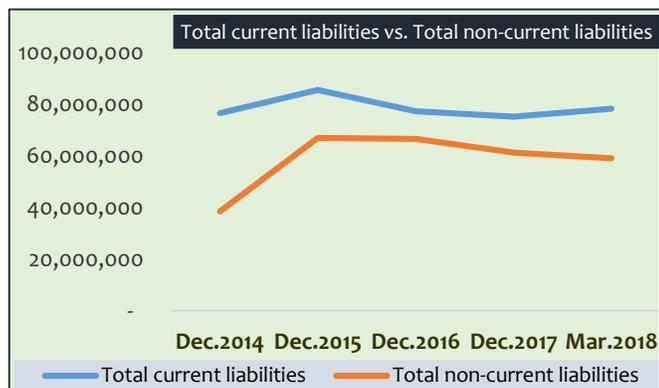
**CURRENT ASSETS**

**Current assets** hold 23.32% of total assets recording an increase of RON 3,704,387, i.e. 6.21% as compared with the beginning of the year.

Evolution of Total current assets in the period 2015-2018



Current assets	31.03.2018	% in total CA	% in Total Assets	31.03.18 vs. 31.12.17
Inventories	22,799,727	35.98%	8.39%	-4.30%
Trade and other receivables	36,775,569	58.03%	13.53%	13.18%
Amounts to receive from affiliates (financial)	117,270	0.19%	0.04%	0.00%
Taxes receivables	0	0.00%	0.00%	0.00%
Other assets	1,475,152	2.33%	0.54%	79.84%
Cash and bank balances	2,204,112	3.48%	0.81%	-12.85%
<b>Total current assets</b>	<b>63,371,830</b>	<b>100.00%</b>	<b>23.32%</b>	<b>6.21%</b>

**LIABILITIES**


**Total Liabilities** hold 50.60% of the company's Equity&Liabilities recording an increase of RON 929,382, i.e. 0.68% as compared with the beginning of the year.

**Borrowings**

As at 31.03.2018 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Initial amount	Balance as at 31.03.2018		Due date
			in euro	in lei	
UniCredit Bank	Credit line/overdraft*	€ 5,450,000	€ 5,131,387	23,899,946 lei	10/04/2018
BRD GSG	Credit line/overdraft	€ 2,550,000	€ 2,414,072	11,243,780 lei	30/10/2018
UniCredit Bank	Investment loan III	€ 442,500	€ 395,530	1,842,222 lei	19/09/2021
BRD GSG	Investment loan II	€ 1,000,000	€ 572,707	2,667,440 lei	03/09/2022
BRD GSG	Investment loan III	€ 3,153,160	€ 1,726,730	8,042,420 lei	03/02/2022
UniCredit Bank	Investment loan - CCE 2015	€ 3,042,240	€ 2,623,670	12,220,004 lei	04/12/2023
<b>Total in euro</b>		<b>€ 13,637,900</b>	<b>€ 12,864,096</b>	<b>59,915,812 lei</b>	
Eximbank SA	Investment loan I	6,142,500 lei		4,350,938 lei	20/06/2022
Eximbank SA	Investment loan II	2,432,500 lei		1,296,971 lei	16/12/2022
UniCredit Bank	Investment loan I	3,200,000 lei		2,664,421 lei	11/07/2023
UniCredit Bank	Investment loan II	2,500,000 lei		1,071,920 lei	19/09/2021
UniCredit Bank	Investment loan IV	5,400,000 lei		4,042,045 lei	01/12/2021
UniCredit Bank	Investment loan V	2,250,000 lei		1,698,283 lei	06/04/2022
<b>Total in lei</b>		<b>21,925,000 lei</b>		<b>15,124,577 lei</b>	
<b>Total</b>				<b>75,040,389 lei</b>	

Short term loans have the following structure :

Bank	Type	CCY	Initial amount	Balance as at 31.03.2018	
				in euro	in lei
UniCredit Bank SA	Credit line/overdraft*	euro	€ 5,450,000	€ 5,131,387	23,899,946 lei
BRD GSG	Credit line/overdraft	euro	€ 2,550,000	€ 2,414,072	11,243,780 lei
<b>Total</b>				<b>€ 7,545,458</b>	<b>35,143,726 lei</b>

\*In April 2018, the company signed with UniCredit Bank SA an addendum to the credit line contract for prolongation the validity of the credit line having a ceiling of EUR 5,450,000 with 12 months.

Long term loans have the following structure :

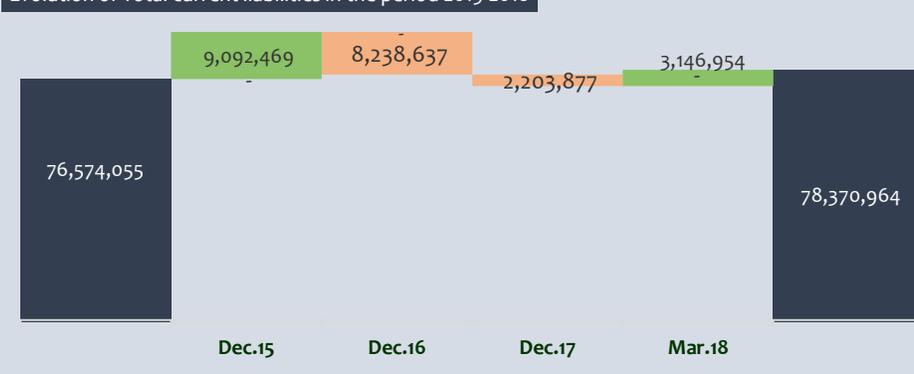
Bank	Type	Balance as at 31.03.2018		< 1 year	>1 year
		in euro	in lei		
UniCredit Bank	Investment loan III	€ 395,530	1,842,222 lei	526,349 lei	1,315,873 lei
BRD GSG	Investment loan II	€ 572,707	2,667,440 lei	581,987 lei	2,085,453 lei
BRD GSG	Investment loan III	€ 1,726,730	8,042,420 lei	2,098,023 lei	5,944,397 lei
UniCredit Bank	Investment loan - CCE 2015	€ 2,623,670	12,220,004 lei	2,026,056 lei	10,193,948 lei
<b>Total in euro</b>		<b>€ 5,318,638</b>	<b>24,772,086 lei</b>	<b>5,232,415 lei</b>	<b>19,539,671 lei</b>
Eximbank SA	Investment loan I		4,350,938 lei	1,023,750 lei	3,327,188 lei
Eximbank SA	Investment loan II		1,296,971 lei	81,061 lei	1,215,910 lei
UniCredit Bank	Investment loan I		2,664,421 lei	499,579 lei	2,164,842 lei
UniCredit Bank	Investment loan II		1,071,920 lei	306,263 lei	765,657 lei
UniCredit Bank	Investment loan IV		4,042,045 lei	1,077,878 lei	2,964,166 lei
UniCredit Bank	Investment loan V		1,698,283 lei	415,905 lei	1,282,377 lei
<b>Total in lei</b>			<b>15,124,577 lei</b>	<b>3,404,436 lei</b>	<b>11,720,141 lei</b>
<b>Total</b>			<b>39,896,663 lei</b>	<b>8,636,852 lei</b>	<b>31,259,812 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.

#### CURRENT LIABILITIES

**Current liabilities of the Company**, representing 57.00% of the Total Liabilities and 28.84% of Total Equity & Liabilities have increased by RON 3,146,954 as compared with the beginning of the year, i.e. 4.18%.

Evolution of Total current liabilities in the period 2015-2018

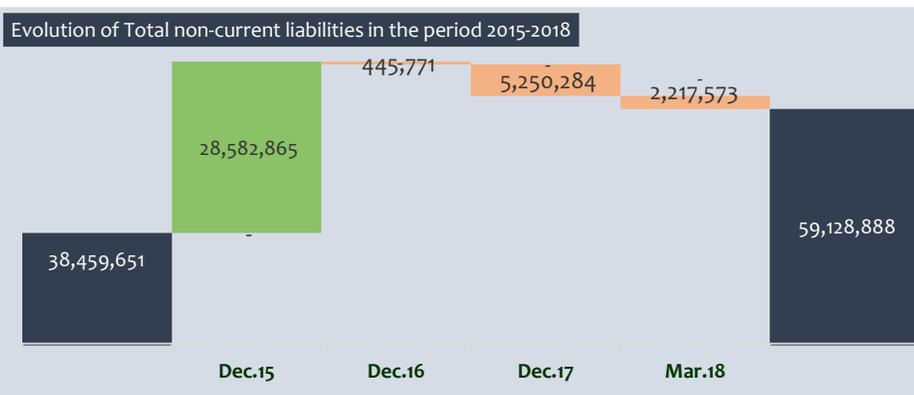


Current liabilities	31.03.2018	% in total liabilities	% in Total current liabilities	% in Total Equity and Liabilities	31.03.18 vs. 31.12.17
Trade and other payables	29,397,306	21.38%	37.51%	10.82%	2.89%
Borrowings [Short – term]	43,780,578	31.84%	55.86%	16.11%	4.92%
Short term finance leases and other interest bearing obligations	39,062	0.03%	0.05%	0.01%	-55.00%
Deferred revenue	2,315,642	1.68%	2.95%	0.85%	0.45%
Other liabilities	2,838,376	2.06%	3.62%	1.04%	12.02%
<b>Total</b>	<b>78,370,964</b>	<b>57.00%</b>	<b>100.00%</b>	<b>28.84%</b>	<b>4.18%</b>

NON-CURRENT LIABILITIES

**Non-current Liabilities**

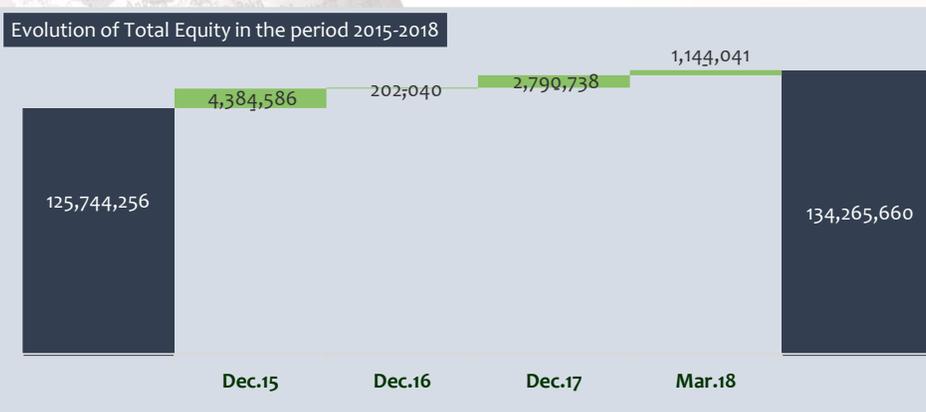
representing 21.76% of the company's Equity&Liabilities recording in the reporting period a decrease of RON 2,217,573, i.e. 3.61%, as compared with the beginning of the year.



Non-current liabilities (NCL)	31.03.2018	% in total liabilities	% in Total NCL	% in Total Equity and Liabilities	31.03.18 vs. 31.12.17
Borrowings [Long-term]	31,259,812	22.73%	52.87%	11.50%	-5.02%
Long term finance leases and other interest bearing obligations	0	0.00%	0.00%	0.00%	0.00%
Deferred tax liabilities	10,758,395	7.82%	18.19%	3.96%	0.00%
Deferred income	17,110,681	12.44%	28.94%	6.30%	-3.20%
<b>Total</b>	<b>59,128,888</b>	<b>43.00%</b>	<b>100.00%</b>	<b>21.76%</b>	<b>-3.61%</b>

EQUITY

**Total Equity** holds 49.40% of Total Equity&Liabilities, recording in the reporting period an increase of RON 1,144,041, as compared with the beginning of the year.



Equity	31.03.2018	31.03.18 vs. 31.12.17
Issued capital (264,122,096 shares at 0.10 lei per share)	26,412,210	9.72%
Share premium	2,182,283	0.80%
Reserves	53,016,412	19.51%
Retained earnings	52,654,755	19.38%
<b>Total</b>	<b>134,265,660</b>	<b>49.40%</b>

**b) STATEMENT OF COMPREHENSIVE ITEMS**

Indicator	31.03.2016	31.03.2017	31.03.2018	31.03.2018 vs. 31.03.2017	
Net sales	46,961,359	49,365,872	48,150,522	▼	(1,215,350) -2%
Investment income *	624,671	1,820,641	1,841,841	▲	21,200 1%
Other gains and losses	866,123	(88,338)	50,328	▼	138,666 -157%
Changes in inventories of finished goods and work in progress	1,327,458	262,109	1,135,483	▲	873,374 333%
Raw materials and consumables used	(36,548,217)	(36,047,876)	(34,490,118)	▼	1,557,758 -4%
Depreciation and amortization expenses	(2,224,221)	(2,679,408)	(2,710,902)	▲	(31,494) 1%
Employee salaries and benefits	(5,194,324)	(6,749,618)	(9,003,923)	▲	(2,254,305) 33%
Social security expenses	(1,150,341)	(1,513,540)	(216,597)	▼	1,296,943 -86%
Net finance costs	(570,570)	(435,937)	(461,440)	▲	(25,503) 6%
Income from subsidies	468,449	566,109	565,792	▼	(317) 0%
Other expenses	(3,076,201)	(3,475,250)	(3,716,945)	▲	(241,695) 7%
<b>Profit (loss) before taxation</b>	<b>1,484,186</b>	<b>1,024,764</b>	<b>1,144,041</b>	<b>▲</b>	<b>119,277</b> 12%
Profit tax	(163,546)	-	-	-	- n/a
<b>Profit (loss) of the year</b>	<b>1,320,640</b>	<b>1,024,764</b>	<b>1,144,041</b>	<b>▲</b>	<b>119,277</b> 12%
Net loss on revaluation of tangible assets				-	-
Adjustment of deferred tax on fiscally non-deductible revaluation reserves				-	-
<b>Total comprehensive income</b>	<b>1,320,640</b>	<b>1,024,764</b>	<b>1,144,041</b>	<b>▲</b>	<b>119,277</b> 12%

Indicator	31.03.2016	31.03.2017	31.03.2018
Average no. of employees	837	930	947

\*Investment income – details:

Indicator	31.03.16	31.03.17	31.03.18	31.03.18 vs. 31.03.17	
Rental and royalty income	621,784	662,200	724,049	▲	61,849 9%
Interest income	2,887	444	522	▲	78 18%
Investment income (dividends) - Infotech Solutions		157,997	117,270	▼	(40,727) -26%
Investment income (dividends) - RC Energo Install		1,000,000	1,000,000	-	-
<b>Total</b>	<b>624,671</b>	<b>1,820,641</b>	<b>1,841,841</b>	<b>▲</b>	<b>21,200</b> 1%

Note : In accordance with Order no. 1286/2012 the company bank availabilities, the receivables and the liabilities expressed in a foreign currency are evaluated each month at the closing exchange rate comunicated by NBR. From this evaluation for the first 3 months of 2018 the company registered revenues in amount of RON 115,235 and expenses in amount of RON 97,121, resulting a profit of RON 18,114.

**NET SALES**

The item "Net Sales" had the following evolution:

Indicator	31.03.2016	31.03.2017	31.03.2018	31.03.2018 vs. 31.03.2017	
Sales of finished goods	27,122,634	34,579,494	37,420,979	▲	2,841,485 8%
Sales of intermediary goods	16,534	15,136	5,392	▼	(9,744) -64%
Services rendered	92,083	90,101	65,573	▼	(24,528) -27%
Sale of commodities	18,985,041	13,908,195	9,606,016	▼	(4,302,179) -31%
Rental and royalty income	745,067	772,947	1,052,562	▲	279,616 36%
<b>Total net sales</b>	<b>46,961,359</b>	<b>49,365,873</b>	<b>48,150,522</b>	<b>▼</b>	<b>(1,215,351)</b> -2%

Indicator	31.03.2016	31.03.2017	31.03.2018	31.03.2018 vs. 31.03.2017	
Net sales	46,961,359	49,365,873	48,150,522	▼	(1,215,351) -2%
Rental and royalty income	621,784	662,200	724,049	▲	61,849 9%
<b>Total turnover, out of which</b>	<b>47,583,143</b>	<b>50,028,073</b>	<b>48,874,571</b>	▼	<b>(1,153,502) -2%</b>
~domestic market	38,344,077	36,480,346	34,595,513	▼	(1,884,833) -5%
~exports	9,239,066	13,547,727	14,279,058	▲	731,331 5%

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

**B.Financial ratios :**

Indicator	Formula	31.03.2016	31.03.2017	31.03.2018
Current ratio	Current assets/Current Liabilities	0.77	0.77	0.81
Debt ratio (1)	Long term Borrowings and leases/Total Equity x100	24%	27%	23%
Debt ratio(2)	Long term Borrowings and leases /Engaged capital x100	19%	21%	19%
Account receivable turnover ratio (days)	Average receivable balance /Sales x days	66	53	64
Account payable turnover ratio (days)	Average payable balance /Sales x days	62	53	53
Assets turnover ratio	Sales/Non-current assets	0.22	0.23	0.23

*Borrowed capital = Long term borrowings + long term leasing*

*Engaged capital = Total Equity + Long term Borrowings and leases*

**Thinking forward**

**The Financial Statements for the period ended March 31,2018 have not been audited.**

**Chairman of the Board  
Huang Liang Neng**

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

# S.C. ROMCARBON S.A.

SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31,2018

PREPARED IN ACCORDANCE WITH  
INTERNATIONAL FINANCIAL REPORTING STANDARDS



**Thinking  
forward**

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2018**  
 (all amounts are expressed in lei, unless specified otherwise)

	<b>Period ended 31-mar-17 RON</b>	<b>Period ended 31-mar-18</b>
Net sales	49,365,872	48,150,522
Investment income	1,820,641	1,841,841
Other gains or losses	(88,338)	50,328
Changes in inventories	262,109	1,135,483
Raw materials and consumables used	(36,047,876)	(34,490,118)
Depreciation and amortization expense	(2,679,408)	(2,710,902)
Employee salaries and benefits	(6,749,618)	(9,003,923)
Social security expenses	(1,513,540)	(216,597)
Net finance cost	(435,937)	(461,440)
Income from subsidies	566,109	565,792
Other expenses	(3,475,250)	(3,716,945)
<b>Profit (loss) before taxation</b>	<b>1,024,764</b>	<b>1,144,041</b>
Profit tax	-	-
<b>Net profit</b>	<b>1,024,764</b>	<b>1,144,041</b>
Other comprehensive income		
<b>Total comprehensive income</b>	<b>1,024,764</b>	<b>1,144,041</b>
Earnings per share	0.0039	0.0043
<b>Number of shares</b>	<b>264,122,096</b>	<b>264,122,096</b>

**CHAIRMAN OF THE BOARD  
 HUANG LIANG NENG**  
 Signature\_\_\_\_\_

PREPARED BY,  
**FINANCIAL MANAGER  
 ZAINESCU VIORICA**  
 Signature\_\_\_\_\_

**GENERAL MANAGER  
 ANDREI RADU**  
 Signature\_\_\_\_\_

**STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED MARCH 31, 2018**

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

	<u>31-dec-17</u>	<u>31-mar-18</u>
	RON	RON
<b>Non-current assets</b>		
Property, plant and equipment	137,757,935	136,149,586
Investment property	49,859,449	49,859,449
Intangible assets	160,081	137,466
Financial assets	22,247,181	22,247,181
<b>Total non-current assets</b>	<b>210,024,646</b>	<b>208,393,682</b>
<b>Current assets</b>		
Inventories	23,824,916	22,799,727
Trade and other receivables	32,493,266	36,775,569
Amounts to receive from affiliates (financial)	-	117,270
Other assets	820,245	1,475,152
Cash and bank balances	2,529,017	2,204,112
<b>Total current assets</b>	<b>59,667,444</b>	<b>63,371,830</b>
<b>Total assets</b>	<b>269,692,090</b>	<b>271,765,512</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	53,222,860	53,016,412
Retained earnings	51,304,266	52,654,755
<b>Total Equity</b>	<b>133,121,619</b>	<b>134,265,660</b>
<b>Non-current liabilities</b>		
Borrowings	32,911,592	31,259,812
Deferred tax liabilities	10,758,395	10,758,395
Deferred income	17,676,474	17,110,681
<b>Total non-current liabilities</b>	<b>61,346,461</b>	<b>59,128,888</b>
<b>Current liabilities</b>		
Trade and other payables	28,571,443	29,397,306
Borrowings	41,726,661	43,780,578
Short term finance leases and other interest-bearing liabilities	86,797	39,062
Deferred income	2,305,250	2,315,642
Other liabilities	2,533,859	2,838,376
<b>Total current liabilities</b>	<b>75,224,010</b>	<b>78,370,964</b>
<b>Total liabilities</b>	<b>136,570,471</b>	<b>137,499,852</b>
<b>Total equity and liabilities</b>	<b>269,692,090</b>	<b>271,765,512</b>

**CHAIRMAN OF THE BOARD**
**HUANG LIANG NENG**

Signature \_\_\_\_\_

**FINANCIAL MANAGER**
**ZAINESCU VIORICA**

Signature \_\_\_\_\_

**GENERAL MANAGER**
**ANDREI RADU**

Signature \_\_\_\_\_

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED MARCH 31,2018**  
 (all amounts are expressed in lei, unless specified otherwise)

	<b>Issued capital</b>	<b>Share premiums</b>	<b>Revaluation reserves</b>	<b>Legal reserves</b>	<b>Other reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>January 31, 2018</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>39,338,851</b>	<b>3,874,993</b>	<b>10,009,015</b>	<b>51,304,266</b>	<b>133,121,619</b>
Realised revaluation reserve	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-
Net profit of the period	-	-	-	-	-	1,144,041	1,144,041
Corrections	-	-	-	-	-	-	-
Transfers between capital accounts	-	-	(206,448)	-	-	206,448	-
<b>March 31, 2018</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>39,132,404</b>	<b>3,874,993</b>	<b>10,009,015</b>	<b>52,654,755</b>	<b>134,265,660</b>

**Thinking  
forward**

**HUANG LIANG NENG,  
CHAIRMAN OF THE BOARD**

**VIORICA ZAINESCU,  
FINANCIAL MANAGER**

**RADU ANDREI,  
GENERAL MANAGER**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**  
**(all amounts are expressed in lei, unless specified otherwise)**

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**NET SALES**

	<b>Period ended 31-mar-17</b>	<b>Period ended 31-mar-18</b>
	<b>RON</b>	<b>RON</b>
Sales of finished goods	34,688,640	37,518,929
Sales of commodities	13,814,184	9,513,458
Services rendered	90,101	65,573
Other sales	772,947	1,052,562
<b>Total</b>	<b>49,365,872</b>	<b>48,150,522</b>

**INVESTMENT INCOME**

	<b>Period ended 31-mar-17</b>	<b>Period ended 31-mar-18</b>
	<b>RON</b>	<b>RON</b>
Income from renting investment property	662,200	724,049
Income from interest on bank deposits	444	522
Dividends received from participations	1,157,997	1,117,270
<b>Total</b>	<b>1,820,641</b>	<b>1,841,841</b>

**OTHER GAINS AND LOSSES**

	<b>Period ended 31-mar-17</b>	<b>Period ended 31-mar-18</b>
	<b>RON</b>	<b>RON</b>
Income from penalties charged	2,598	371
Gain / (Loss) on disposal of plants and property	-	-
Gain / (Loss) on disposal of investment property	-	-
FOREX gain / (loss)	(130,609)	19,396
Gain / (Loss) on changes of provisions	20,105	-
Other gains	19,568	30,561
Other losses	-	-
<b>Total</b>	<b>(88,338)</b>	<b>50,328</b>

**RAW MATERIALS AND CONSUMABLES USED**

	<b>Period ended 31-mar-17</b>	<b>Period ended 31-mar-18</b>
	<b>RON</b>	<b>RON</b>
Raw materials	18,859,503	20,674,139
Commodities sold	13,613,948	9,427,989
Energy and water	2,476,503	3,299,218
Expenses with consumables	1,097,923	1,088,773
<b>Total</b>	<b>36,047,876</b>	<b>34,490,118</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**
**(all amounts are expressed in lei, unless specified otherwise)**

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**DEPRECIATION AND AMORTIZATION EXPENSES**

	<u>Period ended</u> <u>31-mar-17</u>	<u>Period ended</u> <u>31-mar-18</u>
	RON	RON
<b>Total amortization expenses,</b>	2,679,408	2,710,902
<b><i>Of which:</i></b>		
Depreciation of fixed assets	2,649,397	2,684,473
Amortization of intangible assets	30,011	26,429
<b>Total amortization expenses,</b>	<u><b>2,679,408</b></u>	<u><b>2,710,902</b></u>

**EMPLOYEES SALARIES AND BENEFITS**

	<u>Period ended</u> <u>31-mar-17</u>	<u>Period ended</u> <u>31-mar-18</u>
	RON	RON
Salaries	6,410,591	8,629,271
Social contributions	1,513,540	216,597
Meal tickets	339,027	374,652
<b>Total</b>	<u><b>8,263,158</b></u>	<u><b>9,220,520</b></u>

**NET FINANCE COST**

	<u>Period ended</u> <u>31-mar-17</u>	<u>Period ended</u> <u>31-mar-18</u>
	RON	RON
Bank interest and leases expenses	398,864	399,905
Bank commissions and assimilated charges	37,073	61,535
<b>Total</b>	<u><b>435,937</b></u>	<u><b>461,440</b></u>

**OTHER EXPENSES**

	<u>Period ended</u> <u>31-mar-17</u>	<u>Period ended</u> <u>31-mar-18</u>
	RON	RON
Expenses with transport and logistics	1,227,173	1,171,747
Other expenses with third party services	1,379,080	1,538,594
Protocol and marketing	173,375	127,815
Expenses with repairs	226,395	238,159
Taxes and levies	209,307	451,076
Losses from receivables	15,915	-
Expenses with insurances	74,826	68,823
Expenses with postal charges and telecommunications	43,140	32,795
Expenses with travels	51,624	28,641
Expenses with rents	41,257	43,400
Expenses with commissions and fees	2,200	1,021
Expenses with fines and penalties	2,356	100
Other expenses	28,602	14,774
<b>Total</b>	<u><b>3,475,250</b></u>	<u><b>3,716,945</b></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**  
**(all amounts are expressed in lei, unless specified otherwise)**

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**PROFIT TAX**

	<u>Period ended</u> <u>31-mar-17</u> <b>RON</b>	<u>Period ended</u> <u>31-mar-18</u> <b>RON</b>
Current profit tax expense	-	-
Deferred profit tax expense	-	-
	<hr/>	<hr/>
<b>Total</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**
**(all amounts are expressed in lei, unless specified otherwise)**

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	<u>Land</u> RON	<u>Buildings</u> RON	<u>Plant and equipment</u> RON	<u>Installations and furniture</u> RON	<u>Tangible assets in progress and advances</u> RON	<u>Total</u> RON
<b><i>COST</i></b>						
<b>Balance as at January 31, 2018</b>	<b>45,876,831</b>	<b>21,079,948</b>	<b>111,567,980</b>	<b>1,362,753</b>	<b>6,977,944</b>	<b>186,865,456</b>
Additions	0	3,103,707	4,172,787	74,877	1,076,124	8,427,495
Disposals	-	-	(9,734)	(8,195)	(7,351,370)	(7,369,299)
<b>Balance as at March 31, 2018</b>	<b>45,876,831</b>	<b>24,183,655</b>	<b>115,731,033</b>	<b>1,429,435</b>	<b>702,698</b>	<b>187,923,652</b>
<b><i>CUMULATED DEPRECIATION</i></b>						
	<u>Land</u> RON	<u>Buildings</u> RON	<u>Plant and equipment</u> RON	<u>Installations and furniture</u> RON	<u>Tangible assets in progress and advances</u> RON	<u>Total</u> RON
<b>Balance as at January 31, 2018</b>	-	<b>(1,745,879)</b>	<b>(46,652,965)</b>	<b>(708,677)</b>	-	<b>(49,107,521)</b>
Expenses with depreciation		(462,797)	(2,193,290)	(28,386)		(2,684,473)
Decrease from sale of assets		-	9,734	8,194		17,928
<b>Balance as at March 31, 2018</b>	-	<b>(2,208,676)</b>	<b>(48,836,521)</b>	<b>(728,869)</b>	-	<b>(51,774,066)</b>
<b>NET BOOK VALUE as at March 31, 2018</b>	<b>45,876,831</b>	<b>21,974,979</b>	<b>66,894,512</b>	<b>700,566</b>	<b>702,698</b>	<b>136,149,586</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**
**(all amounts are expressed in lei, unless specified otherwise)**

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**PROPERTY INVESTMENTS**

<b>Balance as at January 31, 2018</b>	<b>49,859,449</b>
Additions	-
Disposals	-
<b>Balance as at March 31, 2018</b>	<b>49,859,449</b>

**INTANGIBLE ASSETS**

	Licences	Other intangible assets	Intangible assets in progress	Total
<i>Cost</i>	<u>RON</u>	<u>RON</u>	<u>RON</u>	<u>RON</u>
<b>Balance as at January 31, 2018</b>	<b>711,057</b>	<b>592,467</b>	-	<b>1,303,524</b>
Additions	3,813	-	-	3,813
Transfers	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>714,870</b>	<b>592,467</b>	-	<b>1,307,337</b>
 <i>Cumulated amortization</i>				
<b>Balance as at January 31, 2018</b>	<b>(600,298)</b>	<b>(543,144)</b>	-	<b>(1,143,442)</b>
Expenses with depreciation	(19,705)	(6,724)	-	(26,429)
Decrease from sale of assets	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>(620,003)</b>	<b>(549,868)</b>	-	<b>(1,169,871)</b>
 <b>NET BOOK VALUE</b>				
<b>as at March 31, 2018</b>	<b>94,867</b>	<b>42,599</b>	-	<b>137,466</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**
**(all amounts are expressed in lei, unless specified otherwise)**

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**FINANCIAL ASSETS**

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

	<b>Core activity</b>	<b>Place of establishment and operations</b>	<b>%</b>	<b>March 31, 2018 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%	1,639,232
GRINFILD LTD	Wholesales	Odessa	62.62%	2,687,755
ECO PACK MANAGEMENT SA	Other business support service activities n.e.c. (NACE code 8299)	Bucures	25.36%	586,625
ASOCIATIA ECOLOGICA GREENLIFE (Non-Profit Organization)	The scope of the association is to represent, promote and support the employer and professional interests of its members	Buzau	33.33%	400
YENKI SRL	Activities of sports facilities (NACE code 9311)	Buzau	33.34%	100,000
KANG YANG BIOTECHNOLOGY CO. LTD	Manufacture of products beneficial for human health	Taiwan	1.95%	203,963
Registrul Miorita SA	Other financial service activities n.c.a (NACE code 6499)	Cluj	3.79%	5,000
	<b>TOTAL</b>			<b><u>25,611,325</u></b>
<b>Financial assets impairment</b>				<b><u>(3,364,144)</u></b>
<b>Net book value</b>				<b><u>22,247,181</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**
**(all amounts are expressed in lei, unless specified otherwise)**

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**INVENTORIES**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Raw materials	13,001,772	11,199,505
Consumables	2,702,172	2,863,780
Items of inventory	108,798	106,069
Packaging	196,894	176,888
Finished products	5,288,852	5,661,012
Unfinished products	1,916,330	2,254,117
Semi-finished products	1,832,946	1,806,770
Residual products	2,665	3,061
Commodities	123,004	125,942
Advances for purchases of inventory	81,739	32,839
Provisions for obsolete inventories	(1,430,256)	(1,430,256)
<b>Total</b>	<b>23,824,916</b>	<b>22,799,727</b>

**TRADE AND OTHER RECEIVABLES**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Trade receivables	33,258,735	37,087,909
Provisions for doubtful clients	(1,238,738)	(1,238,738)
Taxes to recover	45,168	415,954
Other receivables	428,101	510,443
Subsidies to receive	-	-
Advances received from clients	-	-
<b>Total</b>	<b>32,493,266</b>	<b>36,775,569</b>

**CASH ON HAND AND AT BANKS**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Cash at banks	2,403,783	1,885,723
Cash on hand	15,873	43,909
Cash equivalents	109,361	274,480
<b>Total</b>	<b>2,529,017</b>	<b>2,204,112</b>

**OTHER CURRENT ASSETS**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Prepaid expenses	152,874	1,434,883
Advances to services suppliers	667,371	40,269
<b>Total</b>	<b>820,245</b>	<b>1,475,152</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**
**(all amounts are expressed in lei, unless specified otherwise)**

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**ISSUED CAPITAL**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
264.122.096 acțiuni ordinare achitate integral (2017: 264.122.096). Valoarea unei acțiuni este 0.1 RON	26,412,210	26,412,210
<b>Total</b>	<b>26,412,210</b>	<b>26,412,210</b>

**RESERVES**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Legal reserves	3,874,993	3,874,993
Other reserves	10,009,015	10,009,015
Revaluation reserves	39,338,852	39,132,404
<b>Total</b>	<b>53,222,860</b>	<b>53,016,412</b>

**BORROWINGS**
**Borrowings – short-term**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Credit line Euro – BRD	10,978,977	11,243,780
Investment loan Euro I - BRD	408,071	-
Investment loan Euro II - BRD	582,250	581,987
Investment loan Euro III - BRD	2,098,969	2,098,023
Credit line Euro – UniCredit Bank	21,828,211	23,899,947
UniCredit Bank - Credit puncte - CCE 2015	2,026,970	2,026,056
Investment loan I - Eximbank SA	509,250	509,250
Investment loan I - UniCredit Bank	499,579	499,579
Investment loan II - UniCredit Bank	306,263	306,263
Investment loan III - UniCredit Bank	526,587	526,349
Investment loan IV - UniCredit Bank	1,077,878	1,077,878
Investment loan V - UniCredit Bank	369,156	415,905
Investment loan II - Eximbank SA	-	81,061
<b>Total</b>	<b>41,726,661</b>	<b>43,780,578</b>

**Borrowings – long-term**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Investment loan Euro II - BRD	2,231,955	2,085,453
Investment loan Euro III - BRD	6,471,819	5,944,397
UniCredit Tiriac - Investment loan - CCE 2015	10,705,287	10,193,948
Investment loan I - UniCredit Bank	2,289,738	2,164,842
Investment loan II - UniCredit Bank	842,223	765,657
Investment loan III - UniCredit Bank	1,448,113	1,315,873
Investment loan IV - UniCredit Bank	3,233,636	2,964,166
Investment loan V - UniCredit Bank	1,199,761	1,282,377
Investment loan I - Eximbank SA	3,583,125	3,327,188
Investment loan II - Eximbank SA	905,935	1,215,911
<b>Total</b>	<b>32,911,592</b>	<b>31,259,812</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**
**(all amounts are expressed in lei, unless specified otherwise)**

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As at 31.03.2018 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Balance as at 31.03.2018		< 1 year	>1 year
		in euro	in lei		
UniCredit Bank	Credit line	€ 5,131,387	23,899,946 lei	23,899,946 lei	- lei
BRD GSG	Credit line	€ 2,414,072	11,243,780 lei	11,243,780 lei	- lei
UniCredit Bank	Investment loan III	€ 395,530	1,842,222 lei	526,349 lei	1,315,873 lei
BRD GSG	Investment loan II	€ 572,707	2,667,440 lei	581,987 lei	2,085,453 lei
BRD GSG	Investment loan III	€ 1,726,730	8,042,420 lei	2,098,023 lei	5,944,397 lei
UniCredit Bank	Investment loan - CCE 2015	€ 2,623,670	12,220,004 lei	2,026,056 lei	10,193,948 lei
<b>Total credits in euro</b>		<b>€ 12,864,096</b>	<b>59,915,812 lei</b>	<b>40,376,141 lei</b>	<b>19,539,671 lei</b>
Eximbank SA	Investment loan I		4,350,938 lei	1,023,750 lei	3,327,188 lei
Eximbank SA	Investment loan II		1,296,971 lei	81,061 lei	1,215,910 lei
UniCredit Bank	Investment loan I		2,664,421 lei	499,579 lei	2,164,842 lei
UniCredit Bank	Investment loan II		1,071,920 lei	306,263 lei	765,657 lei
UniCredit Bank	Investment loan IV		4,042,045 lei	1,077,878 lei	2,964,166 lei
UniCredit Bank	Investment loan V		1,698,283 lei	415,905 lei	1,282,377 lei
<b>Total credits in lei</b>			<b>15,124,577 lei</b>	<b>3,404,436 lei</b>	<b>11,720,141 lei</b>
<b>Total bank exposure</b>			<b>75,040,389 lei</b>	<b>43,780,578 lei</b>	<b>31,259,812 lei</b>

Short term loans has the following structure :

Bank	Type	CCY	Initial amount	Balance as at 31.03.2018	
				in euro	in lei
UniCredit Bank SA	Credit line*	euro	€ 5,450,000	€ 5,131,387	23,899,946 lei
BRD GSG	Credit line	euro	€ 2,550,000	€ 2,414,072	11,243,780 lei
<b>Total</b>				<b>€ 7,545,458</b>	<b>35,143,726 lei</b>

\*In April 2018, the company signed with UniCredit Bank SA an addendum to the credit line contract for prolongation the validity of the credit line having a ceiling of EUR 5,450,000 with 12 months.

Long term loans has the following structure :

Bank	Type	Balance as at 31.03.2018		< 1 year	>1 year
		in euro	in lei		
UniCredit Bank	Investment loan III	€ 395,530	1,842,222 lei	526,349 lei	1,315,873 lei
BRD GSG	Investment loan II	€ 572,707	2,667,440 lei	581,987 lei	2,085,453 lei
BRD GSG	Investment loan III	€ 1,726,730	8,042,420 lei	2,098,023 lei	5,944,397 lei
UniCredit Bank	Investment loan - CCE 2015	€ 2,623,670	12,220,004 lei	2,026,056 lei	10,193,948 lei
<b>Total credite in euro</b>		<b>€ 5,318,638</b>	<b>24,772,086 lei</b>	<b>5,232,415 lei</b>	<b>19,539,671 lei</b>
Eximbank SA	Investment loan I		4,350,938 lei	1,023,750 lei	3,327,188 lei
Eximbank SA	Investment loan II		1,296,971 lei	81,061 lei	1,215,910 lei
UniCredit Bank	Investment loan I		2,664,421 lei	499,579 lei	2,164,842 lei
UniCredit Bank	Investment loan II		1,071,920 lei	306,263 lei	765,657 lei
UniCredit Bank	Investment loan IV		4,042,045 lei	1,077,878 lei	2,964,166 lei
UniCredit Bank	Investment loan V		1,698,283 lei	415,905 lei	1,282,377 lei
<b>Total credite in lei</b>			<b>15,124,577 lei</b>	<b>3,404,436 lei</b>	<b>11,720,141 lei</b>
<b>Total expunere</b>			<b>39,896,663 lei</b>	<b>8,636,852 lei</b>	<b>31,259,812 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**
**(all amounts are expressed in lei, unless specified otherwise)**

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**OTHER LIABILITIES**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Liabilities to employees	930,442	1,063,906
Liabilities related to social contributions	818,625	880,016
Other tax liabilities	784,792	894,454
<b>Total</b>	<b>2,533,859</b>	<b>2,838,376</b>

**TRADE PAYABLES AND OTHER PAYABLES**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Trade payables	27,252,655	27,780,184
Other payables	203,569	193,316
Suppliers invoices not received	863,344	1,313,328
Advances from clients	251,875	110,478
<b>Total</b>	<b>28,571,443</b>	<b>29,397,306</b>

**FINANCE LEASE OBLIGATIONS**

	<b>01-Jan-18</b>	<b>31-Mar-18</b>
Amounts due within one year	86,797	39,062
Amounts due in more than one year	-	-
<b>Total</b>	<b>86,797</b>	<b>39,062</b>

**RELATED PARTY TRANSACTIONS**

Affiliate	Sales of goods and services		Purchases of goods and services		Receivables from related parties		Payables to related entities	
	3 months 2017	3 months 2018	3 months 2017	3 months 2018	01.01.18	31.03.18	01.01.18	31.03.18
INFO TECH SOLUTIONS SRL	6,203	6,169	75,473	90,673		2,458	64,464	56,494
LIVING JUMBO INDUSTRY SA	7,596,791	7,441,844	337,030	306,219	12,355,709	11,506,079	202,113	-
RC ENERGO INSTALL SRL	27,054	26,493	618,680	476,873	-	16,094	397,856	618,332
YENKI SRL	74	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>7,630,122</b>	<b>7,474,507</b>	<b>1,031,183</b>	<b>873,765</b>	<b>12,355,709</b>	<b>11,524,631</b>	<b>664,433</b>	<b>674,826</b>

**FINANCIAL RATIOS**

In the reporting period the company registered the following ratios.

Indicator	Formula	31.03.2016	31.03.2017	31.03.2018
EBIT	Gross profit + Expenses with interests	1,979,904	1,426,901	1,555,980
EBITDA	EBIT + Depreciation-Subsidies for investment	3,735,676	3,540,200	3,701,090
EBITDA to sales ratio	EBITDA/Sales	7.85%	7.08%	7.57%
EBITDA to Equity ratio	EBITDA/Equity	2.84%	2.70%	2.76%

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018**
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<b>Indicator</b>	<b>Formula</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>31.03.2018</b>
Gross profit margin	Gross profit/Sales	3.12%	2.05%	2.34%
Current ratio	Current assets/Current liabilities	0.77	0.77	0.81
Quick ratio	(Current assets-Inventories)/Current liabilities	0.50	0.47	0.52
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	49%	49%	44%
Total liabilities to Assets ratio	Total liabilities/Total Assets	52%	53%	51%
Interest coverage ratio	EBIT/Interest expenses	3.99	3.55	3.78
Account receivable turnover ratio	Average receivables/Sales	66	53	64
Account payable turnover ratio	Average payables/Sales	62	53	53
Return on assets (ROA)	Net profit/Assets	0.48%	0.37%	0.42%
Return on equity (ROE)	Net profit/Equity	1.00%	0.78%	0.85%
Return on sales (ROS)	Net profit/Sales	2.78%	2.05%	2.34%

The Financial Statements for the period ended March 31, 2018 have not been audited.

**CHAIRMAN OF THE BOARD**
**HUANG LIANG NENG**

Signature \_\_\_\_\_

**FINANCIAL MANAGER**
**ZAINESCU VIORICA**

Signature \_\_\_\_\_

**GENERAL MANAGER**
**ANDREI RADU**

Signature \_\_\_\_\_

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