

RECONSTRUCTION CAPITAL II LIMITED
INTERIM UNAUDITED FINANCIAL STATEMENTS
For the six months ended 30 June 2017

RECONSTRUCTION CAPITAL II LIMITED
Interim Unaudited Financial Statements
For the six months ended 30 June 2017

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RECONSTRUCTION CAPITAL II LIMITED
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DIRECTORS AND COMPANY INFORMATION

Domicile and country of incorporation

Cayman Islands

Legal form

Limited Liability Company

Company number

HL-156549

Directors

Mihai Rădoi

Dirk Van den Broeck

Markus Winkler

Secretary and Registered Office

Appleby Corporate Services (Cayman) Limited

Clifton House

PO Box 1350

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Grand Cayman KY1-1108

Cayman Islands

Adviser

New Europe Capital SRL

21 Tudor Arghezi Str., Floor 6

020946 Bucharest

Romania

Nominated Adviser

Grant Thornton UK LLP

30 Finsbury Square

London, EC2P 2YU

Broker

Panmure Gordon (UK) Limited

One New Change

London, EC4M 9AF

Administrator and Custodian

Sanne Fiduciary Services Limited

13 Castle Street

St Helier

Jersey

JE4 5UT

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DIRECTORS AND COMPANY INFORMATION (continued)

Independent Auditor

Grant Thornton (Cyprus) Ltd
41-49, Agiou Nicolaou St.
Nimeli Court
Block C
Egkomi 2408
PO Box 23907
1687 Nicosia
Cyprus

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ADVISER'S REPORT
For the six months ended 30 June 2017

On 30 June 2017, Reconstruction Capital II Limited ("RC2") had a total unaudited net asset value ("NAV") of EUR37.5m or EUR0.2563 per share, which represents a 30.2% fall since the beginning of the year. This is due to the repayment of EUR17.0m to shareholders by means of the compulsory redemption of newly-created B Class shares. In the absence of the capital return, the NAV per share would have been EUR0.3723 per share, reflecting a EUR1.8m uplift from the sale of Top Factoring Group.

Over the first half of 2017, RC2 acquired 1.1m of its own shares, bringing its total shares in issue to 146.5m.

As at 30 June 2017, RC2 had cash and cash equivalents of approximately EUR3.1m. RC2 Cyprus Limited, a wholly owned subsidiary of RC2, had cash and cash equivalents of EUR2.4m. RC2 had sundry liabilities of EUR0.3m.

Private Equity Programme

In the first half of 2017, RC2 sold its 93% shareholding in Top Factoring SRL, and Glasro Holdings Limited ("Glasro"), RC2's wholly-owned subsidiary, disposed of the whole of its non-performing loan book, for a total consideration of approximately EUR13.1m. In April, Glasro used EUR2.7m of the exit proceeds to make an investment in Telecredit S.A., a Romanian non-banking financial institution that provides consumer loans to individuals. In May, Glasro also distributed dividends of EUR3.5m to RC2.

In May, Policolor signed an agreement for the sale of its main Bucharest site (where its current Romanian production plant is located) to a Romanian real estate development company for a total consideration of EUR22m, of which EUR11.4m was received by the end of June, when Policolor delivered approximately half the site to the buyer, leaving a total of EUR0.7m as advance payments for the second half, which is due to be sold in 2019, when the balance of EUR9.9m should be cashed.

Operationally, the Policolor Group had a decent first half of the year, both in terms of sales and operating profitability, with operating revenues up 9.4% year-on-year from EUR30.0m to EUR32.9m, whilst EBITDA of EUR1.8m was better than the EUR1.0m recorded over the same period of the previous year.

The investments held under the Private Equity Programme had a fair value of EUR32.7m as at 30 June 2017, reflecting a 9.28% decrease over the semester mainly due to the sale of the holding in Top Factoring SRL.

Trading Programme

RC2 sold down part of its listed equities portfolio held under the Trading Programme during the first half of the year, generating cash proceeds of EUR0.1m. As at 30 June 2017, the portfolio was valued at EUR0.1m. The investments held under the Trading Programme are entirely in Romanian equities.

New Europe Capital SRL

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STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2017

	Notes	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Revenue				
Movement in revaluation of financial assets at fair value through profit or loss		(4,011,373)	(825,499)	4,699,325
Interest income		2,146,080	2,958,759	5,854,313
Dividend income	3	3,500,000	2,000,000	2,000,000
Other income		-	12,103	11,347
Total revenue		1,634,707	4,145,363	12,564,985
Expenses				
Operating expenses	4	(1,096,874)	(561,241)	(1,230,810)
Financial expenses		(200)	(525,757)	(775,195)
Total expenses		(1,097,074)	(1,086,998)	(2,006,005)
Profit for the period/year		537,633	3,058,365	10,558,980
Other comprehensive income		-	-	-
Total comprehensive income for the period/year		537,633	3,058,365	10,558,980
Earnings Per Share attributable to the owners of the Company				
	13			
Basic undiluted earnings per share		0.0037	0.0314	0.0971
Fully diluted earnings per share		0.0037	0.0224	0.0971

The notes on pages 9 to 18 form an integral part of these interim unaudited financial statements.

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STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	7	34,804,972	47,989,887	36,300,265
Total non-current assets		34,804,972	47,989,887	36,300,265
Current assets				
Trade and other receivables	8	50,564	30,097	17,791
Cash and cash equivalents		3,028,792	352,527	18,004,241
Total current assets		3,079,356	382,624	18,022,032
TOTAL ASSETS		37,884,328	48,372,511	54,322,297
LIABILITIES				
Current liabilities				
Trade and other payables	9	335,779	190,128	138,006
Non-current liabilities				
Convertible loan notes	10	-	9,459,742	-
Total non-current liabilities		-	9,459,742	-
TOTAL LIABILITIES		335,779	9,649,870	138,006
NET ASSETS		37,548,549	38,722,641	54,184,291
EQUITY ATTRIBUTABLE TO OWNERS				
Share capital		1,465,223	919,378	1,476,223
Share premium		110,829,614	119,958,354	127,991,989
Equity component of convertible loan notes		-	629,445	-
Retained deficit		(74,746,288)	(82,784,536)	(75,283,921)
TOTAL EQUITY		37,548,549	38,722,641	54,184,291

The notes on pages 9 to 18 form an integral part of these interim unaudited financial statements.

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STATEMENT OF FINANCIAL POSITION (continued)
As at 30 June 2017

	Notes	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Net Asset Value per share				
Basic undiluted net asset value per share	12	0.2563	0.4212	0.3670
Fully diluted net asset value per share		0.2563	0.3118	0.3670

The notes on pages 9 to 18 form an integral part of these interim unaudited financial statements.

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STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2017

	Share capital EUR	Share premium EUR	Retained (deficit)/ earnings EUR	Equity component of loan notes EUR	Total EUR
Balance at 1 January 2016	1,000,000	121,570,802	(85,842,901)	629,445	37,357,346
Profit for the period	-	-	3,058,365	-	3,058,365
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	3,058,365	-	3,058,365
Repurchase and cancellation of own shares	(80,622)	(1,612,448)	-	-	(1,693,070)
Transactions with owners	(80,622)	(1,612,448)	-	-	(1,693,070)
Balance at 30 June 2016	919,378	119,958,354	(82,784,536)	629,445	38,722,641
Profit for the period	-	-	7,500,615	-	7,500,615
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	7,500,615	-	7,500,615
Conversion of loan notes	626,145	9,711,114	-	(629,445)	9,707,814
Repurchase and cancellation of own shares	(69,300)	(1,677,479)	-	-	(1,746,779)
Transactions with owners	556,845	8,033,635	-	(629,445)	7,961,035
Balance at 31 December 2016	1,476,223	127,991,989	(75,283,921)	-	54,184,291
Profit for the period	-	-	537,633	-	537,633
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	537,633	-	537,633
Issue of B shares	16,997,375	(16,997,375)	-	-	-
Redemption of B shares	(16,997,375)	-	-	-	(16,997,375)
Repurchase and cancellation of own shares	(11,000)	(165,000)	-	-	(176,000)
Transactions with owners	(11,000)	(17,162,375)	-	-	(17,173,375)
Balance at 30 June 2017	1,465,223	110,829,614	(74,746,288)	-	37,548,549

The notes on pages 9 to 18 form an integral part of these interim unaudited financial statements.

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CASH FLOW STATEMENT
For the six months ended 30 June 2017

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Cash flows from operating activities			
Profit/(loss) before taxation	537,633	3,058,365	10,558,980
<i>Adjustments for:</i>			
Movement in revaluation of financial assets at fair value through profit or loss	4,011,373	825,499	(4,699,325)
Interest income	(2,146,080)	(2,958,759)	(5,854,313)
Financial expenses	-	525,698	775,152
Dividend income	(3,500,000)	(2,000,000)	(2,000,000)
Net loss on foreign exchange	200	59	43
Net cash outflow before changes in working capital	(1,096,874)	(549,138)	(1,219,463)
(Increase)/decrease in trade and other receivables	(32,773)	7,365	19,671
Increase in trade and other payables	43,377	67,067	14,945
Purchase of financial assets	(370,000)	(2,710)	(2,710)
Disposals and repayments of financial assets	-	300,000	20,410,000
Dividends received	3,500,000	2,000,000	2,000,000
Net cash generated by operating activities	2,043,730	1,822,584	21,222,443
Cash flows from financing activities			
Payments to purchase own shares	(176,000)	(1,693,070)	(3,439,849)
Redemptions of B shares	(16,842,979)	-	-
Loans received from subsidiaries	-	-	200,000
Repayment of loans from subsidiaries	-	(40,000)	(240,000)
Interest paid	-	(6,647)	(8,029)
Net cash flow generated from financing activities	(17,018,979)	(1,739,717)	(3,487,878)
Net increase in cash and cash equivalents before currency adjustment	(14,975,249)	82,867	17,734,565
Effects of exchange rate differences on cash and cash equivalents	(200)	(59)	(43)
Net increase in cash and cash equivalents after currency adjustment	(14,975,449)	82,808	17,734,522
Cash and cash equivalents at the beginning of the period/year	18,004,241	269,719	269,719
Cash and cash equivalents at the end of the period/year	3,028,792	352,527	18,004,241

The notes on pages 9 to 18 form an integral part of these interim unaudited financial statements.

RECONSTRUCTION CAPITAL II LIMITED
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NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS
For the six months ended 30 June 2017

1. Establishment

Reconstruction Capital II Limited (the "Company") was incorporated on 17 October 2005 in the Cayman Islands as a tax exempt company created to invest in private and listed equity and fixed income securities, including convertible and other mezzanine instruments, primarily in Romania, Bulgaria and Serbia. The Company was admitted to trading on AIM on 23 December 2005 and started trading on 27 January 2006. These financial statements show the results of the Company for the period from 1 January 2017 to 30 June 2017.

The Company generates returns for its Shareholders through two primary routes: by achieving medium and long term capital appreciation through the investment in and subsequent disposal of significant or controlling stakes in companies, both listed and private, established and/or operating primarily in Romania, Serbia and Bulgaria (the Private Equity Programme), and by making portfolio investments in listed equities and fixed income securities, including convertible and other mezzanine instruments, issued primarily by Romanian, Serbian and Bulgarian entities (the Trading Programme) through its subsidiary, RC2 (Cyprus) Limited.

Change of investment objective and policy of the Company

Following the annual general meeting of the Company on 14 December 2012, the investment objective and policy of the Company was amended such that no new investments will be made. Further investments into existing portfolio companies are permitted in certain circumstances pending their realisation and, following each realisation, all proceeds will be returned to the Shareholders after paying outstanding liabilities and setting aside a sufficient amount for working capital purposes.

2. Principal accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), adopted for use in the European Union in accordance with Art. 3 of the IAS Regulation (EC) No. 1606/2002. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss and under the going concern basis.

Following the annual general meeting of the Company on 22 December 2016, the life of the Company was extended for at least two years. A further extension will be discussed at the annual general meeting in 2018.

The Directors have reasonable expectations and are satisfied that the Company has adequate resources to continue its operations and meet its commitments for the foreseeable future and they continue to adopt the going concern basis for the preparation of the financial statements.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies.

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NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2017

2. Principal accounting policies (continued)

2.1 Basis of preparation (continued)

The financial information for the six months ended 30 June 2017 and the six months ended 30 June 2016 is unaudited and does not constitute the Company's statutory financial statements for those periods. The comparative financial information for the full year ended 31 December 2016 has, however, been derived from the audited statutory financial statements for that period.

The half-yearly report has been prepared in accordance with the recognition and measurement principles of IFRS, as issued by the International Accounting Standards Board ("IASB"), using accounting policies that are expected to be applied during the financial year ended 31 December 2017.

The Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing these interim financial statements.

3. Dividend income

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Glasro Holdings Limited	3,500,000	2,000,000	2,000,000

4. Operating expenses

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Advisory fees	438,936	388,039	847,517
Merger and acquisition fees	460,013	21,756	68,207
Legal and professional fees	97,823	55,736	109,287
Administration and custodian fees	45,210	39,705	92,649
Directors' fees	32,233	32,411	65,000
Audit fees	11,750	11,938	23,688
Insurance premium	4,112	4,112	8,224
Bank charges	2,343	1,924	3,707
Other expenses	4,454	5,620	12,531
	1,096,874	561,241	1,230,810

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5. Subsidiaries

The following subsidiaries of the Company are exempt from consolidation under the requirements of IFRS 10 on consolidation for investment entities:

	Country of incorporation	Proportion of ownership interest		
		30 June 2017	30 June 2016	31 December 2016
Holding company: Reconstruction Capital II Limited				
RC2 (Cyprus) Limited	Cyprus	100%	100%	100%
Glasro Holdings Limited	Cyprus	100%	100%	100%
Holding company: RC2 (Cyprus) Limited				
Top Factoring SRL	Romania	-	92%	92%
Mamaia Resort Hotels SRL	Romania	63%	63%	63%
Klas DOO	Serbia	52%	52%	52%

6. Associates

The following associates of the Company are held through RC2 (Cyprus) Limited:

	Country of incorporation	Proportion of ownership interest		
		30 June 2017	30 June 2016	31 December 2016
S.C. Policolor SA	Romania	40%	40%	40%
S.C. Albalact SA	Romania	-	25%	-

7. Financial assets at fair value through profit or loss

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Non-current investments			
Investments in subsidiaries	7,941,853	2,995,164	7,969,270
Loan receivable	26,863,119	44,994,723	28,330,995
	34,804,972	47,989,887	36,300,265
	34,804,972	47,989,887	36,300,265

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For the six months ended 30 June 2017

7. Financial assets at fair value through profit or loss (continued)

7.1 Investments in subsidiaries

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Cost	76,534,050	76,534,050	76,534,050
Unrealised loss on investments	(68,592,197)	(73,538,886)	(68,564,780)
Fair value of non-current investments	7,941,853	2,995,164	7,969,270

Included in investments in subsidiaries is an equity investment in RC2 (Cyprus) Limited, a wholly-owned subsidiary of the Company, with a fair value of EUR nil at the period end (30 June 2016: EUR nil).

7.2 Loan receivable at fair value through profit or loss

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Loan to unconsolidated subsidiary	26,863,119	44,994,723	28,330,995
Amounts due for settlement within 12 months	26,863,119	44,994,723	-
Amounts due for settlement after more than 12 months	-	-	28,330,995

Included in the balance of loan to unconsolidated subsidiary is a loan to RC2 (Cyprus) Limited, which bears interest of 8% per annum on the outstanding principal. The loan was repayable on demand, however on 26 May 2017, and effective from 31 December 2016, the Company signed an addendum to the loan agreement with RC2 (Cyprus) Limited, whereby the Company will not impose the repayment of the outstanding amount or part of the outstanding amount until 31 December 2017.

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7. Financial assets at fair value through profit or loss (continued)

7.2 Loan receivable at fair value through profit or loss (continued)

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Changes in loan receivable			
Opening balance	28,330,995	41,158,753	41,158,753
Loan amounts granted	370,000	2,711	2,711
Loan repayments	-	(300,000)	(20,410,000)
Interest income	2,146,080	2,958,759	5,854,312
Fair value gain/(loss) on loan receivable	(3,983,956)	1,174,500	1,725,219
	<u>26,863,119</u>	<u>44,994,723</u>	<u>28,330,995</u>

8. Trade and other receivables

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Trade and other receivables	-	19,656	478
Prepayments	50,564	10,441	17,313
	<u>50,564</u>	<u>30,097</u>	<u>17,791</u>

9. Trade and other payables

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Advisory fees	136,838	125,183	93,904
Directors' fees and expenses	-	32,411	-
Administration fees	18,316	18,552	28,386
Other payables and accruals	180,625	13,982	15,716
	<u>335,779</u>	<u>190,128</u>	<u>138,006</u>

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10. Borrowings

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Secured and unsecured borrowing at amortised cost			
Convertible loan notes	-	9,459,742	-
Loans from other related parties	-	-	-
	<u>-</u>	<u>9,459,742</u>	<u>-</u>
Amounts due for settlement within 12 months	-	-	-
Amounts due for settlement between 12 and 24 months	-	9,459,742	-
	<u>-</u>	<u>9,459,742</u>	<u>-</u>
Changes in borrowings			
Opening balance	-	8,980,691	8,980,691
Proceeds from new loans	-	-	200,000
Repayments	-	(46,490)	(248,029)
Interest charge	-	525,541	775,152
Conversion of loan to equity	-	-	(9,707,814)
	<u>-</u>	<u>9,459,742</u>	<u>-</u>

11. Transactions with owners

On 13 June 2017, the Company purchased 1,110,000 of its own shares for a consideration of EUR176,000. The shares were subsequently cancelled.

12. Net Asset Value

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Net assets	37,548,549	38,722,641	54,184,291
Closing number of shares (undiluted)	<u>146,522,267</u>	<u>91,937,767</u>	<u>147,622,267</u>
Net asset value per share (undiluted)	<u>0.2563</u>	<u>0.4212</u>	<u>0.3670</u>

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12. Net Asset Value (continued)

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Net assets	37,548,549	38,722,641	54,184,291
Adjustments for:			
Convertible loan notes	-	7,820,554	-
Convertible loan notes accrued interest	-	1,639,188	-
Net assets (adjusted)	<u>37,548,549</u>	<u>48,182,383</u>	<u>54,184,291</u>
Number of shares (undiluted)	146,522,267	91,937,767	147,622,267
Shares from conversion of convertible loan notes	-	62,614,500	-
Closing number of shares (fully diluted)	<u>146,522,267</u>	<u>154,552,267</u>	<u>147,622,267</u>
Net asset value per share (fully diluted)	<u>0.2563</u>	<u>0.3118</u>	<u>0.3670</u>

13. Earnings per share

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Earnings			
Earnings for the purposes of basic earnings per share, being net profit attributable to owners of the Company	<u>537,633</u>	<u>3,058,365</u>	<u>10,558,980</u>
Number of shares			
Weighted average number of shares for the purposes of basic undiluted earnings per share	<u>147,255,601</u>	<u>97,312,589</u>	<u>108,766,919</u>
Basic undiluted earnings per share	<u><u>0.0037</u></u>	<u><u>0.0314</u></u>	<u><u>0.0971</u></u>

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13. Earnings per share (continued)

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Earnings			
Earnings for the purposes of basic earnings per share, being net profit attributable to owners of the Company	537,633	3,058,365	10,558,980
Adjustment for effective interest on convertible loan notes	-	525,541	-
	<u>537,633</u>	<u>3,583,906</u>	<u>10,558,980</u>
Earnings for the purposes of diluted earnings per share, being net profit attributable to owners of the Company after adjusting for effective interest on convertible loan notes	<u>537,633</u>	<u>3,583,906</u>	<u>10,558,980</u>
Number of shares			
Weighted average number of shares based on full conversion of loan notes with a value of EUR8,450,000 at a rate of 7.41 new ordinary shares for EUR1 of convertible loan note principal	-	62,614,500	-
Weighted average number of shares for the purposes of fully diluted earnings per share	<u>147,255,601</u>	<u>159,927,089</u>	<u>108,766,919</u>
Fully diluted earnings per share	<u><u>0.0037</u></u>	<u><u>0.0224</u></u>	<u><u>0.0971</u></u>

14. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

14.1 Key management compensation

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Advisory fees	438,936	388,039	847,517
Directors' fees	32,233	32,411	65,000
	<u>471,169</u>	<u>420,450</u>	<u>912,517</u>

RECONSTRUCTION CAPITAL II LIMITED
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NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2017

14. Related party transactions (continued)

14.1 Key management compensation (continued)

a. Advisory fees

New Europe Capital SRL is the Adviser to the Company. The advisory fees are accrued and are payable monthly in arrears. Total advisory fees for the period amounted to EUR438,936 (30 June 2016: EUR388,039). Total fees outstanding as at 30 June 2017 were EUR136,838 (30 June 2016: EUR125,183).

Advisory fees which are unpaid for over a month attract an interest of 10% (2016: 10%) on the entire balance. No interest has been charged during the period to 30 June 2017 (30 June 2016: EUR nil).

b. Directors' fees

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Markus Winkler	9,918	9,973	20,000
Dirk Van den Broeck	12,397	12,465	25,000
Mihai Rădoi	9,918	9,973	20,000
	32,233	32,411	65,000
	32,233	32,411	65,000

14.2 Trade and other payables to related parties

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Advisory fees	136,838	125,183	93,904
Directors' fees and expenses	-	32,411	-
	136,838	157,594	93,904
	136,838	157,594	93,904

14.3 Dividend income from subsidiaries (note 3)

	30 June 2017 EUR Unaudited	30 June 2016 EUR Unaudited	31 December 2016 EUR Audited
Glasro Holdings Limited	3,500,000	2,000,000	2,000,000
	3,500,000	2,000,000	2,000,000

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14. Related party transactions (continued)

14.4 Loan to unconsolidated subsidiary

The details of the loan to RC2 (Cyprus) Limited are disclosed in note 7.

15. Events after the reporting period

There have been no material events after the reporting date.