



# OLTCHIM

In reorganizare judiciara

In judicial reorganisation

En redressement



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Nr. inregistrare Registrul Cometului: J/38/219/18.04.1991

Cod unic de inregistrare: RO 1475261

Registration no:5237/11.05.2018

## Quarterly Report prepared in accordance with Article 113 C of NSC Regulation No.1/2006

Date of Report: 11.05.2018

Name of the company: Oltchim S.A. Rm. Vâlcea

The company headquarters: Rm. Vâlcea, 1 Uzinei str.

Fax: 0250/735030; telephone: 0250/701200

VAT no.: RO1475261

Trade Register no.: J38/219/1991

European Unique Identifier (EUID): ROONRCJ38/219/1991

LEI Code: 254900KXPD2OOC2LLX56

Capital subscribed and paid: 34,321,138.30 lei

The regulated market where the shares are traded: BSE, symbol OLT, Standard Category

## Economic&financial indicators listed in Annex 30B of NSC Regulation No.1/2006

Indicators	Calculation Formula	31.03.2018	31.03.2017
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.19	0.58
Debt ratio	$\frac{\text{Borrowed capital}}{\text{Equity}} \times 100$	negative	negative
Days Sales Outstanding	$\frac{\text{Accounts receivable}}{\text{Turnover}} \times 90$	16 days	16 days
Fixed assets turnover ratio	$\frac{\text{Turnover}}{\text{Fixed assets}}$	0.35	0.25

Attached to this report are the unconsolidated financial statements and related explanatory notes, prepared in accordance with the International Financial Reporting Standards (IFRS) as at 31.03.2018, noting that they have not been audited.

Special Administrator  
Stănescu Bogdan

Deputy General Manager  
Victor Avram

Economic Manager  
Smeu Alin

**OLTCHIM S.A. in judicial reorganization**

**UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
MARCH 31, 2018**

**PREPARED IN ACCORDANCE WITH  
INTERNATIONAL FINANCIAL REPORTING STANDARDS  
ADOPTED BY THE EUROPEAN UNION ACCORDING  
TO THE PUBLIC FINANCE MINISTRY ORDER NO. 2844/2016**

**AS SUBSEQUENTLY AMENDED**

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**Statement of financial position for the period ended March 31, 2018**  
**(All amounts are expressed in LEI, unless otherwise stated)**

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible fixed assets	839,257,454	850,897,654
Investment property	3,567,368	3,584,504
Intangible fixed assets	1,236,031	1,328,788
Financial assets	19,904	19,904
<b>Total fixed assets</b>	<b>844,080,757</b>	<b>855,830,850</b>
<b>Current assets</b>		
Inventories	61,274,025	72,908,718
Trade receivables	43,142,721	59,397,753
Taxes receivables	10,175,524	6,864,128
Other assets	10,868,900	10,601,929
Cash and cash equivalents	111,383,678	59,460,109
<b>Total current assets</b>	<b>236,844,848</b>	<b>209,232,637</b>
<b>TOTAL ASSETS</b>	<b>1,080,925,605</b>	<b>1,065,063,487</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	1,018,299,809	1,018,299,809
Reserves	336,270,462	336,801,860
Retained earnings	(1,582,088,169)	(1,628,384,406)
<b>Total equity</b>	<b>(227,517,898)</b>	<b>(273,282,737)</b>
<b>Long term liabilities</b>		
Borrowings	615,689,723	615,689,723
Deferred income	3,228,980	3,436,675
Deferred tax liabilities	51,515,025	51,515,025
Provisions	25,140,916	24,575,550
Other long term liabilities	21,316,447	21,316,447
Trade payables	362,441,809	367,097,853
Fees and taxes liabilities	29,395,768	29,395,768
<b>Total long term liabilities</b>	<b>1,108,728,668</b>	<b>1,113,027,041</b>
<b>Current liabilities</b>		
Trade payables	101,237,061	122,377,867
Fees and taxes liabilities	53,103,118	55,203,553
Other liabilities	45,374,656	47,737,763
<b>Total current liabilities</b>	<b>199,714,835</b>	<b>225,319,183</b>
<b>Total liabilities</b>	<b>1,308,443,503</b>	<b>1,338,346,224</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,080,925,605</b>	<b>1,065,063,487</b>

Special Administrator  
Stanescu Bogdan

Deputy General Manager  
Avram Victor

Economic Manager  
Smeu Alin

**OLTCHIM SA, company in judicial reorganisation**  
**Statement of comprehensive income for the period ended March 31, 2018**

(All amounts are expressed in Lei, unless otherwise stated.)

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Net sales	297,597,298	221,752,966
Income from investments	2,509,852	2,185,656
Other gains or losses	2,459,257	(1,138,522)
Changes in inventories	(13,646,017)	(13,846,353)
Expenses with raw materials and consumables	(121,919,609)	(98,001,929)
Expenses with energy and water	(52,590,194)	(50,889,638)
Depreciation	(23,184,753)	(23,173,216)
Gain / (loss) on impairment of non-current assets	11,352,251	14,154,727
Salary expenses	(27,372,318)	(27,094,113)
Net financing costs	(35,283)	(43,830)
Incomes from subsidies	207,694	208,538
Other expenses	(19,177,294)	(13,883,410)
<b>Profit / (Loss) before taxation</b>	<b>56,200,884</b>	<b>10,230,876</b>
Income tax	(9,870,680)	(2,656,735)
<b>Net Profit / (Loss)</b>	<b>46,330,204</b>	<b>7,574,141</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>46,330,204</b>	<b>7,574,141</b>
<b>Profit / (Loss) per share</b>	<b>0.1350</b>	<b>0.0221</b>
Number of shares	343,211,383	343,211,383

Special Administrator  
Stanescu Bogdan

Deputy General Manager  
Avram Victor

Economic Manager  
Smeu Alin

**NOTES**  
**to the Unconsolidated financial statements for the period ended March 31, 2018**

**NOTE 1. GENERAL INFORMATION AND MAIN ACTIVITIES**

Oltchim S.A. is a Romanian legal person having the legal form of open joint stock company and was established under Law 15/1990 by G.D. no.1213 / 20.11.1990.

Company headquarters is in Romania, in the county of Valcea, Ramnicu Valcea, Uzinei Street no 1.

Main business of the company is the production of organic chemicals.

As of January 30, 2013 insolvency proceedings were initiated for Oltchim SA.

By sentence no. 892 / 22.04.2015 issued in insolvency file no. 887/90/2013 before the Court Valcea, the reorganization plan of the debtor Oltchim SA, proposed by the Consortium of Judicial Administrators, ROMINSOLV SPRL and BDO BUSINESS RESTRUCTURING SPRL, was confirmed.

The sentence is final and irrevocable rejecting as unfounded the appeals brought by Electrica Furnizare SA and by ANAF, this judgment being delivered by the Court of Appeal Pitesti on 24.09.2015. Oltchim SA is in judicial reorganization.

At the Meeting of the Creditors Assembly of 22 August 2016, the extension of the reorganization plan by one another year, respectively until April 2019, was approved.

According to the Reorganization Plan approved by the creditors and confirmed by the syndic judge, on October 17, 2017 the contract for the sale of most of the company's assets on Rm.Valcea site to Chimcomplex Borzesti was concluded.

The sale-purchase contract was approved by the General Meeting of Creditors in December 2017. According to the provisions of the contract, the actual transfer of the assets sold will be done after:

- notice from the Competition Council;
- notice from the Supreme Council of National Defence;
- full price payment.

The company sold chemicals during the first quarter 2018 both on the local market, about 22% of the turnover, and on the international market, about 78% of the turnover.

The integrated environmental quality management system (ISO 9001 and ISO 14001) of Oltchim was recertified in 2017 by TUV Management Service body, the certification being valid until 2020.

**Shareholding structure**

Oltchim is a company listed on the Bucharest Stock Exchange, standard category, OLT symbol. The company's shares have been suspended from trading from the date insolvency proceedings have been opened until the confirmation of the Reorganization Plan proposed by the consortium of judicial administrators, respectively during 30.01.2013 – 29.09.2015. Shares trading resumed on 30.09.2015.

Romanian State, represented by the Ministry of Economy, is the main shareholder. Nominal share capital subscribed and paid up both as at 31 March 2018 and 31 December 2017 is of 34,321,383 lei divided into 343,211,383 shares, each with a nominal value of 0.10 lei. Each share entitles its holder to one vote.

## OLTCHIM SA, company in judicial reorganisation

(All amounts are expressed in LEI, unless otherwise stated)

Shareholding structure is as follows:

Shareholders	April, 16 2018		December 31, 2017	
	Number of shares	%	Number of shares	%
Romanian State, through the Ministry of Economy	188,100,976	54.8062	188,100,976	54.8062
PCC SE	111,005,766	32.3433	111,005,766	32.3433
Natural persons	41,700,064	12.1500	40,452,898	11.7866
Legal persons	2,404,577	0.7006	3,651,743	1.0640
<b>TOTAL</b>	<b>343,211,383</b>	<b>100</b>	<b>343,211,383</b>	<b>100</b>

### The Company business

The Company business includes mainly: production of polyether-polyols, chlor-alkali, oxo-alcohols, other chemicals, including technical assistance services and their trading on domestic and export markets, in accordance with the Company's Articles of Incorporation.

### Management structure

By sentence no. 617 of January 30, 2013 delivered by Vâlcea Courthouse – Second civil division in case no. 887/90/2013 was appointed as judicial administrator, the consortium formed by ROMINSOLV SPRL Bucharest, based in Bucharest, Splaiul Unirii no. 223, 3rd Floor, District 3, number of registration in the Official Record of Insolvency Practitioners 0122/2006, represented by Coordinating Partner Gheorghe Piperea, and BDO BUSINESS RESTRUCTURING S.P.R.L., based in Bucharest, Invingatorilor Str., No. 24 Victory Business Center building, 3rd floor, District 3, number of registration in the Official Record of Insolvency Practitioners 0239/2006, represented by Coordinating Partner Nicolae Bălan.

At the Extraordinary General Assembly of Shareholders of March 14, 2013, the shareholders appointed Mr. Stănescu Nicolae Bogdan Codruț as special administrator of Oltchim SA, in the insolvency proceedings.

As at March 31, 2018, the management of the company is provided by:

Consortium formed by:

- ROMINSOLV S.P.R.L.,  
represented by Coordinating Partner Gheorghe Piperea  
and BDO BUSINESS RESTRUCTURING S.P.R.L.,  
represented by Coordinating Partner Nicolae Balan
  - Stănescu Nicolae Bogdan Codruț
  - Avram Danut Victor
  - Andrei Nicu Laurentiu
  - Spiru-Ciobescu Laurentiu-Armand
  - Neculescu Vasile Sorinel
  - Smeu Alin Ion
  - Munteanu Dana Maria
  - Pirvu Marius\*
- |   |
|---|
| Judicial Administrators                     |
| Special Administrator                       |
| Deputy General Manager                      |
| Production Manager                          |
| Commercial Manager                          |
| Maintenance & Energy Manager                |
| Economic Manager                            |
| Human Resources Manager                     |
| Manager of the Bradu Petrochemical Division |

\*Starting with March 29, 2018, the employment contract of Mr. Marius Pirvu, Manager of the Bradu Petrochemical Division, has been suspended during exerting the position of President of the National Authority for Consumer Protection, according to appointment Decision no.150 of the Prime Minister dated March 28, 2018. During the period the employment contract is suspended, the powers of signing, representation, coordination and management, the duties and responsibilities of this position are delegated to Mr. Dumitru Zdru.

**OLTCHIM SA, company in judicial reorganisation**

(All amounts are expressed in LEI, unless otherwise stated)

**NOTE 2. FIXED ASSETS**

Tangible fixed assets are stated in the „Statement of financial position“ at their costs or revalued amounts, less depreciation and impairment according to IAS 16 „Property, plant and equipment“ si IAS 36 „Impairment of assets“.

The Company's assets were revalued as at December 31, 2017, the financial statements as at March 31, 2018 containing the assets at revalued amounts.

**Fixed assets**

Items of fixed assets	Row no.	Initial balance 31.12.2017	Increases	Decreases		Final balance 31.03.2018
				Total	Of which: dismantling and cassation	
A	B	1	2	3	4	5=1+2-3
<b>I. Intangible fixed assets</b>						
Development costs	01	5,735	0	0	0	5,735
Other intangible fixed assets	02	1,327,605	0	0	0	1,327,605
Exploration for and evaluation of mineral resources	03	0	0	0	0	0
Advance payments for intangible fixed assets	04	0	0	0	0	0
<b>TOTAL (rows 01 to 04)</b>	<b>05</b>	<b>1,333,340</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,333,340</b>
<b>II. Tangible fixed assets</b>						
Land	06	107,087,685	0	654,247	0	106,433,438
Construction	07	269,216,799	15,398,976	140,592	0	284,475,183
Plant and machinery	08	524,836,270	715,153	15,398,976	0	510,152,447
Other facilities, tools and furniture	09	2,698,343	0	0	0	2,698,343
Investment property	10	3,584,504	0	0	0	3,584,504
Exploration for and evaluation of mineral resources	11	0	0	0	0	0
Tangible fixed assets in progress	12	47,852,208	1,944,205	715,153	0	49,081,260
Investment property in progress	13	0	0	0	0	0
Advance payments for tangible fixed assets	14	1,553,617	0	1,068,144	0	485,473
<b>TOTAL (rows 06 to 14)</b>	<b>15</b>	<b>956,829,426</b>	<b>18,058,334</b>	<b>17,977,112</b>	<b>0</b>	<b>956,910,648</b>
<b>III. Biological assets</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV. Financial fixed assets</b>	<b>17</b>	<b>154,419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>154,419</b>
<b>FIXED ASSETS – TOTAL (rows 05+15+16+17)</b>	<b>18</b>	<b>958,317,185</b>	<b>18,058,334</b>	<b>17,977,112</b>	<b>0</b>	<b>958,398,407</b>



**OLTCHIM SA, company in judicial reorganisation**

(All amounts are expressed in LEI, unless otherwise stated)

**Depreciation of fixed assets**

Items of fixed assets	Row no.	Initial balance 31.12.2017	Depreciation 3 months 2018	Depreciation related to written-off fixed assets	Depreciation at the end of the period 31.03.2018
A	B	6	7	8	9=6+7-8
<b>I. Intangible fixed assets</b>					
Development costs	19	0	662	0	662
Other intangible fixed assets	20	495	92,096	0	92,591
Exploration for and evaluation of mineral resources	21	0	0	0	0
<b>TOTAL (rows 19+20+21)</b>	<b>22</b>	<b>495</b>	<b>92,758</b>	<b>0</b>	<b>93,253</b>
<b>II. Tangible fixed assets</b>					
Land	23	0	0	0	0
Construction	24	0	3,807,738	1,186	3,806,552
Plant and machinery	25	0	19,154,610	0	19,154,610
Other facilities, tools and furniture	26	0	112,512	0	112,512
Investment property	27	0	17,135	0	17,135
Exploration for and evaluation of mineral resources	28	0	0	0	0
<b>TOTAL (rows 23 to 28)</b>	<b>29</b>	<b>0</b>	<b>23,091,995</b>	<b>1,186</b>	<b>23,090,809</b>
<b>III. Biological assets</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depreciation – TOTAL (rows 22+29+30)</b>	<b>31</b>	<b>495</b>	<b>23,184,753</b>	<b>1,186</b>	<b>23,184,062</b>

**Adjustments for impairment**

Items of fixed assets	Row no.	Initial balance 31.12.2017	Adjustments made 3 months 2018	Write-back of adjustments	Final balance 31.03.2018
A	B	10	11	12	13=10+11-12
<b>I. Intangible fixed assets</b>					
Development costs	32	0	0	0	0
Other intangible fixed assets	33	4,057	0	0	4,057
Exploration for and evaluation of mineral resources	34	0	0	0	0
<b>TOTAL (rows 32 to 34)</b>	<b>35</b>	<b>4,057</b>	<b>0</b>	<b>0</b>	<b>4,057</b>
<b>II. Tangible fixed assets</b>					
Land	36	3,677,445	0	0	3,677,445
Construction	37	24,674,021	0	634,515	24,039,506
Plant and machinery	38	58,019,952	0	10,713,804	47,306,148
Other facilities, tools and furniture	39	12,599	0	3,933	8,666
Investment property	40	0	0	0	0
Exploration for and evaluation of mineral resources	41	0	0	0	0
Tangible fixed assets in progress	42	15,963,251	0	0	15,963,251
Investment property in progress	43	0	0	0	0
<b>TOTAL (rows 36 to 43)</b>	<b>44</b>	<b>102,347,268</b>	<b>0</b>	<b>11,352,252</b>	<b>90,995,016</b>
<b>III. Biological assets</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV. Financial fixed assets</b>	<b>46</b>	<b>134,515</b>	<b>0</b>	<b>0</b>	<b>134,515</b>
<b>Adjustments for impairment – TOTAL (rows 35+44+45+46)</b>	<b>47</b>	<b>102,485,840</b>	<b>0</b>	<b>11,352,252</b>	<b>91,133,588</b>

**OLTCHIM SA, company in judicial reorganisation**

(All amounts are expressed in LEI, unless otherwise stated)

**NOTE 3. INVENTORIES**

In the „Statement of financial position for the period ended 31.03.2018“, inventories are shown at net realizable value, by deducting impairment, with the following results:

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Finished goods	18,195,458	32,617,695
Raw materials	19,896,547	21,132,862
Materials	8,923,016	8,074,080
Packaging	913,018	1,251,753
Production in progress	175,659	522,010
Semi-finished goods	5,689,201	4,548,019
Merchandise	67,811	65,695
Inventory items	165,757	242,916
Advances paid for inventories	7,247,558	4,453,686
<b>Total</b>	<b>61,274,025</b>	<b>72,908,718</b>

Adjustments for impairment recorded for each category of inventories are as follows:

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Impairment of finished goods	35,949	35,949
Impairment of raw materials	3,294,046	3,532,194
Impairment of materials	42,751,067	42,657,289
Impairment of semi-finished goods	2,674,035	2,794,144
Impairment of packaging	121,078	51,948
Impairment of inventory items	318,868	320,478
<b>Total</b>	<b>49,195,043</b>	<b>49,392,002</b>

**NOTE 4. ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE**

<b>Accounts receivable</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Domestic customers	50,710,172	65,081,942
Foreign customers	49,593,003	53,842,157
Impairment of domestic customers	(31,308,352)	(33,586,714)
Impairment of foreign customers	(25,852,101)	(25,939,632)
Advances paid for services	9,481,434	10,325,173
VAT receivable	9,529,549	5,852,554
Other accounts receivable	2,033,440	1,288,330
<b>TOTAL</b>	<b>64,187,145</b>	<b>76,863,810</b>

**OLTCHIM SA, company in judicial reorganisation**

(All amounts are expressed in LEI, unless otherwise stated)

<b>Accounts payable</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Domestic suppliers	411,315,087	433,870,839
Foreign suppliers	38,640,489	40,258,310
Debt towards AAAS	241,306,731	241,306,731
Loans	374,382,992	374,382,992
Loan interests	23,079,946	23,087,269
Advance payments from customers	13,723,295	15,346,572
Debts on wages	9,625,884	11,973,316
Taxes and fees	82,498,886	84,599,321
Deferred income tax	51,515,025	51,515,025
Provisions for environmental liabilities	15,398,976	15,398,976
Provisions for employee benefits	8,326,277	8,326,277
Provisions for not effected leave	1,382,387	817,021
Other accounts payable	37,247,528	37,463,575
<b>TOTAL</b>	<b>1,308,443,503</b>	<b>1,338,346,224</b>

As at March 31, 2018 Oltchim registered total liabilities in amount of 1,308 million lei, of which:

- 1,007 million lei liabilities registered under the Reorganization Plan;
- 170 million lei net liabilities accrued in insolvency, of which 82 million lei overdue liabilities accrued in the first part of insolvency;
- 32 million lei mutual claims and debts and liabilities to the state budget to be settled with VAT receivable;
- 15 million lei provision for environmental investments under the Integrated Environmental Authorization, to be completed in 2021 and 2022;
- 84 million lei other liabilities, mainly deferred income tax, which is not chargeable.

The income tax related to 2015 in amount of 32 million lei is also included in total liabilities accrued in insolvency, being calculated for the income generated by debt cancellation. Under the Reorganization Plan, this is to be paid within 5 days from receiving the sale price for the asset bundles.

In the first three months of 2018, the company continued to pay in full all current debts at maturity. In addition, it reduced the arrears accrued in the first part of insolvency until the confirmation of the reorganization plan and recorded a decrease in outstanding debts by 15.2 million lei, of which:

- to the state budget, by 12.5 million lei;
- to suppliers, by 2.1 million lei;
- to other creditors, by 0.6 million lei.

Oltchim SA pays taxes and duties related to salaries by offsetting with negative VAT (VAT receivable recorded by the company as at 31.03.2018: 9,529,549 lei).

**OLTCHIM SA, company in judicial reorganisation**

(All amounts are expressed in LEI, unless otherwise stated)

**NOTE 5. TURNOVER REPORTING BY OPERATING SEGMENTS**

The Company includes the following operating segments:

- Inorganic products – chlor-alkali: liquid and solid caustic soda, hydrochloric acid;
- Macromolecular and organic synthesis products: polyether-polyols, propylene-oxide, propylene glycol;
- Oxo-alcohols: octanol, iso-butanol, n-butanol.

**The turnover by types of markets:**

	<u>March 31, 2018 (%)</u>		<u>March 31, 2017 (%)</u>	
Domestic market	66,160,907	22	54,703,234	25
Foreign market	231,436,391	78	167,049,732	75
	<b>297,597,298</b>	<b>100</b>	<b>221,752,966</b>	<b>100</b>

**The turnover by types of products:**

	<u>March 31, 2018 (%)</u>		<u>March 31, 2017 (%)</u>	
Polyether polyols	165,709,261	55.7	132,038,805	59.5
Chlor-alkali	72,010,742	24.2	46,795,952	21.1
Oxo-alcohols	47,509,981	16.0	33,865,951	15.3
Goods (mainly from resale of utilities)	5,653,972	1.9	5,167,975	2.3
Pitesti Petrochemical Division	0	0.0	4,098	0.0
Construction materials	27	0.0	0	0.0
Other	6,713,315	2.3	3,880,184	1.7
<b>Total</b>	<b>297,597,298</b>	<b>100</b>	<b>221,752,966</b>	<b>100</b>

The foreign market was gradually regained, with effect in the increase in turnover, the company proving to be able to deliver products on a constant basis to its partners, on the terms and conditions requested by them.

The turnover from sale of finished goods increased during January – March 2018 as compared with the same period of 2017 by 76 million lei, respectively by 34%, being determined both by the increase in the quantities of goods sold, mainly oxo-alcohols, and the increase in the selling prices, mainly chlor-alkali, as a result of the increase in international quotations.

**NOTE 6. NET SALES**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Income from sale of finished goods	282,445,282	210,436,167
Income from sale of goods	5,653,972	5,167,975
Other income	9,498,044	6,148,824
<b>Total</b>	<b>297,597,298</b>	<b>221,752,966</b>

**OLTCHIM SA, company in judicial reorganisation**

(All amounts are expressed in LEI, unless otherwise stated)

**NOTE 7. OTHER GAINS OR LOSSES**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Rental income	347,438	470,567
Income from services rendered	228,667	164,920
Income from penalties applied	27,601	19,243
Foreign exchange Gain/ (Loss)	(267,935)	(187,481)
Gain / (Loss) on current assets impairment	2,562,850	900,372
Gain / (Loss) on financial assets impairment	-	(108,503)
Gain / (Loss) on discounts	(294,012)	(188,643)
Gain / (Loss) on sale/scrapping of fixed assets	(149,142)	(2,232,287)
Other gains	3,790	23,290
<b>Total</b>	<b><u>2,459,257</u></b>	<b><u>(1,138,522)</u></b>

**NOTE 8. EXPENSES WITH RAW MATERIALS AND CONSUMABLES, ELECTRICITY AND WATER**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Consumed raw materials	111,942,015	90,051,220
Cost of goods sold	4,951,969	4,464,017
Electricity and water	52,590,194	50,889,638
Consumables	5,025,625	3,486,692
<b>Total</b>	<b><u>174,509,803</u></b>	<b><u>148,891,567</u></b>

**NOTE 9. EXPENSES WITH FIXED ASSETS DEPRECIATION AND IMPAIRMENT**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Tangible fixed assets depreciation	23,091,996	23,096,754
Intangible fixed assets depreciation	92,757	76,462
Gain / (Loss) on fixed assets impairment	(11,352,251)	(14,154,727)
<b>Total related to operational assets</b>	<b><u>11,832,502</u></b>	<b><u>9,018,489</u></b>

The impairment gain on fixed assets was driven by the reversal of the provision created in previous years for the non-operational assets for which depreciation was recorded, so the net expense with depreciation and impairment is strictly related to income generating assets.

**OLTCHIM SA, company in judicial reorganisation**

(All amounts are expressed in LEI, unless otherwise stated)

**NOTE 10. NET COST OF FINANCING**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Bank interest charges	-	-
Bank fees and similar charges	35,283	43,830
<b>Total</b>	<b>35,283</b>	<b>43,830</b>

**NOTE 11. OTHER EXPENSES**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Transport and logistics	4,422,543	4,093,413
Other third party services	4,233,583	2,654,643
ABA Olt penalties - excess level of pollutants in waste waters	3,303,680	2,978,728
Cost of receivables	1,920,020	-
Repairs	1,856,047	1,204,961
Penalties and fines	1,533,091	332,161
Taxes and duties	1,440,860	1,351,620
Insurance premiums	69,251	196,204
Travel expenses	61,945	22,501
Postage and telecommunications	46,304	48,191
Protocol expenses	31,960	19,917
Rent expenses	13,145	12,961
Other expenses	244,865	968,110
<b>Total</b>	<b>19,177,294</b>	<b>13,883,410</b>

**NOTE 12. SALARY COSTS**

Personnel costs related to the first quarter I 2018 respectively to the first quarter I 2017:

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Gross salaries and allowances	24,002,740	19,690,015
Company's contribution to social security	1,739,123	5,745,713
Meal tickets	1,630,455	1,658,385
<b>Total</b>	<b>27,372,318</b>	<b>27,094,113</b>

The average number of employees in the first quarter 2018 was of 1,954 compared to 1,944 in the first quarter 2017.

Social security is paid for all employees.

The Company's employees are enrolled into the state pension plan.

**OLTCHIM SA, company in judicial reorganisation**

(All amounts are expressed in LEI, unless otherwise stated)

**NOTE 13. COMPREHENSIVE INCOME**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Gross comprehensive income	56,200,884	10,230,876
Income tax	(9,870,680)	(2,656,735)
<b>Net comprehensive income</b>	<b><u>46,330,204</u></b>	<b><u>7,574,141</u></b>

The economical and financial results recorded by Oltchim SA in the first quarter 2018 confirm the company's ascending evolution and also the successful implementation of the efficient activity measures set out in the Reorganization Plan.

Thus, in the first quarter 2018 the company recorded profit on total activity and better results compared both with the same period of last year, and with the previous quarter.

No.	Indicators	Quarter I 2018 th.lei	Quarter I 2017 th.lei	Differences th.lei	Quarter IV 2017 th.lei	Differences th.lei
0	1	2	3	4 = 2 - 3	5	6=2-5
1	<b>Turnover</b>	<b>297,597</b>	<b>221,753</b>	<b>+75,844</b>	<b>245,200</b>	<b>+52,398</b>
2	<b>Total income</b>	<b>289,779</b>	<b>213,729</b>	<b>+76,050</b>	<b>277,273</b>	<b>+12,506</b>
	- operating income	289,188	212,821	+76,368	276,226	+12,962
	- financial income	591	909	-318	1,047	-456
3	<b>Gross result</b>	<b>56,201</b>	<b>10,231</b>	<b>+45,970</b>	<b>12,138</b>	<b>+44,063</b>
	- operating result	56,677	10,711	+45,966	12,372	+44,304
	- financial result	-476	-480	+4	-234	-242
4	<b>Net result</b>	<b>46,330</b>	<b>7,574</b>	<b>+38,756</b>	<b>7,826</b>	<b>+38,504</b>
5	<b>EBITDA</b>	<b>68,509</b>	<b>19,729</b>	<b>+48,780</b>	<b>36,824</b>	<b>+31,685</b>

The data presented above show an improvement in the first quarter 2018 compared with the first quarter 2017 and with the fourth quarter 2017 for the main economic and financial indicators (turnover, net result, EBITDA), as follows:

- Turnover increased by 76 million lei, respectively by 34% compared with the first quarter 2017, and by 52 million lei, respectively by 21% compared with the fourth quarter 2017;
- The net result increased by 39 million lei, practically representing a sixfold increase, compared both with the first quarter 2017, and with the fourth quarter 2017;
- EBITDA increased by 48,8 million lei (a 3.5-fold increase) compared with the first quarter 2017, and by 31.7 million lei compared with the fourth quarter 2017.

## **OLTCHIM SA, company in judicial reorganisation**

(All amounts are expressed in LEI, unless otherwise stated)

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The structure of the gross result for the first quarter 2018, i.e. profit in amount of 56,201 thousand lei, is as follows:

- Gross profit of 61,477 thousand lei related to the operational assets on the Rm.Valcea site;
- Mothballing costs of 4,346 thousand lei related to the Bradu Petrochemical Division – inoperative;
- Mothballing costs of 930 thousand lei related to the non-operational assets on the Rm.Valcea site

These results were due to:

- further increase in the quantities of finished goods sold, mainly oxo-alcohols;
- increase in the prices of liquid and solid caustic soda determined by the decrease in the European production following the shutdown of the plants operating with mercury technology;
- efficiency measures implemented by the Company, following which the total expenses only increased by 11%, lower than the total income, which increased by 30%.

The Company's good evolution is also reflected in the comparison with the provisions of the Reorganization Plan: the cumulative 35-month EBITDA is higher by 46.6 million euro compared with the one provided in the Reorganization Plan (cumulative 35-month EBITDA – 66.6 million euro, compared with 20.0 million euro – as foreseen in the Plan).

### **NOTE 14. OTHER INFORMATION**

The financial statements as at 31.03.2018 were prepared in accordance with the International Financial Reporting Standards and are unaudited.

For converting into LEI the receivables and liabilities in foreign currencies, the exchange rates as at 31.03.2018, communicated by B.N.R (National Bank of Romania), were used.

The closing price of an OLT share as at 30.03.2018 was of 0.1900 lei, and market capitalization registered on this date was of 65,210,163 lei.

Special Administrator  
Bogdan Stanescu

Deputy General Manager  
Victor Avram

Economic Manager  
Alin Smeu