

06 August 2020

Reconstruction Capital II Limited

Loan Facility

Reconstruction Capital II Limited (the "Company") announces that it has entered into a €1 million unsecured loan facility with Portadrix Investments Limited ("Portadrix") (the "Facility"). Portadrix is beneficially owned by Ion Florescu, a substantial shareholder in the Company.

The Facility is necessary to support the working capital requirements of the Company following a delay in the repayment of €1.5 million of loans due from two of its subsidiaries, Mamaia Resort Hotels SRL and Telecredit IFN S.A., due to these companies not being able to access loans from third-parties which were being arranged when the COVID-19 pandemic struck.

The Facility will carry an interest rate of 5% on all amounts drawn down by the Company, and a loan term of sixteen months. The Company will also pay an arrangement fee to Portadrix of 1% of the total value of the Facility. The Company can draw down under the Facility at any time and is repayable by the Company at the end of the loan term.

By virtue of the direct and indirect shareholdings held by Ion Florescu in the Company and Portadrix the Facility constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. The directors of the Company (other than Zoran Melovski who is also a director of Portadrix Limited), having consulted with the Company's nominated adviser, Grant Thornton UK LLP, consider that the terms of the Facility are fair and reasonable insofar as the Company's shareholders are concerned.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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