

19th September 2024

Reconstruction Capital II Limited

Disposal of 85% shareholding in Telecredit

Reconstruction Capital II Limited ("RC2" or the "Company") announces today that it has agreed to sell, subject to shareholder approval and a number of other conditions precedent, its entire 85% shareholding in Telecredit IFN S.A. ("Telecredit") to PragmaGO for an initial consideration of €5.525 million payable at closing, plus an earn-out payment of between €0.212m and €0.425 million in 2026 if the 2025 net profit (adjusted to strip out various effects resulting from the change of ownership) exceeds €0.72m. From 31 December 2023, RC2's investment in Telecredit is valued at €4.284 million in RC2's Net Asset Value computation.

PragmaGO is a leading non-bank provider of SME financing in Poland which is 92%-owned by the Polish Enterprise Fund VIII, and advised and represented by Enterprise Investors (EI) - the oldest and one of the largest private equity firms in Central and Eastern Europe, with total commitments in excess of €2.5 billion.

Apart from shareholder approval by the Company's Shareholders, closing of the transaction is conditional on a number of factors, including, non-exhaustively, approval of the transaction by Romania's Commission for Examining Foreign Direct Investment, by certain of Telecredit's lenders, and no objection to the transaction from the National Bank of Romania. Bar any unusual event, the Board expects closing of the transaction to take place sometime before the end of November.

After transaction costs, the initial net cash receivable by the Company conditional on the transaction closing is approximately €5.13m.

RC2 is posting a circular to shareholders (the "Circular") in connection with the proposed sale of the shareholding in Telecredit, including a notice for a General Meeting of the Company which is being convened for 10.00 a.m. (GMT) on 14th October 2024, at the offices of Suntera Global Ltd, Peveril Buildings, Peveril Square, Douglas, Isle of Man, IM99 1RZ.

For further information, please contact:

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