

6 April 2022

Restrictive measures of the Council of the European Union and other sanctions against Russia in response to the crisis in Ukraine / War in Ukraine – Economic consequences / risks and uncertainties

Minerva Insurance Company Public Ltd wishes to inform investors that further to the developments to date in relation to the restrictive measures of the Council of the European Union and other sanctions against Russia and the crisis in Ukraine, the Company's business activities have not been affected at this stage.

The geopolitical situation in Eastern Europe culminated on 24 February 2022 with the outbreak of the conflict between Russia and Ukraine. The conflict is growing as military operations continue. In addition to the impact of the events on entities operating in Russia, Ukraine or Belarus or those that maintain business relations with companies in these countries, the conflict affects an increasing number of economies and financial markets worldwide, further worsening the ongoing economic challenges.

The United Nations, the European Union and the United States of America, Switzerland, the United Kingdom and other countries have imposed a series of restrictive measures (sanctions) against the Russian and Belarus governments, various companies and specific individuals. These sanctions include the freezing of assets and bans on the disposal of assets by specific individual and entities. Moreover, the travel restrictions on the individuals who are subject to the sanctions prohibit their entry or movement in the areas concerned. The Republic of Cyprus has imposed the restrictive measures prescribed by the United Nations and the European Union. The rapid deterioration of the conflict in Ukraine may possibly lead to further sanctions in the future.

The increasing uncertainty on the global supply of goods as a result of the conflict between Russia and Ukraine may disrupt certain global trade flows and exert significant pressure for price increases of goods and the cost of inflows, as already noted in the beginning of March 2022. Challenges for companies may include the availability of funds to ensure access to raw materials, the capacity to fund additional payments and increased risk of failure to fulfil contractual obligations.

The consequences on the Company largely depend on the nature and duration of uncertain and unpredictable events, such as further military action, additional restrictive measures and the

response of the global financial markets to the ongoing developments. The economic impact of this crisis on the world economy and business activity in general cannot, at this stage, be assessed with reasonable certainty due to the expansion of the conflict and the high degree of uncertainty arising from the failure to predict the outcome in a reliable manner.

The Company has limited direct exposure to Russia, Ukraine and Belarus and therefore does not expect a significant impact from such direct exposure to these countries. Nonetheless, the conflict is expected to have a negative impact on tourism and the services sector of Cyprus. Moreover, rising energy prices, exchange rate fluctuations, concerns over stock exchange transactions, increased interest rates, disruptions in the supply chain and increasing inflationary trends may indirectly affect the Company's activities. The indirect consequences will depend on the extent and duration of the crisis and remain unknown.

The Management has considered the specific conditions and the risks to which the Company is exposed and has reached the conclusion that there is no significant impact on the Company's profitability. The event is not expected to have a direct, substantial impact on the Company's business activities. The Management will continue to monitor the situation closely and consider, if necessary, the adoption of measures in case the crisis is prolonged.

On 24 March 2022, RCB Bank announced an agreement with the ECB Banking Supervision and has stopped concluding new client relations both for deposits and for loans. Based on a specified timeframe and process, the Bank will terminate all existing client relations. Upon full repayment of all the requests and term deposits, RCB plans to become an asset management company, which will continue to manage its significant loan portfolio and specialise in the provision of other services. On 31 December 2021, the Company's total term deposits with RCB Bank amounted to €308,468. The entire amount was withdrawn in February 2022.

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