Mandatory Disclosure
PUBLIC DISCLOSURE OF INSIDE INFORMATION

30 May 2022, 5:00 PM

MONETA Money Bank, a.s. and PPF Group have agreed to terminate the acquisition process of Air Bank and Home Credit's Czech and Slovak businesses (the transaction)

Today, MONETA Money Bank, a.s. ("MONETA") and PPF Group have signed an agreement to terminate the acquisition process of Air Bank and Home Credit Czech and Slovak businesses (Air Bank Group). The termination comes as a consequence of senior management change in PPF Group and subsequent transaction review conducted by them. Unfortunately, the review resulted in the PPF Group's decision not to pursue the transaction. Management of MONETA continues to believe in strategic merit of the transaction, however, under the current circumstances felt necessary to find amicable solution with the PPF Group.

The termination agreement was signed in accordance with the clause enabling such and due to decrease in prospective dividend capacity of the future combined bank. The Framework Agreement was originally concluded and amended by both parties in May and November 2021. The transaction was approved by MONETA shareholders in December 2021. Furthermore, the agreement set acquisition price for Air Bank Group at CZK 25.9 billion. The acquisition price was to be financed through the capital increase and usage of excess capital of MONETA. The planned capital increase had been designed to raise approximately CZK 21 billion through public offer of 255.5 million of new shares to existing shareholders, during two-round share subscription process. Therefore, the termination effectively discontinues the planned capital increase.

PPF Group initiated the termination and stated number of underlying factors. Worsening macroeconomic environment, negative development of capital markets and overall geopolitical events were provided as key factors related to negative outcome of the overall review of the transaction by PPF Group. These changes according to PPF's view may materially increase risks associated with the acquisition and reduce potential for value creation through merger of the two banks. Additionally, PPF Group expressed concerns over significantly increased cost of financing related to potential assumption of higher stake in MONETA and stated its unwillingness to eventually proceed with the Mandatory Tender Offer under such circumstances.

Furthermore, PPF Group anchored the termination in reduced prospective dividend capacity of the combined bank, namely concerning 2022 and 2023. The reduction of prospective dividend capacity comes as a result of recent decisions by the CNB which increased countercyclical capital buffer from 0.5 per cent to 2.5 per cent for all banks operating in the Czech Republic. Additionally, CNB communicated to both parties Minimum Requirement for Capital and Eligible Liabilities (MREL) requirement for the

prospective combined bank, which differs materially from the originally assumed level. Both changes related to overall capital requirement would reduce prospective dividend capacity of the newly combined bank by more than 60 percent concerning the two years.

On this basis PPF Group assessed the current situation as significantly unfavourable, particularly in relation to the original assumptions and merits of this acquisition. As a result, PPF Group proposed to terminate either on mutual basis or unilaterally due to material adverse change clause as enabled under the Framework Agreement.

Despite these arguments MONETA's management continues to belief in strategic merits of the transaction. However, based upon assessment of its ability to enforce the planned acquisition it agreed to the mutual termination. As part of the termination agreement, the management secured reimbursement of incurred expenses to date related to the transaction in excess of CZK 100 million. Additionally, the termination agreement requires that PPF Group holds its current 29.94 percent stake in MONETA for at least 12 months and does refrain from seeking control through increasing the current ownership stake or decreasing ownership position in MONETA through capital markets. In this respect PPF Group retains the right and ability to potentially sell the stake to strategic investor (qualified financial institution).

Given this development, MONETA's management remains focused on continued execution of its current standalone strategy. The standalone strategy targets to deliver cumulative five-year net profit of CZK 23.7 billion during the period of 2022 until 2026. According to currently valid dividend policy MONETA further envisages 80 percent dividend pay-out. The envisaged shareholder distributions depend amongst other, on MONETA's ability to raise funds to fulfil the MREL requirement through local and international debt markets. These estimates also explicitly assume regulatory approval of such profit distributions.

The below table summarises MONETA's standalone estimated net profit and potential dividend distribution at 80 percent pay-out ratio.

(in CZK)	**2022**	**2023**	**2024**	**2025**	**2026**	**Total**
Net profit	4.4 bilion	4.6 bilion	4.8 bilion	4.9 bilion	5.0 bilion	**23.7 bilion**
Dividend per share	6.8	7.2	7.5	7.6	7.8	**36.9**

Within the context of the above developments, the management wishes to reaffirm MONETA's current market guidance. The Bank's standalone targets fully incorporate newly set capital and MREL requirements. On this basis, the management believes that targets stated in the previously communicated market guidance are achievable and will seek to deliver them to our shareholder base as it has done during previous years.