



**Changes to Capital  
Presentation for Shareholders**

Warsaw, 24 November 2021

## STATUS QUO

- ➔ Getin Holding has been implementing foreign asset sale projects for a long time.
- ➔ The proceeds raised so far have been used to repay practically all of GH's debt and contributed to the accumulation of cash in the Company.
- ➔ At this time, the Company has no outstanding debt and the cash accumulated from the sale of the business in Russia, Romania and Belarus is approximately PLN 215 million as at 31 October 2021.
- ➔ The complicated reputational situation creates an obstacle to operations in regulated business.

## SHARE CAPITAL

- ➔ The share capital of Getin Holding amounts to PLN 759,069,368.00
- ➔ The high level of share capital makes it practically impossible to distribute the accumulated cash from divestments among the shareholders.
- ➔ In the opinion of the Management Board, in the current situation, the company is planning no significant capital-intensive investments and faces no regulatory requirements which would require such significant own funds to be maintained.

## GH Management Board's proposal

- ➔ The Management Board of Getin Holding has requested the Supervisory Board's approval for reducing the share capital and asked for the Supervisory Board's opinion on resolutions of the Extraordinary General Meeting of Shareholders. The Supervisory Board has approved the share capital reduction and issued a positive opinion on the draft resolutions.
- ➔ The proposal is as follows:
  - ➔ **Getin Holding's share capital will be reduced by PLN 740,092,633.80 of which:**
    - **PLN 550,325,291.80** will be reallocated **to supplementary capital.**
    - **PLN 189,767,342.00** originating from completed divestments **will be distributed to the shareholders.**
- ➔ The reallocation of PLN 550,325,291.80 from the reduced share capital to supplementary capital prepares us for the fulfilment of conditions necessary for a potential transfer of the Company's financial surplus to the shareholders in the future. This requires a change to the structure of the Company's own capital, which the Company's General Meeting is competent to approve.

## Implications for the shareholders

**The proposed change will result in the following:**

- ➔ **distribution to the shareholders of PLN 189,767,342.00** of the share capital, i.e., **PLN 1.00 per share.**
- ➔ **reallocation of PLN 550,325,291.80 to supplementary capital** which can be used to cover the Company's future losses.

*While the supplementary capital in part originating from the reduction of share capital cannot as such be distributed to the shareholders, it will make it possible to use in bigger part of the portion of supplementary capital built with earnings of previous years. Thus, the increase of supplementary capital at the expense of share capital will indirectly improve the Company's capacity to pay out dividends.*

- ➔ **reduction of Getin Holding's share capital to PLN 18,976,734.20** vs PLN 759,069,368.00 at present
- ➔ **change of the par value of the shares from PLN 4.00 to PLN 0.10 per share**

## Distribution of accumulated cash to the shareholders

**The proposed changes to capital will prepare us for the fulfilment of conditions necessary for a potential transfer of the Company's financial surplus to the shareholders in the future.**

- ➔ The conditions of dividend payment are set out in Article 348(1) of the Polish Companies Code, which provides that the amount allocated for distribution to shareholders shall not exceed the profit for the most recent financial year increased by undistributed profits from previous years and amounts transferred from supplementary capital and reserves built with earnings which may be allocated for dividend payment. Such amount shall be reduced by uncovered losses, treasury shares and amounts which shall be allocated from profits of the last financial year to supplementary capital or reserves in accordance with the law or the Articles of Association.
- ➔ **According to the Company's estimates**, the amount available for distribution from completed and pending M&A projects could be **approximately PLN 200m, which would imply approximately PLN 1.05 per share.**
- ➔ **Such amounts will be distributed in a process separate from the payment to the shareholders from the share capital reduction currently proposed by the Company in the amount of PLN 189,767,342.00 (i.e., PLN 1.00 per share).**
- ➔ **However, the Management Board cannot at this time make a recommendation as to the amount or form of shareholder distributions.** A proposal in this regard may be presented in the future, not earlier than after the publication of the Company's financial results presented in the 2021 financial statements and taking into account the Company's liabilities and liquidity position.
- ➔ **A potential decision on the distribution to the shareholders of future divestment proceeds, as well as its form, is exclusively for the General Meeting of Getin Holding to make and may be taken only once the Company has the capacity to pay out dividends, which could occur not earlier than in 2023 due to formal and legal issues.**

## Key project milestones

<b>Announcement of the Extraordinary General Meeting and draft resolutions</b>	24 November 2021
<b>Shareholders register for the Extraordinary General Meeting</b>	from 24 November to 6 December 2021
<b>Day of the Extraordinary General Meeting</b>	21 December 2021
<b>Announcement of the decision to reduce share capital is published in <i>Monitor Sądowy i Gospodarczy</i></b>	immediately after the Extraordinary General Meeting
<b>Creditors raise claims which may be satisfied or secured</b>	at least 3 months after the publication in <i>Monitor Sądowy i Gospodarczy</i>
<b>Amendment to the Articles of Association lodged for registration with the National Court Register</b>	after creditors' claims are satisfied or secured but no later than 6 months after the date of the resolution of the Extraordinary General Meeting
<b>Entry in the National Court Register, announcement of the entry is published in <i>Monitor Sądowy i Gospodarczy</i></b>	at the discretion of the Registration Court
<b>The record date for shareholder distributions is set ("Day D")</b>	7 <sup>th</sup> business day after the end of the six-month period following the effective date of the entry in the National Court Register
<b>Distribution of share capital is paid to the shareholders</b>	14 <sup>th</sup> business day after Day D (but no earlier than 6 months after the publication of the entry of the capital reduction in the National Court Register)

## Risks

**The process is subject to risks which, if they materialise, may delay or prevent the objectives.**

- ➔ **The risk of non-completion of M&A projects** may materialise due to the complexity of the asset sale projects, the non-fulfilment of any of the conditions necessary to close the deals, and potential failure to obtain regulatory approvals, which may be beyond the Company's control.
- ➔ **Resolutions of the General Meeting may be challenged by one or more Shareholders**, resulting in court proceedings and the need to examine the effectiveness and legitimacy of such Shareholders' claims.
- ➔ **Creditors may raise claims in creditor notification procedures**, leading to examination of the legitimacy of the claims raised and determining their amount and possibly satisfying or securing the claims, which may affect the feasibility of a share capital reduction.
- ➔ **Other risks not identified by the Company** which may delay the project or prevent it from being completed in whole or in part.

## More information

- ➔ Follow our current reports which are the Company's primary form of communication with the market.
- ➔ Current reports and press releases are published at [www.getin.pl](http://www.getin.pl).
- ➔ We have launched a special section of the Getin Holding corporate portal dedicated to the "Share capital reduction" under the Investor Relations tab
- ➔ The "Share capital reduction" section provides the latest news about the project, Q&As, as well as all details regarding the conditions of registration for the Extraordinary General Meeting, including the current timeline.

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The financial and sales figures contained in this Presentation have been rounded off to PLN million and to one decimal place.