

ABH Holdings S.A. (“ABHH”) ownership of JSC Sense Bank (Ukraine).

Nationalisation:

The draft law of Ukraine on amendments to certain legislative acts of Ukraine concerning improvement of the procedure for withdrawing a bank from the market under conditions of martial law (№9107-1 dated 30.03.2023) was approved by the Verkhovna Rada on 29.05.2023 and has been put forward to the President for signature into law. The proposed nationalisation of JSC Sense Bank (Sense Bank) would be complicated, and poses legal risks for all future investors. We believe that the best outcome would be to leave the bank in private hands by facilitating the sale of Sense Bank shares.

Sale of shares in Sense Bank:

Following Russia’s full-scale invasion of Ukraine, Ukrainian regulators have consistently applied pressure, including utilisation of legislation, to change the ownership structure such that holdings of ultimate sanctioned beneficial owners are reduced below 10% each. In order to meet this requirement, ABHH has agreed a non-binding framework with an international investor for the sale of 75.6% of Sense Bank to the investor. The proposed transaction does not envisage any funds flowing to sanctioned shareholders.

The finalisation of the sale is subject to fulfilling all conditions required by Ukrainian legislation and ensuring that no party violates sanctions legislation in any jurisdiction, including Ukraine. Indeed, the first documents have been submitted by ABHH and the investor to the National Bank of Ukraine (“NBU”), and additional information will be provided in accordance with Ukrainian legislation. We are making every effort to bring the ownership structure in line with Ukrainian legislation and to fully address the concerns of the NBU.

ABHH has received a legal opinion that the company is not prohibited by European Union, United States nor United Kingdom sanctions from transacting with the investor. In accordance with Ukrainian legislation, dealing in the assets of sanctioned persons is prohibited. ABHH recognises that, in order to proceed with the sale, it will be necessary to obtain decisions of the relevant Ukrainian authorities, including decision from the National Security Council of Ukraine and Presidential Decree for an exception to this prohibition, decision of Antimonopoly Committee of Ukraine and National Bank of Ukraine.

ABHH is of the opinion that the potential sale to an experienced and reliable European investor would be aligned with broader Ukrainian interests, especially in the banking sector. Additionally, it would provide a case study on how investments into Ukraine can be made, even in times of war.

There is no intention to circumvent any sanctions legislation, and ABHH will not proceed with the transaction until all relevant permissions have been received and the abovementioned matters resolved.