

For Immediate Release

Statement of the Ad Hoc Bondholder Committee of the Federal Democratic Republic of Ethiopia's 6.625% Notes due 2024

5 January 2026

The Ethiopia Ad Hoc Bondholder Committee (the “**Committee**”), comprised of leading international financial institutions based in the United States and Europe, announces that it has reached agreement-in-principle (“**AIP**”) with the Federal Democratic Republic of Ethiopia (“**Ethiopia**”) on the principal financial terms of a restructuring on the 6.625% Notes due 2024 (the “**2024 Notes**”), following the conclusion of the most recent restricted discussions on 2 January 2026.

The proposed restructuring terms build upon the framework negotiated in October 2025, during which the Committee made considerable efforts to advance a viable agreement. The Committee and Ethiopia's continued efforts have now resulted in agreement on the principal financial terms.

Details of the AIP are available in Ethiopia's [press release](#). The terms of the AIP provide for a new \$850 million bond maturing in July 2029 (the “**New Bond**”), which includes a downwards adjustment mechanism relevant to the final amortisation payment of the New Bond and a separate value recovery instrument (“**VRI**”), which provides potential upside to bondholders. These contingent features are both linked to Ethiopia's exports of goods performance, as projected under the International Monetary Fund's (“**IMF**”) Third Review of Ethiopia's Extended Credit Facility (“**ECF**”). The AIP seeks to support Ethiopia's economic recovery by providing significant cash flow and upfront debt stock relief in the context of the IMF-financed programme.

The Committee believes that the financial terms set out in the AIP are compatible with Ethiopia's IMF ECF programme and also meet the Official Creditor Committee's comparability of treatment requirements. The Committee will continue to work with Ethiopia and its advisors to reach agreement on non-financial terms of the new instruments.

The Committee encourages all holders of the 2024 Notes to carefully consider the terms of Ethiopia's prospective offer in relation to the AIP and to make their own independent appraisal of the merits and risks of participation.

Questions can be directed to:

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