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22 July 2024

Press Release – For Immediate Release

**Ukraine reaches agreement in principle with Ad Hoc Creditor Committee on Debt Restructuring
Terms**

Kyiv, Ukraine: The Government of Ukraine (“**Ukraine**”), advised by Rothschild & Co and White & Case LLP as financial and legal advisors, respectively, is pleased to announce that following private discussions between July 12 and July 19 2024 with members of the ad hoc creditor committee (the “**Committee**”), advised by PJT Partners Limited and Weil, Gotshal & Manges (London) LLP, it has reached agreement in principle with the Committee on the key financial and non-financial terms of a proposed restructuring transaction (the “**Restructuring**”) in relation to Ukraine’s thirteen series of outstanding Eurobonds (the “**Eurobonds**”) listed in Annex A. Ukraine also discussed the agreement in principle reached with the Committee with a limited number of additional investors (the “**Investors**”) who indicated their support. The Committee and the Investors consist of a number of major institutional asset managers and other long-term investors in Ukraine representing around 25% of the outstanding amount of Ukraine’s Eurobonds.

The agreement has been confirmed by the IMF staff as compatible with the debt sustainability objectives of Ukraine’s Extended Fund Facility (“**EFF**”), under the baseline macroeconomic framework of the fourth review dated 28 June 2024, taking into consideration the authorities’ overall restructuring strategy. The agreement has also been endorsed by the Group of Creditors of Ukraine.

The financial and non-financial terms of the agreement in principle are detailed in Annex B and Annex C, respectively.

Ukraine intends to launch the Restructuring as soon as practicable, which will be implemented through an exchange offer and consent solicitation, whereby each series of Eurobonds will be exchanged for a package of new bonds consisting of one or more of A Bonds and B Bonds, as further detailed in Annex B and Annex C.

Ukraine intends to also restructure the outstanding eurobonds issued by the State Agency for Restoration and Development of Infrastructure (“**Ukravtodor**” and the “**Ukravtodor Eurobonds**”), also listed in Annex A. The restructuring of the Ukravtodor Eurobonds will be on the same terms as the Restructuring.

This announcement is made by the Government and constitutes a public disclosure of inside information under Regulation (EU) 596/2014 (16 April 2014).

Annex A

Eurobonds

Instrument	Coupon	Maturity
USD 912 m 7.75% notes	7.75%	Sep-24
USD 1.355bn 7.75% notes	7.75%	Sep-25
USD 750m 8.994% notes	8.994%	Feb-26
USD 1.34bn 7.75% notes	7.75%	Sep-26
USD 1.33bn 7.75% notes	7.75%	Sep-27
EUR 1bn 6.75% notes	6.75%	Jun-28
USD 1.32bn 7.75% notes	7.75%	Sep-28
USD 1.31bn 7.75% notes	7.75%	Sep-29
USD 1.6bn 9.75% notes	9.75%	Nov-30
USD 1.75bn 6.876% notes	6.876%	May-31
EUR 1.25bn 4.375% notes	4.375%	Jan-32
USD 3bn 7.375% notes	7.375%	Sep-34
USD 2.6bn 7.253% notes	7.253%	Mar-35

State Agency for Restoration and Development of Infrastructure (“Ukravtodor”) Eurobonds

USD 700m 6.25% notes	6.25%	2030
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Annex B

Principal Financial Terms *(applicable to the Eurobonds and the Ukravtodor Eurobonds)*

Consent Fee	<p>Only those bondholders who tender their Eurobonds in the exchange offer on or before the early consent deadline shall be entitled to receive the Consent Fee. Early Consent Deadline to be agreed.</p> <p>Consent fee shall be calculated as 1.25% of the outstanding principal amount of Eurobonds calculated on a per note basis of Eurobonds that are exchanged. Shall be payable to eligible bondholders in cash in USD¹ on the date of the settlement of the exchange.</p>
Bond A	<ul style="list-style-type: none">• Principal: 40% of outstanding principal amount of Eurobonds plus past due and accrued interest up to 1 August 2024 (“Aggregate Bond A”)• Currency: USD¹• Coupon Structure:<ul style="list-style-type: none">○ Coupons to start accruing from 1 August 2024 and to be paid in cash semi-annually in arrears on 1 February and 1 August○ Payment dates on or before 1 August 2025: 1.75% p.a.○ Payment dates from 1 February 2026 to 1 February 2027: 4.5% p.a.○ Payment dates from 1 August 2027 to 1 August 2033: 6% p.a.○ Payment dates from 1 February 2034 onwards: 7.75% p.a. <p>Bond A series as a percentage of Aggregate Bond A</p> <ul style="list-style-type: none">• Series due 1 February 2029 : 12.5%• Series due 1 February 2034: 32.5%• Series due 1 February 2035: 30%• Series due 1 February 2036: 25%
Bond B	<ul style="list-style-type: none">• Principal: 23% of outstanding principal amount of Eurobonds plus past due and accrued interest up to and including 1 August 2024 (“Aggregate Bond B”)• Currency: USD¹• Coupon Structure:<ul style="list-style-type: none">○ Coupons to start accruing from 1 August 2024 and to be paid in cash semi-annually in arrears on 1 February and 1 August○ Payment dates on or before 1 February 2027: nil

¹ Euro-denominated Eurobonds to be converted in USD using the average USD/EUR exchange rate for the 30-day period prior to 1 August 2024

	<ul style="list-style-type: none"> ○ Payment dates from 1 August 2027 to 1 August 2033: 3% ○ Payment dates from 1 February 2034 onwards: 7.75% <p>Bond B Series as a percentage of Aggregate Bond B</p> <ul style="list-style-type: none"> ● Series due 1 February 2030: 9.5% ● Series due 1 February 2034: 35.5% ● Series due 1 February 2035: 30% ● Series due 1 February 2036: 25% <p>Non-consenting holders would not receive series 2035 and 2036, and unissued additional Bond Bs would not be reallocated to consenting holders</p>
<p>Contingent Bonds B</p>	<ul style="list-style-type: none"> ● Additional Bond B principal (2035 and 2036 series above) to be issued by Ukraine as set out below on the Principal Increase Date if the Principal Increase Condition has been met. ● Principal Increase Date: 15 November 2029 ● Principal Increase Condition: FY 2028 nominal GDP is at least 3% above FY 2028 nominal GDP projected by the IMF under the Baseline Scenario under the Fourth Review of the extended arrangement under the Extended Fund Facility for Ukraine dated 28 June 2024, AND, FY 2028 real GDP is at least equal to FY 2028 real GDP projected by the IMF under the Baseline Scenario under the Fourth Review of the extended arrangement under the Extended Fund Facility for Ukraine dated 28 June 2024 ● Principal Increase Amount: <ul style="list-style-type: none"> ○ Up to an additional 12% of outstanding principal amount of Eurobonds plus past due and accrued interest up to 1 August 2024 to be issued as additional Bond B ○ Maximum issuance of the full 12% under scenarios where FY 2028 nominal GDP outperforms IMF Baseline by 7.5% or more (in the scenario where 2028 UAH/USD FX rate materializes as forecasted by the IMF under the Baseline Scenario under the Fourth Review of the extended arrangement under the Extended Fund Facility for Ukraine dated 28 June 2024) ● Principal Increase Amount calculation: (2028A nominal GDP in UAH – 2028 Projected Nominal GDP in UAH * 1.03) * 27.87% / Average 2028 UAH /USD FX rate ● Source : IMF October 2029 World Economic Outlook

Annex C

Principal Non-Financial Terms

Structure of Transaction and Allocation of New Securities	<p>The debt restructuring will be consummated through an exchange offer (and associated consent solicitation) (the “Transaction”) open to all eligible holders of Eurobonds. Ukraine will offer to exchange the Eurobonds for four series of A Bonds and four series of B Bonds.</p> <p>At settlement, participating holders of Eurobonds will receive an allocation of the various series of A Bonds and B Bonds pursuant to a schedule designed to recognise the different maturities and coupon levels across the Eurobonds.</p>
Documentation and Implementation	<p>Ukraine will consult with the Committee and its advisors on the documentation necessary to facilitate the Transaction, including the exchange offer and consent solicitation memorandum and the terms and conditions of the A Bonds and B Bonds.</p> <p>The terms and structure of the Transaction and of the related documentation will be designed to encourage the participation and consent of holders of Eurobonds through use of collective action clauses and inclusion of appropriate incentives.</p> <p>Appropriate information undertakings by Ukraine and bondholder remedies/protections to support contingent features in the B Bonds to be included in the definitive documentation.</p>
Loss Reinstatement	<p>In the event a further restructuring of A Bonds and B Bonds is required at the time of a restructuring of Ukraine’s official sector claims (as anticipated by the current IMF programme) by reason of the application of comparability of treatment considerations, loss reinstatement provisions embedded in the terms of the A Bonds and B Bonds shall have the commercial effect of reinstating the original (pre-2022 restructuring) claim of bondholders plus accrued and unpaid interest thereon up to the date of the further debt treatment less the aggregate amount of interest paid on the A Bonds and B Bonds up to the date of the further restructuring.</p> <p>Exchange documentation to include a description of commitment of the Group of Creditors of Ukraine (“GCU”) to provide future debt relief to Ukraine to ensure debt sustainability, as well as the GCU’s approach to comparability of treatment in case a further restructuring of A Bonds and B Bonds is required.</p>
Most Favoured Creditor Clause	<p>Documentation of A Bonds and B Bonds to include a market standard most favoured creditor clause. Terms to be agreed.</p>

Treatment of Warrants	With respect to Ukraine’s outstanding GDP-linked Securities (“ Warrants ”): a. Ukraine intends to make the payment of the deferred consent fee which formed part of the 2022 consent solicitation in relation to the Warrants and the deferred 2021 reference payment. b. Ukraine will commit to ensure the fair and equitable treatment of holders of the Warrants in any prospective future liability management or other treatment proposal contemplated in the context of the IMF programme. c. The A Bonds and B Bonds will have no events of default related to or referencing the Warrants.
Ad Hoc Creditor Committee adviser’s fees	The exchange documentation will provide a mechanism for payment or reimbursement of all reasonable fees, costs and expenses (including advisor fees and expenses) of the Committee on mutually satisfactory terms and in line with market standard by way of allocation of budgeted but unpaid consent fees, deduction of such fees from the first coupon payment on the A Bonds or otherwise.

*This press release does not constitute an offer of the new securities for sale in the United States, and the new securities (if issued) will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and they may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. This press release does not constitute an offer of the new securities for sale, or the solicitation of an offer to buy any securities, in any state or other jurisdiction in which any offer, solicitation or sale (if made) would be unlawful. Any person considering making an investment decision relating to any securities must inform itself independently based solely on an offering memorandum to be provided to eligible investors in the future in connection with any such securities before taking any such investment decision.*

This announcement is directed only to beneficial owners of the Eurobonds who are (A) "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act or (B) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act, that may lawfully participate in the Transaction in compliance with applicable laws of applicable jurisdictions.

No offer of any kind is being made to any beneficial owner of Eurobonds who does not meet the above criteria or any other beneficial owner located in a jurisdiction where the offer would not be permitted by law.

Forward-Looking Statements

All statements in this press release, other than statements of historical fact, are forward-looking statements. These statements are based on expectations and assumptions on the date of this press release and are subject to numerous risks and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Risks and uncertainties include, but are not limited to, market conditions and factors over which Ukraine has no control. Ukraine assumes no obligation to update these forward-looking statements and does not intend to do so, unless otherwise required by law.

Notice to Investors in the European Economic Area and the United Kingdom

***Notice to EEA retail investors.** The announcement contained in this press release is not being directed to any retail investors in the European Economic Area (“**EEA**”) or in the United Kingdom. As a result, no “offer” of new securities is being made to retail investors in the EEA or in the United Kingdom.*

*This announcement is only directed to beneficial owners of Eurobonds who are (i) within a Member State of the European Economic Area if they are “qualified investors” as defined in Regulation (EU) 2017/1129 and (ii) within the United Kingdom they are “qualified investors” as defined in Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (“**EUWA**”).*

*The new securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive*

(EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The new securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended; and/or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “EU PRIIPs Regulation”) or by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (as amended, the “UK PRIIPS Regulation”) for offering or selling the new securities or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the new securities or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the EU PRIIPs Regulation and the UK PRIIPs Regulation.

United Kingdom

For the purposes of section 21 of the Financial Services and Markets Act 2000, to the extent that this announcement constitutes an invitation or inducement to engage in investment activity, such communication falls within Article 34 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), being a non-real time communication communicated by and relating only to controlled investments issued, or to be issued, by Ukraine.

Other than with respect to distributions by Ukraine, this announcement is for distribution only to persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the announcement relates is available only to relevant persons and will be engaged in only with relevant persons.