

# Agreement in Principle (1/3)

Figures assume that 100% of outstanding ISBs are exchanged under the below terms.

Indicative terms on the Eurobonds – Baseline Scenario					
Final maturity <sup>(1)</sup>		Nominal amount		Coupon rate <sup>(2)</sup>	
	Year	In USDm	Up to 2027 (incl.)	From 2028 until 2032 (incl.)	From 2033 until maturity (incl.)
PDI Bond	<b>2024-2028</b>				
	30-Sep-2024 <sup>(3)</sup> : 7.0%				
	31-Mar-2025: 20.0%	1,678	4.0%	4.0%	
	31-Mar-2026: 20.0%				
	31-Mar-2027: 20.0%				
	31-Mar-2028: 33.0%				
MLB #1	<b>31 March 2029</b>	650	3.10%	3.35%	
	<b>31 March 2030</b>	650	3.10%	3.35%	
MLB #2	<b>31 March 2031</b>	850	3.35%	3.60%	
	<b>31 March 2032</b>	850	3.35%	3.60%	
	<b>31 March 2033</b>	850	3.35%	3.60%	8.75%
Plain Vanilla <sup>(5)</sup>	<b>31 March 2034</b>	861	3.60%	5.10%	9.25%
	<b>31 March 2035</b>	861	3.60%	5.10%	9.25%
MLB #3	<b>31 March 2036</b>	1,195	3.60%	3.85%	9.50%
MLB #4	<b>31 March 2037</b>	1,196	3.60%	3.85%	9.75%
	<b>31 March 2038</b>	1,196	3.60%	3.85%	9.75%
<b>TOTAL AMOUNT (excl. PDIs)</b>		<b>9,158</b>			

- Accrual start date on 31 March 2024, with first coupon payments due on 30 September 2024<sup>(3)</sup> and principal instalments due in March of the relevant year
- 27% haircut on the nominal amount of existing bonds
- 11% haircut on PDI<sup>(4)</sup>
- Consent fee representing c.1.8% of original principal claim (excl. PDIs, US\$ 225m) to be paid upfront

Notes: (1) Principal payments will be made on 31-March of each relevant year. All bonds are amortizing bonds, with the exception of MLB #3 which is a bullet bond maturing in 2036.; (2) Coupon payment dates to be set on 31 March and 30 September of each relevant year; (3) The first payment date will be adjusted depending on the timing of the execution of the exchange offer, (4) Calculated as of end-March 2024, (5) May include Governance-Linked features

# Agreement in Principle (2/3)

The test, subject to the control variable, will be conducted in 2028 and will trigger the adjustments to the MLBs as described in the following slide.

Overview of US\$ nominal GDP thresholds under the Agreement in Principle				
	US\$ nominal GDP (avg. 2025-2027, billion)	Nominal GDP upside vs. IMF baseline	Control Variable (real GDP cumulative growth in %, 2024-2027)	
			Observed cumulative growth greater than 11.5%	Observed cumulative growth lower than 11.5%
GDP threshold #1	107.0	+21%	Adjustment activated	No adjustment activated
GDP threshold #2	99.0	+12%	Adjustment activated	No adjustment activated
GDP threshold #3	94.0	+6%	Adjustment activated	No adjustment activated
IMF baseline	88.6	-	N/R	N/R
Threshold below IMF baseline #1	86.7	(2%)	No adjustment activated	Adjustment activated
Threshold below IMF baseline #2	84.7	(4%)	No adjustment activated	Adjustment activated

Additional protection for the authorities with a control variable activating or not the adjustments based on the observed cumulative real GDP growth

## Agreement in Principle (3/3)

Adjustments to the terms of the new MLBs, depending on various US\$ nominal GDP thresholds and control variable											
Final maturity		Threshold below IMF baseline #2		Threshold below IMF baseline #1		GDP Threshold #3		GDP Threshold #2		GDP Threshold #1	
Year		Coupon adjustment (2028-2032) <sup>(1)</sup>	Nominal Reinstatement <sup>(2)</sup>	Coupon adjustment (2028-2032) <sup>(1)</sup>	Nominal Reinstatement <sup>(2)</sup>	Coupon adjustment (2028-2032) <sup>(1)</sup>	Nominal Reinstatement <sup>(2)</sup>	Coupon adjustment (2028-2032) <sup>(1)</sup>	Nominal Reinstatement <sup>(2)</sup>	Coupon adjustment (2028-2032) <sup>(1)</sup>	Nominal Reinstatement <sup>(2)</sup>
MLB #1	2029	-	(21.0%)	-	(5.0%)	0.25%	13.0%	0.75%	17.0%	1.25%	17.0%
	2030	-	(21.0%)	-	(5.0%)	0.25%	13.0%	0.75%	17.0%	1.25%	17.0%
MLB #2	2031	-	(21.0%)	-	(5.0%)	0.50%	13.0%	1.00%	17.0%	1.50%	17.0%
	2032	-	(21.0%)	-	(5.0%)	0.50%	13.0%	1.00%	17.0%	1.50%	17.0%
	2033	-	(21.0%)	-	(5.0%)	0.50%	13.0%	1.00%	17.0%	1.50%	17.0%
Plain Vanilla	2034	-	-	-	-	-	-	-	-	-	-
	2035	-	-	-	-	-	-	-	-	-	-
MLB #3	2036	-	(21.0%)	-	(5.0%)	0.75%	13.0%	1.25%	22.0%	2.00%	22.0%
MLB #4	2037	-	(21.0%)	-	(5.0%)	0.75%	13.0%	1.25%	22.0%	2.00%	22.0%
	2038	-	(21.0%)	-	(5.0%)	0.75%	13.0%	1.25%	22.0%	2.00%	22.0%
AVERAGE		-	(17.1%)	-	(4.1%)	0.5%	10.6%	0.9%	15.8%	1.4%	15.8%

Notes: (1) Coupon adjustment applied over 2028-2032. For series maturing between 2033 and 2038, MLB coupons will revert to their original level from 2033 onwards, (2) 2028, % exchanged notional

# Local Option

## PDI Bond

**Exchange of USD-denominated instruments into USD-denominated securities, with features identical to the PDIs treatment agreed with international bondholders:**

- 11% haircut on claim as of end March-2024
- Nonlinear amortization as per the JWF amortization structure, with first amortization in 2024 and final maturity in 2028 (30-Sep-2024: 7.0%, 31-Mar-2025: 20.0%, 31-Mar-2026: 20.0%, 31-Mar-2027: 20.0%, 31-Mar-2028: 33.0%)
- Fixed interest rate coupon at 4%

## Terms of USD-denominated securities (“USD Bond”)

*70% of nominal value (before haircut)*

**Exchange of USD-denominated instruments into USD-denominated securities, with the following features:**

- **Consent fee of c. 1.8% applied to the face value of ISB holdings** (identical to the Agreement in Principle)
- **10% nominal haircut on 70% of the face value of ISB holdings** (face amount of the USD-denominated B bond at 63% of the original face value)

Amortization <sup>(1)</sup>			Maturity date
2029-32	2033-37	2038	
8.0%	12.0%	8.0%	31-Mar-2038

Coupon payments <sup>(2)</sup>								
2024	2025	2026	2027	2028	2029-30	2031-32	2033-35	2036-38
1.0%	1.0%	1.5%	1.75%	2.0%	2.25%	2.75%	3.0%	3.5%

- **Foreign law bond**

## Terms of LKR-denominated securities (“LKR Bond”)

*30% of nominal value*

**Exchange of USD-denominated instruments into LKR-denominated securities, with the following features:**

- Linear semi-annual amortization, with first amortization in 2036 and final maturity in 2043
- Floating interest rate coupon: Central Bank of Sri Lanka’s SLFR + 0.5% margin
- Governing law of Sri Lanka