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

- Accrual start date on 31 March 2024, with first coupon payments due on 30 September 2024 [3] and principal instalments due in March of the relevant year
- 27% haircut on the nominal amount of existing bonds
- 11% haircut on PDI[4]
- 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)[1]* | *Nominal Reinstat-ement[2]* | *Coupon adjustment (2028-2032)[1]* | *Nominal Reinstat-ement[2]* | *Coupon adjustment (2028-2032)[1]* | *Nominal Reinstat-ement[2]* | *Coupon adjustment (2028-2032)[1]* | *Nominal Reinstat-ement[2]* | *Coupon adjustment (2028-2032)[1]* | *Nominal Reinstat-ement[2]* |
| **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[1] | | | Maturity date |
|---|---|---|---|
| *2029-32* | *2033-37* | *2038* | |
| 8.0% | 12.0% | 8.0% | 31-Mar-2038 |

| Coupon payments[2] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *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

Notes: (1) Principal payment dates to be set on 31 March of each relevant year (annual instalments); (2) Coupon payment dates to be set on 31 March and 30 September of each relevant year