

NOTICE TO NOTEHOLDERS

Kondor Finance plc
LEI Number - 213800PUC1T9GI6EIO63

9 February 2023

KONDOR FINANCE PLC
(THE “ISSUER”)

ACTING IN CONJUNCTION WITH

NATIONAL JOINT STOCK COMPANY “NAFTOGAZ OF UKRAINE”

ANNOUNCEMENT IN RELATION TO THE OUTSTANDING

U.S.\$335,000,000 7.375 PER CENT. LOAN PARTICIPATION NOTES DUE 2022
(ISIN: XS2027393938) (THE “2022 NOTES”) and

U.S.\$500,000,000 7.625 PER CENT. LOAN PARTICIPATION NOTES DUE 2026
(REG S ISIN: XS2077601610; RULE 144a ISIN: US50050MAB19) (THE “2026 NOTES”)

The Issuer has been informed that National Joint Stock Company “Naftogaz of Ukraine” (“**Naftogaz**”) wishes to make the following announcement to holders of its outstanding 2022 Notes and 2026 Notes:

Following the announcements published by the Issuer, on behalf of Naftogaz, on 18 November 2022 and 21 December 2022, Naftogaz has continued to consider and develop the options available to it to resolve the continuing defaults under the 2022 Notes and the 2026 Notes.

Naftogaz has prepared this working scenario in response to feedback received from certain of its creditors. Naftogaz, working closely with its advisers and stakeholders, including the government of Ukraine, will provide further updates in due course.

Perimeter of consent solicitation		2022 and 2026 Notes (together the “Notes”)
Payments deferral	2022	Principal Deferral Period: defer the payment of principal until 19 July 2024 (100%) Interest Deferral Period: defer the payment of interest otherwise due on 19 July 2022, 19 January 2023, 19 July 2023 and 19 January 2024 until 19 July 2024
	2026	Principal Deferral Period: defer the payment of principal until 8 November 2027 (50%) and 8 November 2028 (50%) Interest Deferral Period: defer the payment of interest otherwise due on 8 November 2022, 8 May 2023, 8 November 2023 and 8 May 2024 until 8 November 2024
	2022 & 2026	Additional interest accruing on interest payments which are deferred during the respective Interest Deferral Periods of the Notes (accruing at the interest rate applicable to the relevant Notes)

		Accrued deferred and additional interest may, at the sole discretion of Naftogaz, be (i) repaid fully or in part at any time until the end of the respective Interest Deferral Periods and (ii) capitalized fully or in part at the end of the respective Interest Deferral Periods, net of the cash payment amount made on [15 April] 2023
Cash payment	2022	Cash payment on [15 April] 2023, amounting to the sum of interest that was due on 19 July 2022 and additional interest on this amount of past due interest accrued until [15 April] 2023
	2026	None (aside from consent fee)
Consent fee	2022	None
	2026	0.5% awarded to favorable votes, to be paid on [15 April] 2023
Legal parameters		Implementation of the proposals will be inter-conditional across the 2022 Notes and the 2026 Notes but Naftogaz will have the ability to waive such inter-conditionality, in its sole and absolute discretion, as per the previous processes
	2022 & 2026	Covenant to provide IFRS compliant financial information retained Amend the debt incurrence covenant until the end of the interest deferral period to add the following exceptions (i) new uncapped medium-to-long-term financing, (ii) new IFIs / DFI's procured / guaranteed debt, and (iii) new Sovereign / State Banks procured / guaranteed debt

Disclaimers

This announcement does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Issuer, Naftogaz or any other entity.

The terms of the proposal in this announcement are not binding on any party and accordingly neither the Issuer nor Naftogaz assume any obligation or commitment to pursue these terms.

Contact details of the Issuer

Any enquiries or requests for further information to the Issuer in relation to the matters referred to in this Announcement should be made to:

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Third Floor
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London
EC2R 7AF
Attention: The Directors
Email: transactionteam@wilmingtontrust.com

This Announcement is given by the Issuer.

9 February 2023