

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS IMMEDIATELY.

If applicable, all depositories, custodians and other intermediaries receiving this notice are requested to transmit this notice to the beneficial holders of the Notes in a timely manner.

If you have recently sold or otherwise transferred your entire holding(s) of Notes, you should immediately forward this document to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**NOTICE TO THE HOLDERS
(the "Noteholders")
of
PBR Kyiv Finance plc
(the "Issuer")**

*(a public limited liability company incorporated under the laws of England and Wales
with registered number 11101452 whose registered office is at
Bastion House, 6th Floor, 140 London Wall, London, England, EC2Y 5DN)*

U.S.\$115,072,000 7.50 per cent. Loan Participation Notes Due 2022 issued by, but with limited recourse to, the Issuer for the sole purpose of financing a loan made to The City of Kyiv acting through the Kyiv City Council

**Unrestricted Notes
ISIN: XS1743762558
Common Code: 174376255**

**Restricted Notes
ISIN: XS1743764760
Common Code: 174376476
(the "Notes")**

Capitalised terms used herein which are not specifically defined have the meanings given to them in the trust deed dated 4 September 2018 between the Issuer and BNY Mellon Corporate Trustee Services Limited as Trustee (the "Trustee") (the "Trust Deed").

Background

The Notes are limited recourse obligations of the Issuer and were issued in connection with a loan extended pursuant to a loan agreement dated 26 October 2005 as amended and restated pursuant to an amendment deed on 19 July 2018 (the **Amendment Deed**) entered into between the Issuer as Lender and The City of Kyiv acting through the Kyiv City Council as borrower (the **Borrower**) (the **Loan Agreement**).

Pursuant to the Conditions, in each case where amounts of principal, interest and additional amounts (if any) are stated to be payable in respect of the Notes, the obligations of the Issuer to make any such payment shall constitute an obligation only to account to the Noteholders, on each date upon which such amounts of principal, interest and additional amounts (if any) are due in respect of the Notes, for an amount equivalent to all principal, interest and additional amounts (if any) actually received and retained (net of tax) from the Borrower by, or for the account of, the Issuer pursuant to the Loan

Agreement excluding, however, any amounts paid in respect of Reserved Rights. The Issuer has no other financial obligations under the Notes.

In consideration of the Issuer (as Lender) entering into the Loan Agreement, the Borrower agreed to pay to the Issuer (as Lender) the fees set out in a fees letter dated the date of the Amendment Deed and entered into between the Issuer (as Lender) and the Borrower (the "**Fees Letter**"). In discharge of its obligations under Clause 2 (*Fees, Costs and Expenses*) of the Amendment Deed and Clause 19 (*Fees, Costs and Expenses*) of the Loan Agreement, the Borrower agreed to pay to the Issuer (as Lender) certain fees, costs and expenses including:

- a) annual maintenance costs;
- b) any additional fees, expenses and costs properly incurred and documented by the Lender in respect of the Lender's corporate service provider under its corporate services agreement dated 19 July 2018; and
- c) the reasonable additional fees, expenses and costs properly incurred by the Lender's auditor in connection with conducting its annual audits.

Outstanding Funding Requests

On 11 November 2022 in a letter from the Issuer (as Lender) to the Borrower the Issuer requested funding from the Borrower (the "**Funding Request**") to cover:

- the Auditor's fees for the year ending 2022;
- the estimated Stock Exchange fees in respect of the period 2020-2022;
- the Corporate Service Provider additional fees, expenses and costs properly incurred, which comprise:
 - the Accountant's anticipated fees in respect of management accounts to be prepared in connection with the liquidation of the Issuer;
 - the Corporate Service Provider's anticipated costs prior to the Interest Payment Date falling in December 2022;
 - the Corporate Service Provider's legal costs incurred to 11 November 2022;
 - the Corporate Service Provider's anticipated legal costs in respect of the funding request to the Borrower, anticipated work in connection with the preservation of the Reserved Rights and liquidation of the Issuer;
 - the Corporate Service Provider's anticipated costs in connection with the liquidation of the Issuer and its Parent; and
 - amounts which will be due to the liquidator of the Issuer and its Parent;
- a contingency amount to cover the anticipated costs of the Principal Paying Agent, Transfer Agent and Registrar, Account Bank and tax advisers; (together the "**Reserved Amounts**") and
- on behalf of the Trustee, the Trustee's costs and expenses (the "**Trustee Amount**").

In aggregate, the aggregate amount owed to the Issuer totals USD297,424.68 (the "**Outstanding Amount**"), of which USD237,424.68 constitutes the Reserved Amounts and USD60,000 constitutes the Trustee Amount.

The payment of amounts owed by the Borrower to the Lender under the Loan Agreement (including the Issuer's (as Lender) right to receive the Reserved Amounts) constitutes a "Reserved Right" of the Issuer, as set out in the Conditions and the Trust Deed.

Exercise of Reserved Right Retention of the Reserved Amount and the Trustee Amount

Pursuant to Condition 4(a) (*Interest*) on each Interest Payment Date the Issuer shall pay to the Noteholders "*an amount of interest...equal to and in the same currency as the amount of interest actually received by or for the account of the Issuer pursuant to the Loan Agreement*".

In addition, pursuant to Condition 5(a) (*Redemption and Purchase*) the Borrower is required to repay the Loan in four equal semi-annual instalments as provided in the Loan Agreement, including on 15 December 2022, subject as provided in Condition 6 (*Payments*).

The Conditions of the Notes states that:

"In each case where amounts of principal, interest and additional amounts, if any, due pursuant to Condition 6 (Payments) and Condition 7 (Taxation) are stated herein or in the Trust Deed to be payable in respect of the Notes, the obligation of the Issuer to make any such payment shall constitute an obligation only to pay to the Noteholders (as defined in Condition 2(a)), on each date upon which such amounts of principal, interest and additional amounts, if any, are due in respect of the Notes, to the extent of the sums of principal, interest, Additional Amounts and Tax Indemnity Amounts (each as defined in the Loan Agreement), if any, actually received by or for the account of the Issuer pursuant to the Loan Agreement, less any amounts in respect of the Reserved Rights (as defined below). Noteholders must therefore rely solely and exclusively upon the covenant to pay under the Loan Agreement and the credit and financial standing of the Borrower. Noteholders shall have no recourse (direct or indirect) to any other assets of the Issuer."

Moreover, Condition 6(h) states (emphasis added):

"...the obligations of the Issuer to make payments under Condition 5 (Redemption and Purchase) and Condition 6 (Payments) shall constitute an obligation only to pay to the Noteholders on such date upon which a payment is due in respect of the Notes, to the extent of sums of principal, interest, Additional Amounts, Tax Indemnity Amounts or other amounts, if any, actually received by or for the account of the Issuer pursuant to the Loan Agreement, less any amount in respect of the Reserved Rights. The Issuer will have no other financial obligations under the Notes."

Given the Reserved Amounts remains due and unpaid as of the date of this Notice, the Issuer intends, in accordance with Condition 6(h), to apply any amount of interest or principal received from the Borrower in accordance with the Loan Agreement towards the Reserved Amounts. The Issuer also intends to apply any amount of interest or principal received from the Borrower towards the Trustee Amount on the basis that the Trustee considers that its costs and expenses should also be covered.

Exercise of Retention of the Outstanding Amount

Given the Outstanding Amount remains due and unpaid as of the date of this Notice, the Issuer intends to apply any amount of interest or principal received from the Borrower in accordance with the Loan Agreement and the Trust Deed towards, in the first instance, the Outstanding Amount. Following payment of the Outstanding Amount, the remaining amount of interest and/or principal received by the Issuer will be paid to Noteholders.

It is expected that this will lead to a shortfall in the amount of interest and/or principal to be received by Noteholders on the Interest Payment Date falling in December 2022. Noteholders have no recourse to the Issuer in respect of any such shortfall.

The above will not preclude the Issuer as Lender from exercising any rights attributable to it under the Loan Agreement.

Any enquiries or request for further information in relation to the matters directed in this Notice should be made to:

PBR Kyiv Finance plc
Bastion House 6th Floor
140 London Wall
London, EC2Y 5DN
United Kingdom

Email: spvservices@apexfs.com

This Notice is given by the Issuer

13 December 2022