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**Kondor Finance plc
LEI Number - 213800PUC1T9GI6EIO63**

13 July 2023

**KONDOR FINANCE PLC
(THE “ISSUER”)**

ACTING IN CONJUNCTION WITH

**NATIONAL JOINT STOCK COMPANY “NAFTOGAZ OF UKRAINE”
(THE “BORROWER” or “NAFTOGAZ”)**

COMMENCES A CONSENT SOLICITATION IN RELATION TO THE OUTSTANDING

**U.S.\$335,000,000 7.375 PER CENT. LOAN PARTICIPATION NOTES DUE 2022
(ISIN: XS2027393938); AND**

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

Consent Solicitation

On 31 May 2023, Naftogaz announced new terms of a consent solicitation to be launched to amend the terms of the 2022 Notes and the 2026 Notes (the “**Consent Solicitation**”), which were approved by Order 554-p of the Cabinet Ministers of Ukraine (the “**CMU**”) dated 24 June 2023.

The Issuer, at the request of the Borrower, hereby solicits consents from Noteholders to consider and, if thought fit, pass the relevant extraordinary resolution (each an “**Extraordinary Resolution**” and together the “**Extraordinary Resolutions**”) at separate consecutive meetings of Noteholders to be held from 11:00 a.m. (London time) at the offices of Freshfields Bruckhaus Deringer LLP, 100 Bishopsgate, London, EC2P 2SR, United Kingdom on 28 July 2023 (the “**Meetings**”) to approve certain amendments and waivers related to the Loan Agreements and the Trust Deeds, including the terms and conditions of the Notes, as more fully described in the consent solicitation memorandum dated today’s date and available to Noteholders on the Consent Website of the Information and Tabulation Agent at <https://projects.morrowsodali.com/Naftogaz> (the “**Consent Solicitation Memorandum**” and, such terms together, the “**Proposal**”). The Meeting in respect of the 2022 Notes will be held first, at 11:00 a.m. (London time), followed by the Meeting in respect of the 2026 Notes commencing at 11:15 a.m. (London time) or after the completion of the preceding Meeting.

The Proposal has been formulated by the Borrower and is being proposed by the Issuer at the request of the Borrower. None of the Issuer, the Information and Tabulation Agent, the Principal Paying Agent, the Registrar or the Trustee (as defined below) nor any of their affiliates has been involved in the formulation of the Proposal and none of them accepts any responsibility or liability for the sufficiency or adequacy of the Proposal or the legality, validity or enforceability of the Proposal. None of the Financial Advisor, the Issuer, the Trustee, the Information and Tabulation Agent, the Principal Paying Agent, the Registrar nor any of their affiliates makes any recommendation to Noteholders as to whether or not to agree to the Proposal and to vote in favour of the Extraordinary Resolutions as set out in the Proposal.

Unless the context otherwise requires, capitalised terms used and not otherwise defined in this announcement have the meanings ascribed to them in the Consent Solicitation Memorandum.

Noteholders are reminded that, today, Thursday 13 July, at 2pm CET Naftogaz's CEO, Oleksiy Chernyshov and advisors will be holding a Noteholder call followed by a moderated Q&A session. On this call, Mr Chernyshov and advisors will provide an update on the Consent Solicitation process and respond to Noteholders' queries with respect to the terms of the Consent Solicitation.

Noteholders can submit questions before the call commences by emailing Naftogaz's financial advisor Lazard at naftogaz.investors@lazard.com.

Noteholders will be able to join the call using the following details.

Webinar topic:

Naftogaz Management Presentation

Date and time:

Thursday 13 July, 2pm CET

Join link:

<https://lazard.webex.com/lazard/j.php?MTID=m891330c1545640f2b540306bbd6fb599>

Webinar number:

2346 806 6559

Webinar password:

3YmJCPJPg63 (39652757 from phones and video systems)

Join by phone

+1-408-418-9388 United States Toll

+44-20-7660-8147 United Kingdom Toll

Access code: 234 680 66559

Noteholders interested in obtaining more information are invited to contact Naftogaz's financial advisor Lazard at naftogaz.investors@lazard.com.

Rationale for the Consent Solicitation

Given the responsibilities and burdens assigned to the Group by the Government of Ukraine, and the significant growth of consumer debt in respect of natural gas delivered, Naftogaz intends to divert working capital to other needs, to fulfil the strategic objectives of Ukraine, rather than making repayments due under the Notes in

accordance with their current terms. The Proposal is therefore that payments of principal and interest are deferred until 2024-2028 in order to ensure the stable functioning of the gas transportation system of Ukraine, meet the demand of Ukrainian consumers until the termination of the martial law, reduce the burden on the working capital of Naftogaz as a strategically important enterprise in Ukraine, and properly fulfil the responsibilities assigned by the Government of Ukraine.

Following the appointment of Oleksiy Chernyshov as the Chief Executive Office of Naftogaz on 4 November 2022, Naftogaz appointed Lazard as its exclusive financial advisor to assist with Noteholder engagement and formulating the Proposal. Naftogaz invited all Noteholders to attend a call chaired by Mr Chernyshov on 22 December 2022 where Mr Chernyshov emphasised Naftogaz's commitment to resolving the breaches that remain outstanding pursuant to the terms and conditions of the Notes. On 9 February 2023, Naftogaz published a working scenario in response to feedback received from certain of its creditors. Naftogaz then invited all Noteholders to attend a further call where speakers included Mr Chernyshov, Mr Butsa representing the government of Ukraine and Mr Marino from Naftogaz's Supervisory Board on 10 March 2023.

On 31 May 2023, Naftogaz announced that agreement had been reached with ad hoc committees formed by 2022 Noteholders and 2026 Noteholders. Naftogaz published the terms agreed with the ad hoc committees and invited all Noteholders to attend a call where the terms were presented. The terms proposed have now been reflected in long form documentation, including the Consent Solicitation Memorandum, the Amended and Restated Loan Agreements and the Amended and Restated Trust Deeds.

The Proposal has been carefully formulated by Naftogaz and its advisers to balance the need to improve the prior offer made to Noteholders, including for example offering the 2022 Notes Cash Payment and the 2026 Notes Consent Fee, without compromising or threatening Naftogaz's ability to support Ukraine's strategic objectives that have been mandated by the Cabinet of Ministers of Ukraine. The terms of other successful consent solicitations, such as the consent solicitation launched by Ukraine represented by the Minister of Finance of Ukraine, have also been carefully considered. The Proposals represent the most that Naftogaz and the government of Ukraine are able to offer Noteholders.

The full rationale and related disclosure are included in the Consent Solicitation Memorandum, together with a Q&A section.

Summary of the Proposals

The following summary is provided solely for the convenience of Noteholders. This summary is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in the Consent Solicitation Memorandum and in the Amended and Restated Loan Agreements and Amended and Restated Trust Deeds. Noteholders should review the operative amendments in the Amendment and Restatement Agreements, Amended and Restated Loan Agreements, Supplemental Trust Deeds and Amended and Restated Trust Deeds, as relevant, which are available to Noteholders for inspection from the Information and Tabulation Agent.

2022 Notes

The Issuer, at the request of the Borrower, is soliciting the approval of 2022 Noteholders, by way of Extraordinary Resolution to, among other things:

- (i) restructure the payment of principal originally due in one payment on 19 July 2022 so that the remaining principal amount outstanding (following, for the avoidance of doubt, payment of the 2022 Notes Cash Payment) will be due in two equal instalments on 19 July 2024 and 19 July 2025. The extension of term results in new payments of interest which, without further amendment, would be due on 19 January 2023, 19 July 2023, 19 January 2024, 19 July 2024, 19 January 2025 and 19 July 2025. Past Due Interest (as defined below) will be paid in accordance with (B) below. Interest that would otherwise be due on 19 January 2024 will be deferred in accordance with (ii) below;
- (ii) unless the Borrower has given the Lender and Noteholders not less than 15 days' nor more than 30 days' prior written notice that it intends to make an interest payment, defer the payment of interest (in

whole or in part) otherwise due on 19 January 2024 until 19 July 2024 or such other earlier date notified to Noteholders (such period of deferral of payment of interest being the “**2022 Notes Deferral Period**”);

- (iii) waive any Potential Event of Default, Event of Default or Relevant Event which may have arisen under the 2022 Notes Loan Agreement or the 2022 Notes Trust Deed as a result of (I) the deferral of payments in respect of the 2022 Notes, the 2024 Notes, the 2022 Notes Loan Agreement, the 2026 Notes and the 2026 Notes Loan Agreement (including, in each case, cross-default), (II) breach of covenants in the 2022 Notes Loan Agreement and the 2022 Notes Trust Deed prior to 2022 Notes Implementation Date and/or (III) resolutions approved by the Cabinet of Ministers of Ukraine prior to the 2022 Notes Implementation Date restricting actions required to be performed by the Borrower to comply with the 2022 Notes Loan Agreement;
- (iv) amend Clause 13.5 (*Limitation on Indebtedness*) of the 2022 Notes Loan Agreement so as to:
 - a. replace the consolidated leverage ratio test with a requirement that debt incurred from 19 July 2022 until 19 July 2024 (the “**Covenant Deferral Period**”) (I) matures after 8 November 2028 and (II) does not exceed USD500,000,000 in aggregate; and
 - b. add new exceptions permitting: (I) new indebtedness advanced by governments, international financial institutions or domestic state-owned banks (provided such debt has been advanced for the sole purpose of repairing or renewing damaged infrastructure, facilities or sites of a member of the Group or for other activities of any member of the Group not in the ordinary course of the Group’s business but results, directly or indirectly, from military conflict, and, in each case, which has been approved by the supervisory board of the Borrower); (II) indebtedness required in order to comply with a requirement of martial law or indebtedness for the sole purpose of financing gas purchases and (III) debt of USD413.2 million in aggregate (or its equivalent in other currencies) incurred by the Borrower between 24 February 2022 and 31 December 2022. If debt is incurred under exception (I) or (II), Naftogaz will undertake to provide details of such debt and the use of proceeds to the Lender and the Trustee, and publish the same on its investor relations website, subject to any confidentiality constraints which the Borrower is unable to have waived after having used its best endeavours to do so. The amendments also expressly permit refinancing which requires full repayment for a period of time as is customary in Ukraine;
- (v) amend Clause 13.10 (*Financial Information*) of the 2022 Notes Loan Agreement during the Covenant Deferral Period to clarify that any delay to the provision of Financial Statements and/or any inability to complete an IFRS compliant audit, in each case, as a direct or indirect result of military conflict in Ukraine, will not constitute a default. Should such a scenario arise, the Borrower shall (I) promptly inform the Lender and the Trustee should it receive notice from the Borrower’s auditors that it is unable to audit financial statements as otherwise anticipated by Clause 13.10 (*Financial Information*) of the 2022 Notes Loan Agreement (and the Lender shall notify the 2022 Noteholders) and (II) instead deliver to the Lender and the Trustee, within 90 days after the end of the relevant period, unaudited financial statements (in a concise format: balance sheet, profit and loss, cash flow statement and statement of changes in equity with limited number of notes) for the relevant period commencing on the first day of the relevant financial year. Such unaudited financial statements will also be available on request via the Borrower’s investor relations email address;
- (vi) add a new covenant at the end of Clause 13 (*Covenants*) of the 2022 Notes Loan Agreement prohibiting the Borrower, from 19 July 2022 until 8 November 2024, from declaring or paying any dividends in cash or otherwise (and from distributing profits other than by dividend), except to the extent required by applicable laws of Ukraine;
- (vii) amend Clause 13.7 (*Limitation on Asset Sales*) of the 2022 Notes Loan Agreement to allow for the disposal of assets below their Fair Market Value or in respect of which less than 75 per cent. of the consideration received consists of cash, Cash Equivalents or Replacement Assets (as defined therein) if Naftogaz is required to dispose of such assets by mandatory requirements of applicable Ukrainian laws

or regulations, provided that (x) the transaction for disposal of the assets is approved by the Supervisory Board in accordance with the Company's corporate governance procedures and (y) an Officer's Certificate signed by an authorised representative of Naftogaz is delivered to the Lender and the Trustee stating that: (i) the Supervisory Board has approved the transaction, and (ii) Naftogaz is legally required to consummate the asset sale on the basis of mandatory requirements of applicable Ukrainian laws or regulations setting out the references to the relevant provisions and the wording of those provisions in full;

(viii) add a new covenant at the end of Clause 13 (*Covenants*) of the 2022 Notes Loan Agreement that, subject to certain carve outs (including the deviations between the terms of the Proposal applicable to each Series of Notes and the 2024 Notes), no amendments which are more onerous for the Borrower and / or more favourable for Noteholders will be made to the terms of the 2022 Notes, the 2024 Notes or the 2026 Notes (including, but not limited to, the payment of fees, redemption of principal prior to stated maturity, payment of interest which is otherwise deferred, increasing interest rates and amendments to covenants) ("**MFN amendments**"). If any such amendments are required, amendments will be made to ensure other Noteholders are treated in an economically and legally equivalent manner (such equivalence to be determined by the Borrower, acting reasonably and in good faith). The Lender shall provide the affected Noteholders with a copy of the Borrower's proposed equivalent amendments and such Noteholders may provide feedback to the Borrower on the same. The Borrower shall consider such Noteholder feedback in good faith and revise the proposed equivalent amendments to reflect all reasonable requests that are required to align such proposed amendments to the MFN amendments (and, to the extent there are conflicting requests, the Borrower may, in good faith and acting reasonably, choose which request to implement). The proposed equivalent amendments will then be automatically implemented into the relevant Loan Agreement; and

(ix) add a new covenant at the end of Clause 13 (*Covenants*) of the 2022 Notes Loan Agreement that, to the extent permitted by prevailing applicable law, Naftogaz will consider whether it is commercially appropriate to direct a portion of any payment received in connection with its arbitral award in litigation against Russia towards the repayment of Noteholders and Naftogaz's other investors,

in each case, as more fully described herein and set out in the 2022 Notes Loan Amendment and Restatement Agreement, 2022 Notes Amended and Restated Loan Agreement, 2022 Notes Supplemental Trust Deed and 2022 Notes Amended and Restated Trust Deed.

For the avoidance of doubt, where the amendments above amend the terms of the 2022 Notes Loan Agreement, such amendments will only apply to Tranche B (as defined therein), the tranche of the Loan relating to the 2022 Notes.

In consideration for 2022 Noteholders approving the above proposal, the following additional terms are included in the Extraordinary Resolution for approval:

- (A) that the interest rate applicable to the 2022 Notes is increased from 7.375 per cent. per annum to 7.650 per cent. per annum with effect on and from (but excluding) the 2022 Notes Implementation Date;
- (B) that all 2022 Noteholders will receive a cash payment on the date notified to 2022 Noteholders which will be the earliest possible payment date following the approval of the 2022 Notes Extraordinary Resolution, taking into account applicable currency control regulations (the "**2022 Notes Implementation Date**"), equal to the sum of (I) interest that was otherwise due to 2022 Noteholders on and from 19 July 2022 until (but excluding) the 2022 Notes Implementation Date ("**Past Due Interest**"), namely the coupon payments that were due on 19 July 2022, 19 January 2023 and, if the 2022 Notes Implementation Date is after 19 July 2023, the 19 July 2023 coupon payment, (II) Additional Interest, calculated in accordance with paragraph (C) immediately below, accrued on Past Due Interest from 19 July 2022 until (but excluding) the 2022 Notes Implementation Date and (III) five per cent. of the principal amount of the 2022 Notes outstanding immediately before the 2022 Notes Implementation Date (being,

in aggregate, USD16,750,000) (the “**2022 Notes Principal Payment**”) ((I), (II) and (III) together, the “**2022 Notes Cash Payment**”). If the 2022 Notes Implementation Date is before 19 July 2023, interest accrued from and including 19 January 2023 to (but excluding) 19 July 2023, will be paid on 19 July 2023. If the Implementation Date is on or after 19 July 2023, Additional Interest accrued from and including 19 July 2022 to but excluding the 2022 Notes Implementation Date will be payable on the 2022 Notes Implementation Date and interest accruing from and including 19 July 2023 will, subject to the 2022 Notes Deferral Period, be payable on 19 January 2024. The 2022 Notes Principal Payment shall be deducted from the principal payments that, following implementation of the amendments described above, will be due on 19 July 2024 and 19 July 2025; and

- (C) that additional interest (“**Additional Interest**”) shall be payable on (i) Past Due Interest (and any Additional Interest accrued thereon) and (ii) the interest payment due on 19 January 2024 which is deferred until 19 July 2024 ((ii) being “**Deferred Interest**”). Additional Interest payable in respect of Past Due Interest (and any Additional Interest accrued thereon) will accrue at the contractual rate of 7.375 per cent. per annum. Additional Interest payable in respect of Deferred Interest will accrue at the amended contractual rate of 7.650 per cent. per annum). Accrued Deferred Interest and accrued Additional Interest thereon may be repaid at any time during the 2022 Notes Deferral Period, in whole or in part, provided that such payment is approved to the extent required by any laws or regulations of Ukraine. Additional Interest shall cease to accrue on Past Due Interest on and from the 2022 Notes Implementation Date. Additional Interest shall cease to accrue on Deferred Interest on and from the date all accrued and unpaid Deferred Interest in respect of the 2022 Notes has been repaid in full. On the expiry of the 2022 Notes Deferral Period, accrued and unpaid Deferred Interest and Additional Interest thereon will be, in the Borrower’s sole discretion, either (x) paid to 2022 Noteholders or (y) added to the outstanding principal amount of the 2022 Notes Loan Agreement and 2022 Notes. If added to the outstanding principal amount in accordance with (y), contractual interest (being 7.650 per cent. per annum on and from the 2022 Notes Implementation Date) will accrue on the increased outstanding principal amount. Notwithstanding the Borrower’s ability to capitalise accrued and unpaid Deferred Interest and Additional Interest thereon on the expiry of the 2022 Notes Deferral Period, Additional Interest accrued on Deferred Interest from (and including) 19 January 2024 to (but excluding) 19 July 2024 shall be payable in cash to 2022 Noteholders on 19 July 2024,

((i) to (ix), (A) to (C) together, the “**2022 Notes Proposal**”).

2026 Notes

The Issuer, at the request of the Borrower, is soliciting the approval of 2026 Noteholders, by way of Extraordinary Resolution to, among other things:

- (i) restructure the payment of principal originally due in one payment on 8 November 2026 so that the remaining principal amount outstanding will be due in two equal instalments on 8 November 2027 and 8 November 2028. The extension of term results in new payments of interest due on 8 May 2027, 8 November 2027, 8 May 2028 and 8 November 2028;
- (ii) unless the Borrower has given the Lender and Noteholders not less than 15 days’ nor more than 30 days’ prior written notice that it intends to make an interest payment, defer the payment of interest (in whole or in part) otherwise due on 8 November 2022, 8 May 2023, 8 November 2023 and 8 May 2024 until 8 November 2024 (the “**2026 Notes Deferral Period**”) or such other earlier date notified to Noteholders;
- (iii) waive any Potential Event of Default, Event of Default or Relevant Event which may have arisen under the 2026 Notes Loan Agreement or the 2026 Notes Trust Deed as a result of (I) the deferral of payments in respect of the 2022 Notes, the 2024 Notes, the 2022 Notes Loan Agreement, the 2026 Notes and the 2026 Notes Loan Agreement (including, in each case, cross-default), (II) breach of covenants in the

2026 Notes Loan Agreement and the 2026 Notes Trust Deed prior to 2026 Notes Implementation Date and/or (III) resolutions approved by the Cabinet of Ministers of Ukraine prior to the 2026 Notes Implementation Date restricting actions required to be performed by the Borrower to comply with the 2026 Notes Loan Agreement;

(iv) amend Clause 13.5 (*Limitation on Indebtedness*) of the 2026 Notes Loan Agreement so as to:

- a. replace the consolidated leverage ratio test with a requirement that debt incurred from 19 July 2022 until 19 July 2024 (the “**Covenant Deferral Period**”) (I) matures after 8 November 2028 and (II) does not exceed USD500,000,000 in aggregate; and
- b. add new exceptions permitting: (I) new indebtedness advanced by governments, international financial institutions or domestic state-owned banks (provided such debt has been advanced for the sole purpose of repairing or renewing damaged infrastructure, facilities or sites of a member of the Group or for other activities of any member of the Group not in the ordinary course of the Group’s business but results, directly or indirectly, from military conflict, and, in each case, which has been approved by the supervisory board of the Borrower); (II) indebtedness required in order to comply with a requirement of martial law or indebtedness for the sole purpose of financing gas purchases and (III) debt of USD413.2 million in aggregate (or its equivalent in other currencies) incurred by the Borrower between 24 February 2022 and 31 December 2022. If debt is incurred under exception (I) or (II), Naftogaz will undertake to provide details of such debt and the use of proceeds to the Lender and the Trustee, and publish the same on its investor relations website, subject to any confidentiality constraints which the Borrower is unable to have waived after having used its best endeavours to do so. The amendments also expressly permit refinancing which requires full repayment for a period of time as is customary in Ukraine;

(v) amend Clause 13.10 (*Financial Information*) of the 2026 Notes Loan Agreement during the Covenant Deferral Period to clarify that any delay to the provision of Financial Statements and/or any inability to complete an IFRS compliant audit, in each case, as a direct or indirect result of military conflict in Ukraine, will not constitute a default. Should such a scenario arise, the Borrower shall (I) promptly inform the Lender and the Trustee should it receive notice from the Borrower’s auditors that it is unable to audit financial statements as otherwise anticipated by Clause 13.10 (*Financial Information*) of the 2026 Notes Loan Agreement (and the Lender shall notify the 2026 Noteholders) and (II) instead deliver to the Lender and the Trustee, within 90 days after the end of the relevant period, unaudited financial statements (in a concise format: balance sheet, profit and loss, cash flow statement and statement of changes in equity with limited number of notes) for the relevant period commencing on the first day of the relevant financial year. Such unaudited financial statements will also be available on request via the Borrower’s investor relations email address;

(vi) add a new covenant at the end of Clause 13 (*Covenants*) of the 2026 Notes Loan Agreement prohibiting the Borrower, from 19 July 2022 until 8 November 2024, from declaring or paying any dividends in cash or otherwise (and from distributing profits other than by dividend), except to the extent required by applicable laws of Ukraine;

(vii) amend Clause 13.7 (*Limitation on Asset Sales*) of the 2026 Notes Loan Agreement to allow for the disposal of assets below their Fair Market Value or in respect of which less than 75 per cent. of the consideration received consists of cash, Cash Equivalents or Replacement Assets (as defined therein) if Naftogaz is required to dispose of such assets by mandatory requirements of applicable Ukrainian laws or regulations, provided that (x) the transaction for disposal of the assets is approved by the Supervisory Board in accordance with the Company’s corporate governance procedures and (y) an Officer’s Certificate signed by an authorised representative of Naftogaz is delivered to the Lender and the Trustee stating that: (i) the Supervisory Board has approved the transaction, and (ii) Naftogaz is legally required to consummate the asset sale on the basis of mandatory requirements of applicable Ukrainian laws or

regulations setting out the references to the relevant provisions and the wording of those provisions in full;

(viii) add a new covenant at the end of Clause 13 (*Covenants*) of the 2026 Notes Loan Agreement that, subject to certain carve outs (including the deviations between the terms of the Proposal applicable to each Series of Notes and the 2024 Notes), no amendments which are more onerous for the Borrower and / or more favourable for Noteholders will be made to the terms of the 2022 Notes, the 2024 Notes or the 2026 Notes (including, but not limited to, the payment of fees, redemption of principal prior to stated maturity, payment of interest which is otherwise deferred, increasing interest rates and amendments to covenants) (“**MFN amendments**”). If any such amendments are required, amendments will be made to ensure other Noteholders are treated in an economically and legally equivalent manner (such equivalence to be determined by the Borrower, acting reasonably and in good faith). The Lender shall provide the affected Noteholders with a copy of the Borrower’s proposed equivalent amendments and such Noteholders may provide feedback to the Borrower on the same. The Borrower shall consider such Noteholder feedback in good faith and revise the proposed equivalent amendments to reflect all reasonable requests that are required to align such proposed amendments to the MFN amendments (and, to the extent there are conflicting requests, the Borrower may, in good faith and acting reasonably, choose which request to implement). The proposed equivalent amendments will then be automatically implemented into the relevant Loan Agreement;

(ix) add a new debt service reserve covenant at the end of Clause 13 (*Covenants*) of the 2026 Notes Loan Agreement including the following terms:

- a. prior to the date hereof, Naftogaz is required to create and maintain a debt service reserve account (with cash held by Naftogaz in a segregated bank account with a bank in Ukraine) for the benefit of 2026 Noteholders (the “**Debt Service Reserve Fund**”);
- b. the first instalment to be paid into the Debt Service Reserve Fund will be USD19,062,500 (the “**First Instalment**”). Naftogaz providing confirmation that the First Instalment has been deposited in the Debt Service Reserve Fund is a condition to the implementation of the 2026 Notes Extraordinary Resolution;
- c. later instalments to be paid into the Debt Service Reserve Fund are as follows (i) on or before 15 January 2024, in an amount equivalent to USD3,000,000, (ii) on or before 15 February 2024, in an amount equivalent to USD3,000,000, and (iii) on or before 31 March 2024, in an amount equivalent to USD13,062,500, with the result that following such final instalment an additional six (6) months’ interest debt service in respect of the 2026 Notes in USD will have been deposited, so that in total an amount equivalent to two semi-annual coupons will have been deposited in the Debt Service Reserve Fund (representing USD38,125,000);
- d. in the event Naftogaz does not have sufficient USD to deposit the required amount into the Debt Service Reserve Fund or should Naftogaz be restricted from exchanging UAH to USD by law or regulation, an equivalent UAH amount (to the extent of the shortfall or applicable restriction) may be deposited (at the prevailing market exchange rate applicable (as determined by the Borrower, acting reasonably and in good faith) as of the date that the deposit is made);
- e. amounts in the Debt Service Reserve Fund are to be solely used for the payment of interest due and payable on the 2026 Notes on or after 8 November 2024 including, for the avoidance of doubt, payment of Deferred Interest and any prepayment thereof (unless withdrawal is otherwise expressly required by any laws or regulations of Ukraine, provided that such laws or regulations do not require the Borrower to use such funds to pay dividends or make any other distributions on its share capital), provided further that Naftogaz is permitted to transfer funds to bank accounts held by it for the purpose of servicing the 2026 Notes Loan Agreement; and

- f. Naftogaz shall confirm to the Trustee the amount standing to the credit of the Debt Service Reserve Fund at the end of each calendar quarter and on each date on which an instalment is due. Naftogaz and the Issuer will also undertake to promptly complete any formalities required, and discuss such formalities with the Trustee to the extent the Borrower deems reasonably necessary (provided that the Trustee shall not be required to take any action it does not deem reasonable to take), to ensure that amounts standing to the credit of the Debt Service Reserve Fund are solely used for the payment of interest due and payable to the 2026 Noteholders (and funds will not be withdrawn for any other purpose unless such withdrawal is expressly required by laws or regulations of Ukraine), provided that the account and balances thereon will not be subject to any security,
- (x) add a new covenant at the end of Clause 13 (*Covenants*) of the 2026 Notes Loan Agreement that, to the extent permitted by prevailing applicable law, Naftogaz will consider whether it is commercially appropriate to direct a portion of any payment received in connection with its arbitral award in litigation against Russia towards the repayment of Noteholders and Naftogaz's other investors,

in each case as more fully described herein and set out in the 2026 Notes Loan Amendment and Restatement Agreement, 2026 Notes Amended and Restated Loan Agreement, 2026 Notes Supplemental Trust Deed and 2026 Notes Amended and Restated Trust Deed.

In consideration for 2026 Noteholders approving the above proposal, the following additional terms are included in the Extraordinary Resolution for approval:

- (A) that additional interest ("**Additional Interest**") shall be payable on interest payments (and any Additional Interest accrued thereon) which are deferred during the 2026 Notes Deferral Period ("**Deferred Interest**") (accruing at 7.625 per cent.). Accrued Deferred Interest and accrued Additional Interest thereon may be repaid at any time during the 2026 Notes Deferral Period, in whole or in part, provided that such payment is approved to the extent required by any laws or regulations of Ukraine. Additional Interest shall cease to accrue on Deferred Interest on and from the date all accrued and unpaid Deferred Interest in respect of the 2026 Notes has been repaid in full. On the expiry of the 2026 Notes Deferral Period, accrued and unpaid Deferred Interest and Additional Interest thereon will be, in the Borrower's sole discretion, either (x) paid to 2026 Noteholders or (y) added to the outstanding principal amount of the 2026 Notes Loan Agreement and 2026 Notes. If added to the outstanding principal amount in accordance with (y), contractual interest will accrue on the increased outstanding principal amount. Notwithstanding the Borrower's ability to capitalise accrued and unpaid Deferred Interest and Additional Interest thereon on the expiry of the 2026 Notes Deferral Period, Additional Interest accrued on Deferred Interest from (and including) 8 May 2024 to (but excluding) 8 November 2024 shall be payable in cash to 2026 Noteholders on 8 May 2024; and
- (B) if the 2026 Notes Extraordinary Resolution is approved, payment of the 2026 Notes Consent Fee in accordance with the terms of the Consent Solicitation Memorandum,
- ((i) to (x), (A) and (B) together, the "**2026 Notes Proposal**").

On 11 July 2023, Naftogaz announced that it has created and is maintaining the Debt Service Reserve Fund, as set out above. Naftogaz also confirmed that it had transferred the First Instalment to the Debt Service Reserve Fund, satisfying that element of the 2026 Notes Consent Conditions (see below).

2026 Notes Consent Fee

Subject to the approval of the 2026 Notes Extraordinary Resolution by the 2026 Noteholders, each eligible 2026 Noteholder from whom a valid Electronic Voting Instruction or, in the case of the Restricted 2026 Notes, a Form of Sub-Proxy, voting in favour of the 2026 Notes Extraordinary Resolution is received by the Information

and Tabulation Agent by the Voting Deadline will be eligible to receive payment of an amount equal to 0.50 per cent. of the outstanding principal amount of the 2026 Notes that are the subject of such Electronic Voting Instruction or, in the case of the Restricted 2026 Notes, a Form of Sub-Proxy (the “**2026 Notes Consent Fee**”), in accordance with the terms in the Consent Solicitation Memorandum.

The 2026 Notes Consent Fee will be paid on the date notified to 2026 Noteholders which will be the earliest possible payment date following the date on which 2026 Noteholders approved the 2026 Notes Extraordinary Resolution, taking into account applicable currency control regulations (the “**2026 Notes Implementation Date**”). No 2026 Notes Consent Fee will be payable to 2026 Noteholders who attend the 2026 Notes Meeting or who vote against or abstain from voting in respect of the 2026 Notes Extraordinary Resolution. The 2026 Notes Consent Fee will only be payable if the 2026 Notes Extraordinary Resolution is approved.

Only eligible 2026 Noteholders, who vote in favour of the 2026 Notes Extraordinary Resolution, and do not revoke such Electronic Voting Instruction (in the limited circumstances revocation is permitted) or, in the case of the Restricted 2026 Notes, a Form of Sub-Proxy, will be entitled to receive the 2026 Notes Consent Fee. In addition, to be eligible to receive the 2026 Notes Consent Fee, each 2026 Noteholder who submits an Electronic Voting Instruction or, in the case of the Restricted 2026 Notes, a Form of Sub-Proxy must not attend, or seek to attend, the Meeting in person or make any other arrangements to be represented at the Meeting (other than by way of its Electronic Voting Instruction or, in the case of the Restricted 2026 Notes, a Form of Sub-Proxy).

No cash payment is being offered to 2026 Noteholders. No consent fee is being offered to 2022 Noteholders.

Consent Conditions

The implementation of the 2022 Notes Extraordinary Resolutions will be conditional on the following conditions being satisfied prior to 30 September 2023:

- (a) the passing of the 2022 Notes Extraordinary Resolution; and
- (b) payment of the 2022 Notes Cash Payment in respect of all outstanding 2022 Notes,
(the “**2022 Notes Consent Conditions**”).

The implementation of the 2026 Notes Extraordinary Resolutions will be conditional on the following conditions being satisfied prior to 30 September 2023:

- (a) the passing of the 2026 Notes Extraordinary Resolution;
- (b) payment of the 2026 Notes Consent Fee to eligible 2026 Noteholders who support the 2026 Notes Proposals, in accordance with the Consent Solicitation Memorandum; and
- (c) confirmation from the Borrower that the First Instalment has been deposited in the Debt Service Reserve Fund,

(the “**2026 Notes Consent Conditions**” and, together with the 2022 Notes Consent Conditions, the “**Consent Conditions**” and “**relevant Consent Conditions**” should be construed accordingly).

The Issuer, at the request of the Borrower, will announce the satisfaction of the Consent Conditions relating to each Extraordinary Resolution as soon as reasonably practicable following such satisfaction. If the 2022 Notes Consent Conditions are not satisfied by 30 September 2023, the 2022 Notes Extraordinary Resolution shall not be implemented. If the 2026 Notes Consent Conditions are not satisfied by 30 September 2023, the 2026 Notes Extraordinary Resolution shall not be implemented.

Timetable

The following table sets forth certain key dates for the Consent Solicitation, as described in the Consent Solicitation Memorandum, assuming that (a) each Meeting is quorate on the date on which it is first convened and, accordingly, no adjourned Meeting is required and (b) new meetings are not convened in respect of the

Notes. The Voting Deadline, among others, can be amended under the terms of the Proposal. Accordingly, the actual timetable may differ significantly from the expected timetable set out below. The times stated below refer to the relevant time in London on the relevant date.

Noteholders holding Notes in the Clearing Systems should take steps to inform themselves of and to comply with the particular practice and policy of the relevant Clearing System. Noteholders who are not direct accountholders in the Clearing Systems should read carefully the provisions set out under “*Voting and Quorum*” in the Consent Solicitation Memorandum.

Event

Date and Time

Record Date

20 July 2023

For the Restricted 2026 Notes, only Noteholders holding Restricted 2026 Notes as of the Record Date are entitled to exercise voting rights with respect to the Proposals in respect of the 2026 Notes.

Voting Deadline

4:00 p.m. (London time) (11:00 a.m. (New York City time)) on 25 July 2023

Deadline for Noteholders to deliver or procure delivery to the Information and Tabulation Agent of Electronic Voting Instructions or, in the case of the Restricted 2026 Notes, a Form of Sub-Proxy, in favour of or against the relevant Extraordinary Resolution.

Meeting to be held at the offices of Freshfields Bruckhaus Deringer LLP, 100 Bishopsgate, London, EC2P 2SR, United Kingdom

From 11:00 a.m. (London time) on 28 July 2023

Announcement of the results of each Noteholders' Meeting

As soon as reasonably practicable after the Noteholders' meetings

Implementation Date and announcement of the satisfaction of the Consent Conditions

The date notified to relevant Noteholders which will be the earliest possible payment date following the date the relevant Extraordinary Resolution was approved, taking into account applicable currency controls, and the date on which the Amended and Restated Loan Agreements and Amended and Restated Trust Deeds, in respect of a particular series of Notes, are executed.

Subject to the approval of the relevant Extraordinary Resolution (and satisfaction of the other Consent Conditions), payment of the 2022 Notes Cash Payment in respect of all outstanding 2022 Notes and/or payment of the 2026 Notes Consent Fee and the date when the Amendments and Waivers contemplated by the Amended and Restated Loan Agreements and Amended and Restated Trust Deeds become effective.

To be before 30 September 2023

The above times and dates are indicative only and will depend, among other things, on timely receipt (and non-revocation) of Electronic Voting Instructions or, in the case of the Restricted 2026 Notes, a Form of Sub-Proxy, and the passing of the Extraordinary Resolutions. If any Meeting is adjourned, the relevant times and dates set out above will be modified accordingly and will be set out in the notice convening such adjourned Meeting.

Noteholders are advised to check with any broker, dealer, bank, custodian, trust company or other trustee through which they hold Notes whether such broker, dealer, bank, custodian, trust company or other trustee would require receipt of any notice or instructions prior to the deadlines set out above.

Voting and Quorum

Noteholders who wish to vote must do so in accordance with the procedures of the relevant Clearing System. Noteholders should note that they must allow sufficient time for compliance with the standard operating procedures of the Clearing Systems in order to ensure delivery of their voting instructions to the Information and Tabulation Agent in advance of the Voting Deadline. For more information about how to participate in the Consent Solicitation through the submission of Electronic Voting Instructions, Noteholders should read the “*Voting and Quorum*” section of the Consent Solicitation Memorandum.

The quorum required at each Meeting shall be two or more persons validly (in accordance with the provisions of the relevant Trust Deed) present (each a “**voter**”) representing or holding not less than two-thirds of the aggregate principal amount of the outstanding Notes, provided, however, that, so long as not less than two-thirds of the aggregate principal amount of the outstanding Notes is represented by a Global Note Certificate (as defined in the relevant Trust Deed), a single voter appointed in relation thereto or being the holder of the Notes represented thereby shall be deemed to be two voters for the purposes of forming a quorum (the “**Single Voter Proviso**”).

If within 15 minutes after the time fixed for such Meeting a quorum is not present, the relevant Meeting may be adjourned for such period, being not less than 14 days nor more than 42 days, and to such time and place as may be appointed by the chairman (with the approval of the Trustee) either at or subsequent to the relevant Meeting. Notice of any adjourned Meeting shall be given in the same manner as, and shall contain the same information required for, notice of the relevant Meeting, save that 10 days’ notice (exclusive of the day on which notice is given and of the day on which the adjourned Meeting is to be resumed) shall be sufficient and shall contain the quorum requirements which will apply when the adjourned Meeting resumes.

At any adjourned Meeting, the quorum shall be two or more voters representing or holding not less than one-third of the aggregate principal amount of the outstanding Notes, provided however that, so long as not less than one-third of the aggregate principal amount of the outstanding Notes is represented by a Global Note Certificate, a single voter appointed in relation thereto or being the holder of the Notes represented thereby shall be deemed to be two voters for the purposes of forming a quorum.

If any Meeting is adjourned for lack of quorum, it is the intention of the Borrower to arrange for a notice convening the adjourned Meeting to be sent to Beneficial Owners as soon as reasonably practicable following such adjournment.

Required Majority

To be passed in relation to the Notes, the relevant Extraordinary Resolution must be passed at the relevant Meeting or adjourned Meeting, as applicable, duly convened and held in accordance with the provisions of Schedule 4 (*Provisions for Meetings of Noteholders*) to the relevant Trust Deed by a majority of not less than three-quarters of the votes cast.

The Financial Advisor and the Information and Tabulation Agent

Any questions regarding the terms of the Proposal or the Consent Solicitation may be directed to the Financial Advisor at the address and telephone number specified below and any questions or requests for assistance in connection with voting at the relevant Meeting and/or the delivery of Electronic Voting Instructions or, in the case of the Restricted 2026 Notes, a Form of Sub-Proxy, and requests for additional copies of this announcement or the Consent Solicitation Memorandum may be directed to the Information and Tabulation Agent at the email address and telephone number specified below:

The Financial Advisor is:

LAZARD FRERES SAS

175 Boulevard Haussmann
75008 Paris
France

Email: naftogaz.investors@lazard.com

The Information and Tabulation Agent is:

MORROW SODALI LIMITED

Consent Website: <https://projects.morrowsodali.com/Naftogaz>

Email: naftogaz@investor.morrowsodali.com

In London:
103 Wigmore Street
W1U 1QS
Telephone:
+44 20 4513 6933

In Stamford:
333 Ludlow Street, South Tower,
5th Floor, CT 06902
Telephone:
+1 203 609 4910

In Hong Kong:
The Hive, 33-35 Hillier Street
Sheung Wan, Hong Kong
Telephone:
+852 2319 4130

Disclaimers

This announcement must be read by Noteholders in conjunction with the Consent Solicitation Memorandum. This announcement and the Consent Solicitation Memorandum contain important information which should be read carefully before any decision is made with respect to the Proposal. Noteholders may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) prior to the Meetings, obtain copies of the Consent Solicitation Memorandum and certain documents set out in the Consent Solicitation Memorandum from the Information and Tabulation Agent in electronic form at request.

None of the Issuer, the Financial Advisor, the Information and Tabulation Agent, the Trustee, the Principal Paying Agent or the Registrar (or their respective directors, officers, employees, agents or affiliates) makes any representations or recommendations whatsoever regarding the Consent Solicitation Memorandum, or any document prepared in connection with it, the Proposal, the Extraordinary Resolution or the Consent Solicitation.

Each Noteholder should take its own independent advice and is solely responsible for making its own independent appraisal of all matters (including the Consent Solicitation, the Extraordinary Resolution and the Proposal including, without limitation, the tax consequences thereof for the Noteholder) as such Noteholder deems appropriate in evaluating, and each Noteholder must make its own decision.

In accordance with normal practice, the Trustee has not been involved in the formulation of the Consent Solicitation, the Proposal or the Extraordinary Resolution outlined in the Consent Solicitation Memorandum and the Trustee expresses no opinion on, and makes no representations as to the merits of, the Consent Solicitation, the Proposal or the Extraordinary Resolution nor does it accept any responsibility for the accuracy, validity, correctness, relevance or completeness of the Consent Solicitation Memorandum, the Notice of Meeting or any other document prepared in connection with the Consent Solicitation or omissions therefrom. The Trustee does not make any representations that all relevant information has been disclosed to Noteholders in or pursuant to this announcement, the Consent Solicitation Memorandum or otherwise.

None of the Issuer, the Borrower, the Financial Advisor, the Information and Tabulation Agent, the Trustee, the Principal Paying Agent or the Registrar or any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Consent Solicitation (including the Proposal) or the Extraordinary Resolution, and accordingly none of the Issuer, the Borrower, the Financial Advisor, the Information and Tabulation Agent, the Trustee, the Principal Paying Agent or the Registrar expresses any opinion about the terms of the Consent Solicitation, the Proposal or the Extraordinary Resolution or makes any recommendation whether a Noteholder should participate in the Consent Solicitation or otherwise participate in the Meeting.

Neither this announcement nor the Consent Solicitation Memorandum constitute or form part of, and should not be construed as, an offer for sale, exchange or subscription of, or a solicitation of any offer to buy, exchange or subscribe for, any securities of the Issuer or any other entity. The distribution of the Consent Solicitation Memorandum may

nonetheless be restricted by law in certain jurisdictions. Persons into whose possession the Consent Solicitation Memorandum comes are required to inform themselves about, and to observe, any such restrictions.

MAR

This announcement is released by Kondor Finance plc and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (“**MAR**”). For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Daniel Wynne, Director on behalf of Kondor Finance plc.

This announcement is given by the Issuer.

13 July 2023