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Colombo, Sri Lanka, February 28, 2025

THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

**NOTICE OF COMPLETION OF INTERNATIONAL HOLDING PERIOD ARRANGEMENT
FOLLOWING SRI LANKA'S CONSENT SOLICITATION AND INVITATION TO EXCHANGE
(THE "INVITATION")**

On November 25, 2024, the Government of the Democratic Socialist Republic of Sri Lanka (the "**Republic**") launched the Invitation pursuant to an invitation memorandum dated November 25, 2024 (the "**Invitation Memorandum**"). The Invitation Memorandum is available on the Invitation Website (see below). Terms used in this announcement but not defined herein have the respective meanings given to them in the Invitation Memorandum.

On December 20, 2024, the Republic successfully settled the Exchange in connection with all of the Republic's bonds covered by the Invitation (other than the 2022 Bonds for which valid Instructions were not received and which were not subject to mandatory exchange), all of which were subsequently cancelled. On the same date, GLAS Trustees Limited (the "**International Holding Period Trustee**") received the relevant proportion of the Exchange Consideration (comprised of the Global Bonds Option) and, where applicable, the relevant entitlements to the Exchange Fee Bonds, due to Holders of Existing Bonds other than the 2022 Bonds that (a) failed to submit, or arrange to have submitted on its behalf, a valid Instruction ("**Non-Participating Holders**") at or prior to the Expiration Deadline or (b) specified that they are Ineligible Holders in their Instructions ("**Ineligible Holders**"). Any payments of principal and interest paid since the Settlement Date on the New Eurobonds and Exchange Fee Bonds held by the International Holding Period Trustee pursuant to the International Holding Period Arrangement were distributed by the Republic to the International Holding Period Trustee.

On January 16, 2025 (the "**First Distribution Date**"), the Holding Period Distribution Date following January 9, 2025 (the "**International Holding Period First Deadline Date**"), Non-Participating Holders that submitted an International Holding Period Instruction certifying their status as an Eligible Holder and, if required, Settlement Account Details, prior to 5:00 p.m. (Eastern Standard Time) on the International Holding Period First Deadline Date received, via the relevant Direct Participant, the Exchange Consideration (comprised of the Global Bonds Option) to which such Eligible Holder is entitled, together with any payments of interest or principal paid on the relevant New Eurobonds since the Settlement Date and held by the International Holding Period Trustee. A breakdown of these distributions is set out in Tables A, B and C below.

On February 27, 2025 (the "**Second Distribution Date**"), the Holding Period Distribution Date following February 18, 2025 (the "**International Holding Period Termination Date**"), Non-Participating Holders that submitted an International Holding Period Instruction certifying their status as an Eligible Holder and, if required, their Settlement Account Details, following the International Holding Period First Deadline Date but at or prior to 5:00 p.m. (Eastern Standard Time) on the International Holding Period Termination Date received, via the relevant Direct Participant, the Exchange Consideration (comprised of the Global Bonds Option) to which such Eligible Holder is entitled, together with any payments of interest or principal paid on the relevant New Eurobonds since the Settlement Date and held by the International Holding Period Trustee. A breakdown of these distributions is set out in Tables A, B and C below.

In respect of Ineligible Holders and Non-Participating Holders that failed to submit a Holding Period Instruction certifying that they are Eligible Holders and, if required, Settlement Account Details, at or prior to the International Holding Period Termination Date, the New Eurobonds that such holders would have otherwise received pursuant to the Exchange had they participated in the Exchange and certified their eligibility, will be sold by the International Holding Period Trustee in one or more transactions (each, a "**Sale**") as soon as reasonably practicable following this announcement. The proceeds from the Sales (net of the costs of sale including the fees of any marketing agent or broker appointed in relation to the Sales and any taxes and provisions for tax on sale or as a result of the Holding Period Arrangement, the "**Net Cash Proceeds**"), together with the *pro-rata* distribution of the Accrued Consideration and any payments

of principal and interest paid on the relevant New Eurobonds subject to such Sales since the Settlement Date and held by the International Holding Period Trustee (collectively, the "**Substitute Consideration**"), are expected to be distributed to relevant holders on the final Holding Period Distribution Date, being the fifth Business Day following the completion of all relevant Sales (the "**Substitute Consideration Distribution Date**").

Relevant Ineligible Holders who had submitted a valid Instruction at or prior to the Expiration Deadline, which was not validly revoked, will also receive on the relevant Holding Period Distribution Date the redemption proceeds of the applicable Exchange Fee Bond entitlement following its maturity.

Depending on market conditions, the volume of Exchange Consideration sold or other developments, the Net Cash Proceeds may be less than the principal amount of the Exchange Consideration otherwise due to such Holder. The Republic will not be obligated to pay any amount other than, or additional to, the Substitute Consideration, and payment of the Substitute Consideration will fully and finally discharge the Republic's obligation to deliver Exchange Consideration to the relevant holders of Existing Bonds.

None of the Republic, the International Holding Period Trustee or the Information, Tabulation and Exchange Agent will be responsible for any errors, delays in processing or systemic breakdowns or other failure in the delivery of the relevant New Eurobonds by any Direct Participant in the Clearing System and/or any other securities intermediary with respect to such Existing Bonds to the Holder, and no additional amounts will be payable to the Holder in the event of any delay in such delivery.

Table A – International Holding Period Distribution and Sale of New Eurobonds

Description	ISIN/Common Code	New Eurobonds Held by International Holding Period Trustee for International Holding Period	New Eurobonds Distributed to Eligible Holders on the First Distribution Date	New Eurobonds Distributed to Eligible Holders on the Second Distribution Date	Expected New Eurobonds to be Sold for Substitute Consideration ^(*)
Step-Up Macro-Linked Bonds due 2030	Rule 144A: XS2966241528 / 296624152	U.S.\$71,059	U.S.\$41,436	U.S.\$0	U.S.\$29,623
	Regulation S: XS2966241361 / 296624136	U.S.\$20,678,839	U.S.\$8,222,231	U.S.\$3,200,824	U.S.\$9,255,784
	Total:	U.S.\$20,749,898	U.S.\$8,263,667	U.S.\$3,200,824	U.S.\$9,285,407
Step-Up Macro-Linked Bonds due 2033	Rule 144A: XS2966241791 / 296624179	U.S.\$139,384	U.S.\$81,276	U.S.\$0	U.S.\$58,108
	Regulation S: XS2966241445 / 296624144	U.S.\$40,561,190	U.S.\$16,127,782	U.S.\$6,278,364	U.S.\$18,155,044
	Total:	U.S.\$40,700,574	U.S.\$16,209,058	U.S.\$6,278,364	U.S.\$18,213,152
Step-Up Macro-Linked Bonds due 2036	Rule 144A: XS2966241874 / 296624187	U.S.\$65,318	U.S.\$38,088	U.S.\$0	U.S.\$27,230
	Regulation S: XS2966241957 / 296624195	U.S.\$19,008,002	U.S.\$7,557,887	U.S.\$2,942,201	U.S.\$8,507,914
	Total:	U.S.\$19,073,320	U.S.\$7,595,975	U.S.\$2,942,201	U.S.\$8,535,144
Step-Up Macro-Linked Bonds due 2038	Rule 144A: XS2966242252 / 296624225	U.S.\$130,694	U.S.\$76,208	U.S.\$0	U.S.\$54,486
	Regulation S: XS2966242096 / 296624209	U.S.\$38,031,979	U.S.\$15,122,133	U.S.\$5,886,876	U.S.\$17,022,970
	Total:	U.S.\$38,162,673	U.S.\$15,198,341	U.S.\$5,886,876	U.S.\$17,077,456
Step-Up Governance-Linked Bonds due 2035	Rule 144A: XS2966242336 / 296624233	U.S.\$94,118	U.S.\$54,880	U.S.\$0	U.S.\$39,238
	Regulation S: XS2966242179 / 296624217	U.S.\$27,388,135	U.S.\$10,889,970	U.S.\$4,239,342	U.S.\$12,258,823
	Total:	U.S.\$27,482,253	U.S.\$10,944,850	U.S.\$4,239,342	U.S.\$12,298,061
	Rule 144A:	U.S.\$89,697	U.S.\$56,288	U.S.\$0	U.S.\$33,409

4.00% PDI Bonds due 2028	XS2966242419 / 296624241				
	Regulation S: XS2966242500 / 296624250	U.S.\$26,692,495	U.S.\$10,553,857	U.S.\$4,072,628	U.S.\$12,066,010
	Total:	U.S.\$26,782,192	U.S.\$10,610,145	U.S.\$4,072,628	U.S.\$12,099,419

(*) For the avoidance of doubt, these amounts represent the amount of New Eurobonds to be sold pursuant to the International Holding Period Arrangement and not the amount of cash or Net Cash Proceeds to be distributed from the Sale of such New Eurobonds. Such Net Cash Proceeds may be less than the nominal value of the New Eurobonds due to market conditions and the volume of New Eurobonds sold.

Table B – Distributions of Accrued Consideration

Description	ISIN/Common Code	Accrued Consideration per U.S.\$1,000 of New Eurobonds
Step-Up Macro-Linked Bonds due 2030	Rule 144A: XS2966241528 / 296624152	U.S.\$9.04
	Regulation S: XS2966241361 / 296624136	U.S.\$9.04
Step-Up Macro-Linked Bonds due 2033	Rule 144A: XS2966241791 / 296624179	U.S.\$15.35
	Regulation S: XS2966241445 / 296624144	U.S.\$15.35
Step-Up Macro-Linked Bonds due 2036	Rule 144A: XS2966241874 / 296624187	U.S.\$22.50
	Regulation S: XS2966241957 / 296624195	U.S.\$22.50
Step-Up Macro-Linked Bonds due 2038	Rule 144A: XS2966242252 / 296624225	U.S.\$13.50
	Regulation S: XS2966242096 / 296624209	U.S.\$13.50
Step-Up Governance-Linked Bonds due 2035	Rule 144A: XS2966242336 / 296624233	U.S.\$25.50
	Regulation S: XS2966242179 / 296624217	U.S.\$25.50
4.00% PDI Bonds due 2028	Rule 144A: XS2966242419 / 296624241	U.S.\$84.89 ^(*)
	Regulation S: XS2966242500 / 296624250	U.S.\$84.89 ^(*)

(*) With regards to the PDI Bonds, such amount equals U.S.\$21.67 per U.S.\$1,000 of nominal amount of PDI Bond as Accrued Consideration *plus* the First PDI Amortization Amount, being an amount equal to approximately U.S.\$63.22 per U.S.\$1,000 of nominal amount of PDI Bonds following the deduction of the Committees' Expenses Shortfall (which totalled approximately U.S.\$6.78 per U.S.\$1,000 of nominal amount of PDI Bonds).

Table C – Global Bonds Option

The following table sets out the nominal amounts of New Eurobonds issued and exchanged for Existing Bonds, including those New Eurobonds distributed to the International Holding Period Trustee on behalf of Non-Participating Holders and Ineligible Holders pursuant to the International Holding Period Arrangement.

Global Bonds Option - Exchange Consideration (U.S.\$)⁽²⁾

Existing Bond	ISIN	Principal Amount Outstanding ⁽¹⁾	2030 Macro Linked Bonds	2033 Macro Linked Bonds	2036 Macro Linked Bonds	2038 Macro Linked Bonds	Governance Linked Bonds	PDI Bonds	Total Consideration
2023 Bonds	US85227SAV88 / USY8137FAK40	\$1,250,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$126.66	\$856.38
March 2024 Bonds	US85227SAY28 / USY8137FAN88	\$1,000,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$123.11	\$852.83
June 2024 Bonds	US85227SBA33 / USY8137FAQ10	\$500,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$127.53	\$857.25
2027 Bonds	US85227SAT33 / USY8137FAH11	\$1,500,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$132.61	\$862.33
2028 Bonds	US85227SAW61 / USY8137FAL23	\$1,250,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$148.69	\$878.41
2029 Bonds	US85227SAZ92 / USY8137FAP37	\$1,400,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$141.08	\$870.80
2030 Bonds	US85227SBB16 / USY8137FAR92	\$1,500,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$132.75	\$862.47
June 2025 Bonds	US85227SAN62 / USY8137FAC24	\$650,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$127.26	\$856.98
November 2025 Bonds	US85227SAQ93 / USY8137FAE89	\$1,500,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$148.04	\$877.76
2026 Bonds	US85227SAR76 / USY8137FAF54	\$1,000,000,000	\$103.59	\$203.19	\$95.22	\$190.52	\$137.20	\$133.28	\$863.00

⁽¹⁾ As of the date of this announcement. The term "Outstanding" for each Series of Existing Bonds has the meaning ascribed to it in the applicable Existing Indenture.

⁽²⁾ Principal amount of New Securities per U.S.\$1,000 principal amount of Existing Bonds. The aggregate nominal amount of New Securities to be received pursuant to each Instruction will be rounded down to the nearest U.S.\$1. For the avoidance of doubt, no cash will be paid for fractional entitlements.

This announcement is made by Sri Lanka and constitutes a public disclosure of inside information under Regulation (EU) 596/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

Any questions regarding the terms of the Invitation may be directed to the Dealer Manager and questions regarding settlement should be directed to the Information, Tabulation and Exchange Agent. The contact details for each are specified below:

Dealer Manager

Citigroup Global Markets Inc
388 Greenwich Street
New York, New York 10013
United States

Telephone: +1 212 723 6106 (in New York)
+91 22 6175 9707 (in Asia)

Email: gosl.invitation@citi.com

Information, Tabulation and Exchange Agent

Sodali & Co

In London:

The Leadenhall Building, 122
Leadenhall Street London,
EC3V 4AB
United Kingdom

Telephone: +44 20 4513 6933

In Stamford:

333 Ludlow Street, 5th Floor
South Tower, CT 06902
United States of America

Telephone: +1 203 658 9457

In Hong Kong:

29/F, No. 28 Stanley Street
Central, Hong Kong

Telephone: +852 2319 4130

Email: srilanka@investor.sodali.com

Invitation Website: <https://projects.sodali.com/srilanka>

Disclaimer

This announcement must be read in conjunction with the Invitation Memorandum. No offer or invitation to acquire or sell any securities is being made pursuant to this announcement. The Dealer Manager does not take responsibility for the contents of this announcement.

Neither the Invitations nor the New Securities or the Exchange Fee Bonds have been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. Unless they are registered under the Securities Act, the New Securities and the Exchange Fee Bonds may be offered only in transactions that are exempt from registration under the Securities Act. Accordingly, the Invitations to Exchange were directed only to Holders of Existing Bonds that are: (i) "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("QIBs"), or (ii) non-U.S. persons outside the United States who (y) if located within a member state of the EEA or the UK, is a "qualified investor" as defined in Regulation (EU) No 2017/1129, as amended or Regulation (EU) No 2017/1129 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, respectively, or a duly designated proxy thereof, and (z) if outside the EEA and the UK, eligible to receive the Invitation under the laws of its jurisdiction an in reliance on Regulation S under the Securities Act (each, an "Eligible Holder").

European Economic Area

The New Securities and the Exchange Fee Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the New Securities or the Exchange Fee Bonds or otherwise making them available to retail investors in a Member State has been prepared and therefore offering or selling the New Securities or the Exchange Fee Bonds or otherwise making them available to any retail investor in a Member State may be unlawful under the PRIIPs Regulation.

United Kingdom

This announcement is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any New Securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). This announcement is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Invitation Memorandum relates is permitted only by Relevant Persons and will be engaged in only with Relevant Persons.

The New Securities and the Exchange Fee Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of the UK Prospectus Regulation; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of the UK Prospectus Regulation; or (iii) not a qualified investor as defined in the UK Prospectus Regulation. Consequently no key information document required by document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the New Securities or the Exchange Fee Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Securities or the Exchange Fee Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Italy

None of the Invitation Memorandum or any other document or materials relating to the Invitation (including this announcement) have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian laws and regulations.

The Invitation is being carried out in the Republic of Italy ("**Italy**") as an exempted offer pursuant to article 101-*bis*, paragraph 3-*bis* of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-*bis*, paragraph 3 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Accordingly, Holders of the Existing Bonds that are located in Italy can tender Existing Bonds for exchange pursuant to the Invitations through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended from time to time) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB, Bank of Italy or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Existing Bonds or the Invitation.