



FINANCIAL RELEASE

March 19th 2023

Aéroports de Paris SA

Groupe ADP and GMR Enterprises enter into agreement to form an airport holding company listed on Indian Stock Exchanges by the first half of 2024

The Boards of Directors of Aéroports de Paris (Groupe ADP) and GMR Airports Infrastructure Ltd (GIL), both listed companies and co-shareholders of a respectively 49% and 51%-stake in the airport holding GMR Airports Ltd (GAL), have approved the execution of a Framework Agreement¹ initiating the process aiming at a merger between GIL and GAL in the first half of 2024 ("New GIL").

The contemplated merger, will allow Groupe ADP to become shareholder of an airport company listed on BSE Limited and National Stock Exchange of India Limited ("Indian Stock Exchanges"), as contemplated when acquiring its stake in GAL in 2020. This operation will:

- ◆ Simplify and clarify the capital structure of the airport holding company;
- ◆ Fully reveal the value of GAL and provide liquidity to the stake held by Groupe ADP;
- ◆ Make *New GIL* a more agile development platform to capture new opportunities in India and South-East Asia.

"Three years after our acquisition of a stake in the Indian group GMR Airports, a new step in our presence in Asia commences today. The operation launched today will reveal the value of our stake through an airport company listed on the Indian Stock Exchanges. This operation will enable us to fully seize the development opportunities of the Indian airport market in the coming years. With TAV Airports, a group listed in Turkey, and GMR Airports, to become listed in India by mid-2024, Groupe ADP, itself listed in Paris, will hold a unique position in the airport industry. It is thus initiating an original model for financing its development. As a multi-local global player, Groupe ADP pursues its ambition to create value for all stakeholders and puts decarbonization of its operations as a common objective for all its airport platforms." **stated Augustin de Romanet, Chairman and CEO of Groupe ADP**

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As provided for in the Framework Agreement signed today and subject to the approval of the creditors and shareholders of GIL and GAL and of the required regulatory approvals, GAL and GIL would merge in the first half of 2024, forming an airport holding company listed on the Indian Stock Exchanges.

¹ Framework Agreement signed between Groupe ADP, GIL, GAL, GMR-E.

The Framework Agreement provides for the following characteristics:

- Groupe ADP would hold 45.7% economic interest in *New GIL*, according to independent valuation exercises and supported by fairness opinions;
- Earnouts and ratchets² contracted between Groupe ADP and GIL upon the acquisition of the stake in GAL by Groupe ADP in 2020, would be fully settled;
- Residual contingent liabilities of GIL related to non-airport activities would be significantly reduced, allowing Groupe ADP to become shareholder of the listed entity with no exposure to such liabilities;
- Groupe ADP would be entitled, through a shareholder agreement, to extended rights in *New GIL*'s governance, similar to those held currently in GAL, hence preserving its significant influence.

In detail, this operation aims at several strategic and financial objectives:

1. The operation will allow *New GIL* to become an airport pure-player

Since its demerger from GMR Power and Urban Infra Ltd. (GPUIL) at the beginning of 2022³, GIL has held exclusively airport assets on its balance sheet. However, it has continued to carry important residual contingent non-airport liabilities related to GPUIL, GMR-Enterprises' (GMR-E) non-airport infrastructure arm.

To accelerate the settlement of these contingent liabilities and become an airport pure-player, Groupe ADP proposes to subscribe to 330,817 Foreign Currency Convertible Bonds (FCCBs) issued by GIL for a total amount of c.331 million euros. As per the Framework Agreement, the proceeds from these FCCBs will be used by GIL to clear its balance sheet by way of repaying corporate debt and also settling a major part of its liabilities. This reorganization of liabilities will constitute a condition precedent for the merger of GAL and GIL.

2. Groupe ADP will retain a substantial economic interest in GIL's capital, while preserving the local nature of GMR Airports

Groupe ADP would hold 45.7% economic interest in *New GIL*⁴, according to independent valuation exercises and supported by fairness opinions. This takes into account the definitive settlement of ratchets clauses and includes a liquidity premium.

In line with Groupe ADP's multi-local approach, the framework-agreement provides for GMR-E to maintain its position as controlling shareholder in *New GIL*. To signify this positioning, Groupe ADP's shareholding in *New GIL* will be segregated into two⁵ categories of instruments:

- ordinary equity shares, and
- Optionally Convertible Redeemable Preference Shares (OCRPS), entitled to a dividend equivalent to an ordinary equity share, and allowing Groupe ADP to retain a substantial interest in the performance of the asset.

Upon completion of the merger between GAL and GIL, Groupe ADP's 45.7% economic interest will be applied to account for the results of the *New GIL*, which will be consolidated under the equity method into the group's accounts. Until the merger completion, the 49% stake held by Groupe ADP in GAL remains accounted for under the equity method.

² Upon Groupe ADP's acquisition of its 49% stake in GAL, completed in two stages in February and July 2020, Groupe ADP granted GIL earn-out clauses, conditional upon the achievement of certain performance targets of GMR Airports' activities by 2024, as well as certain ratchets, conditioned to the occurrence of certain commercial and regulatory events by 2024, allowing GIL to receive up to respectively 126 million euros and 8.2% of the capital.

³ See [December 31st, 2021 GMR Corporate announcement](#) and related disclosures.

⁴ Excluding potential impact that would result from a conversion of FCCBs.

⁵ Excluding any potential equity shareholding that may arise as a result of converting the FCCB.

Simplified shareholding and economic interest in GAL and in New GIL:

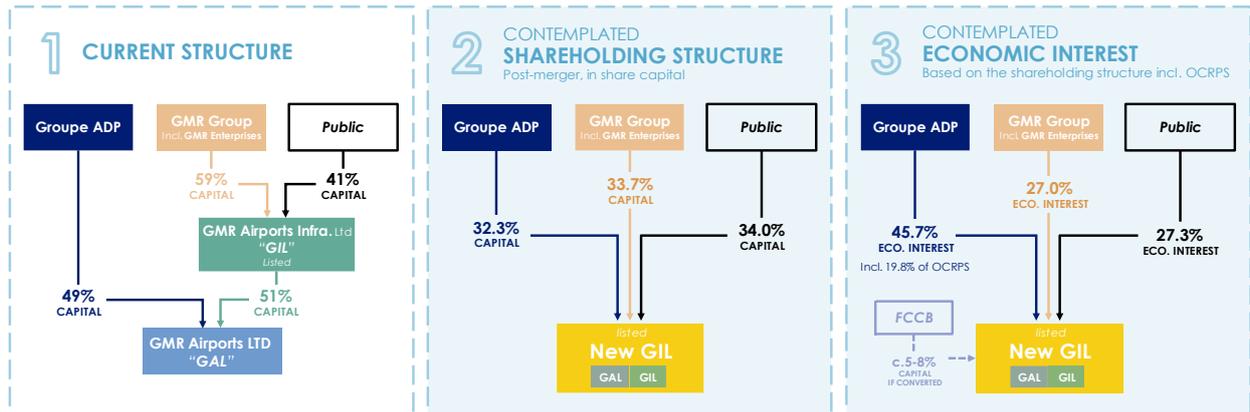


Chart n°2 "Contemplated shareholding structure" hereabove presents the shareholding in share capital on undiluted basis of 10,558,975,952 shares, which includes 3,410,614,011 ordinary shares held by Groupe ADP, representing a 32.3% stake in the share capital.

Chart n°3 "Contemplated economic interest" hereabove is calculated on a basis of 13,163,416,832 shares, which includes 3,410,614,011 ordinary shares and 2,604,440,880 OCRPS held by Groupe ADP as if converted, aggregating to a 45.7% economic interest.

Both calculations exclude the potential impact of a conversion of FCCBs.

3. Make New GIL a more agile development platform to capture new opportunities in India and South-East Asia

GAL possesses major assets in India, including the airports of Delhi (first in Asia-Pacific to reach ACA⁶ level 4+), Hyderabad and Goa (opened on January 5th, 2023), and in Indonesia, as well as several other airport projects under development in India and Greece, with attractive prospects for both growth and medium-term profitability.

In the coming years, the potential for external growth in Asia is important, driven by the need for airport infrastructure investments in the region. In India in particular, privatizations projects have been announced by the government. To fully exploit those growth opportunities, the merger of GAL and GIL would allow New GIL to form a more agile platform able to capture this profitable development potential.

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Estimated timetable of the contemplated merger

Subsequent to the approval of merger scheme by the respective boards of directors of GAL and GIL today, GIL will submit the merger application to the Indian Stock Exchanges where GIL is currently listed for their approval and to the Securities and Exchange Board of India (SEBI). The merger application will be subsequently filed for approval with the National Company Law Tribunal (NCLT).

The merger is expected to be effective by the first half of 2024 following completion of all relevant steps. The Framework Agreement signed today between GMR-E, GIL, GAL and Groupe ADP commits all parties to complete the necessary steps toward the merger, subject to all regulatory approvals.

Expected impact on Groupe ADP's consolidated financial statements

The subscription of FCCBs, to be accounted for as financial assets measured at fair value, will lead to a cash expense of c.331 million euros in the coming weeks. A provision regarding earn-outs clauses

⁶ Delhi International Airport has been recognized Level 4+ (Transition) of the ACI's Airport Carbon Accreditation program on November 17th, 2020.

being already accounted for in Groupe ADP's accounts, their settlement will be neutral in the group's P&L and lead to a cash expense of c.62 million euros before the merger.

Upon completion, the merger should result in recording a non-cash expense, translating the change in economic interest of Groupe ADP (including the settlement of *ratchets* clauses as well as a liquidity premium) as well as the integration of the assets of *New GIL*, excluding GAL, whose expected net value at the date of merger will be negative. The impact of these items, currently estimated at c.100 million euros on Groupe ADP's net income from ordinary activities, will be determined at the date of merger.

Confirmation of 2023-2025 financial targets

This operation, which contributes to accelerating GMR Airports' profitable development, is in line with the Group's strategy of selective international growth. Groupe ADP hence confirms its objective of a net financial debt/EBITDA ratio of 3.5x to 4.5x in 2025, including the aforementioned expected impacts as well as potential new international growth projects. Groupe ADP confirms its dividend policy of a 60% payout ratio of the Net Result Attributable to the Group for the 2023-2025 period, with a minimum of €3.0 per share.

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S&R and Associates and Hogan Lovells acted as legal advisors and Urban Strategic Pte Ltd as a strategic advisor to Groupe ADP.

CONFERENCE CALL

Augustin de Romanet, Chairman and CEO, and Phillipe Pascal, Chief Financial Officer, will comment on this announcement on **Monday March 20th, 2020 at 8:00am** (CET) during a **conference call in English**, for financial analysts and investors.

A **live webcast** will be available at the following link: [Webcast](#)

To participate to the **Q&A session**, please register on the following link: [Call registration](#)

FINANCIAL CALENDAR *(subject to change)*

- ◆ **Next traffic publication** - March 2023 traffic figures: 17 April 2023, after market close
- ◆ **2023 first quarter revenue**: 26 April 2023, after market close
- ◆ **Annual General Meeting of shareholders**: 16 May 2023
- ◆ **Ex-dividend date⁷**: 5 June 2023
- ◆ **Dividend payment⁷**: 7 June 2023
- ◆ **2023 Half-Year results**: 27 July 2023, after market close
- ◆ **2023 nine months revenue**: 25 October 2023, after market close

DISCLAIMER

This presentation does not constitute an offer to purchase financial securities within the United States or in any other country.

Forward-looking disclosures (including, if so, forecasts and objectives) are included in this press release. These forward-looking disclosures are based on data, assumptions and estimates deemed reasonable at the diffusion date of the present document but could be unprecise and are, either way, subject to risks. There are uncertainties about the realization of predicted events and the achievements of forecasted results. Detailed information about these potential risks and uncertainties that might trigger differences between considered results and obtained results are available in the registration document filed with the French financial markets authority on 18 March 2021 under D.21-0149, retrievable online on the AMF website www.amf-france.org or Aéroports de Paris website www.parisaeroports.fr.

Aéroports de Paris does not commit and shall not update forecasted information contained in the document to reflect facts and posterior circumstances to the presentation date.

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Groupe ADP develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. In 2022, the group handled through its brand Paris Aéroport 86.7 million passengers at Paris-Charles de Gaulle and Paris-Orly, and nearly 193.7 million passengers in airports abroad. Boasting an exceptional geographic location and a major catchment area, the Group is pursuing its strategy of adapting and modernizing its terminal facilities and upgrading quality of services; the group also intends to develop its retail and real estate businesses. In 2022, group revenue stood at €4,688 million and net income at €516million.

Registered office: 1, rue de France, 93 290 Tremblay-en-France. Aéroports de Paris is a public limited company (Société Anonyme) with share capital of €296,881,806. Registered in the Bobigny Trade and Company Register under no. 552 016 628.

groupeadp.fr

⁷ Subject to the approval of the Shareholders' General Meeting approving 2022 accounts, to be held May 16th, 2023.

APPENDIX - Summary of aforementioned financial instruments

SUMMARY OF THE FCCB (FOREIGN CURRENCY CONVERTIBLE BONDS)

FCCB MAIN CONDITIONS

Amount: C.€331M	Nature: Foreign currency convertible bond	Interest rate: 6.76% per annum, in €	FX rate for FCCB conversion: Fixed EUR/INR rate to be determined in the 2 business days prior to FCCB allotment
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FCCB DETAILS

Interest policy: no cash coupon, capitalized over principal for 5 years, thereafter paid in cash, with deferral option.

Issue Price: last 2 weeks average VWAP - average of weekly high and low of the closing share prices for two weeks preceding the relevant date (17 March 2023)

Conversion price: 10% premium over issue price

Maturity : 10 years and one day from issue date

CONVERSION FORMULA

$$\text{Number of shares at conversion} = \frac{FV}{FX \cdot (Pi * 1.1)}$$

FV: Future value of FCCB in Euros (6.76% interest capitalized over principal)

FX: EUR/INR rate at the issue date

Pi: Issue price

Pi*1.1: conversion price

SUMMARY OF THE OCRPS (OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES)

OCRPS MAIN CONDITIONS

Fully diluted ownership: 19.8%¹	Nature: Optionally Convertible Redeemable Preference Shares	Voting right: none²	Share capital: none	Dividend right: Equivalent to an ordinary share
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OCRPS DETAILS

Right of first offer by GMR Enterprises

Conversion right : at maturity, or to maintain the agreed "equity" shareholding ratio with GMR-E

Upon conversion : OCRPS convert into ordinary shares, tradable on the market

¹ excluding potential impact that would result from a conversion of FCCBs.

² Exception for resolutions which may affect the value of OCRPS or any rights attached to it