



FINANCIAL RELEASE

July 25th, 2024

Aéroports de Paris SA

Completion of the merger between GMR Airports Ltd (GAL) and GMR Airports Infrastructure Ltd (GIL)

Aéroports de Paris (Groupe ADP) and GMR Airports Infrastructure Ltd (GIL), co-shareholders in the airport holding company GMR Airports Ltd (GAL), announce that all the steps and conditions precedent to the merger between GIL and GAL have been completed in accordance with the initial announcement of the project on March 19th, 2023.

The merger is effective as of today, following the filing of the order of the National Company Law Tribunal approving the merger with the Registrar of Companies. Groupe ADP now holds a 45.7% economic interest¹ (composed of ordinary equity shares on one side and preference shares – OCRPS on the other side) in the merged and listed company GMR Airports Infrastructure Ltd (Merged GIL or "New GIL"). The ordinary equity shares of New GIL, issued to Groupe ADP, will be tradable on the stock exchanges of the BSE Limited and of the National Stock Exchange of India Limited (TICKER: GMRINFRA - ISIN: INE776C01039), within around one week².

Based on GIL's pre-merger share price, as of July 24th, 2024, Groupe ADP's 45.7% total economic interest in New GIL, combining ordinary equity shares and preference shares - OCRPS, would be valued 6.3 billion euros³.

Augustin de Romanet, Chairman and CEO of Groupe ADP, stated:

"As announced a year ago, Groupe ADP and its partner GMR Group have successfully completed the transaction allowing to make GMR Airports, leading airport group in a dynamic area, a listed company on the Indian stock exchanges.

The merger of GMR Airports into a listed GMR Airports Infrastructure is a new major step after the fulfilment of Groupe ADP's acquisition of a stake in GMR Airports four years ago, revealing its intrinsic value and ensuring its liquidity. Due to the merger, the Indian airport holding simplifies its capital structure, enhances its visibility and agility, and puts itself in the best position to continue to support traffic growth in its assets, pursue its ongoing airport projects and seize relevant development opportunities in Asia.

In line with its strategy, Groupe ADP is determined to serve the interests of its stakeholders through a unique global and multi-local airport network driven by a shared ambition for decarbonization."

¹ 45.7% economic interest consisting of 3,410,614,011 ordinary equity shares and 65,111,022 OCRPS Preference Shares, conditionally convertible into 2,604,440,880 ordinary equity shares.

² After formal receipt of all relevant approvals from the stock exchanges.

³ Implied valuation of ADP stake, combining ordinary equity shares and OCRPS, based on GIL's share price as of 24 July 2024, after market.

In line with previous communications, the transaction has the following characteristics:

- Groupe ADP now holds a 45.7% economic interest in *New GIL*, based on independent valuation exercises and supported by fairness opinions;
- The earn-out and ratchet clauses⁴ contracted between Groupe ADP and GIL when Groupe ADP acquired its stake in GAL in 2020 have been fully settled;
- GIL's residual contingent liabilities relating to non-airport activities have been significantly reduced so as not to expose Groupe ADP to such liabilities;
- Through the, now-effective, shareholders' agreement of March 19th 2023, Groupe ADP is entitled to extended governance rights in *New GIL*, similar to those held until now in GAL, hence preserving its significant influence while GMR Group through GMR Enterprises (GMR-E) continues to be in management control.

The completion of the merger will lead to a set of opposite accounting impacts, at the time of the transaction and then upon the unwinding of the FCCBs convertible bonds, with no effect on the group's cash position. Upon merger, the recognition of a non-cash charge estimated between c.400 and c.500 million euros, will thus negatively impact the second half of 2024 net income⁵. Conversely, upon unwinding of FCCBs, at the latest in 2033, the extinction of these instruments in *New GIL*'s liabilities will have a positive non-cash impact on Groupe ADP net income⁵.

It is reminded that Groupe ADP's dividend policy, which is confirmed, provides for the distribution to shareholders of a dividend corresponding to 60% of net income attributable to the group, with a minimum of €3.0 per share for 2024.

STRATEGIC AND FINANCIAL CONTRIBUTIONS OF THE OPERATION

1. After clearing GIL's non-airport liabilities, the merger of GIL and GAL makes *New GIL* an airport pure-player.

Since the demerger of GIL and GMR Power and Urban Infra Ltd. (GPUIL) at the beginning of 2022, 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 group non-airport infrastructure arm.

In accordance with the framework agreement of March 19, 2023, the proceeds of the convertible bonds (FCCBs - Foreign Currency Convertible Bond) issued by GIL for c. 331 million euros and subscribed by Groupe ADP in March 2023, were used by GIL to clear its balance sheet by repaying the company's debt and settling a large part of its liabilities. This settlement of liabilities was a condition precedent to the merger of GAL and GIL, so as not to expose Groupe ADP to such commitments.

As GIL holds exclusively airport assets on its balance sheet, the merger of GIL and GAL makes *New GIL* a pure airport player.

2. Groupe ADP retains a substantial economic interest and a strong position in *New GIL*'s capital, while preserving its local character.

At the date of the merger, and as expected, Groupe ADP is holding a 45.7% economic interest in *New GIL*⁶, 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, GMR-E retains its position as controlling shareholder in management control of *New GIL*. To signify this positioning, Groupe ADP's stake in *New GIL* is segregated into two⁶ categories of instruments:

⁴ 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.

⁵ Net income attributable to the group

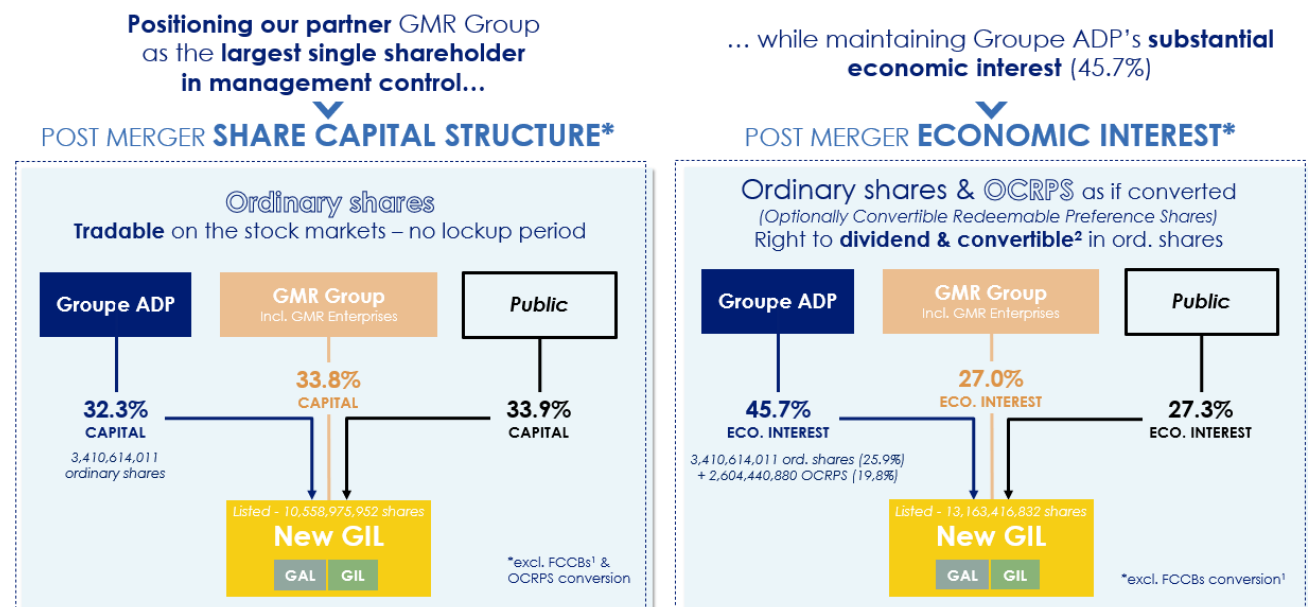
⁶ Excluding any potential equity shareholding that may arise as a result of converting the FCCBs.

- (i) ordinary equity shares, and
- (ii) Optionally Convertible Redeemable Preference Shares (OCRPS), entitled to a dividend equivalent to an ordinary equity share, and allowing Groupe ADP to retain a significant economic exposure to the value creation of the Indian airport group.

The financial statements of New GIL will be accounted under the equity method in the consolidated financial statements of Groupe ADP on the basis of the economic interest of 45.7% as from July 25th, 2024 (today), effective date of completion of the transaction.

Illustration: share capital and economic interest (i.e. including OCRPS – preference shares) in New GIL

Our stake is structured in two types of instruments : Ordinary shares & Preference shares (OCRPS)



¹ - In the event the convertible bonds "FCCBs" issued by GIL in march 2023 are converted into ordinary shares, 5-8% ownership could be assigned depending on conversion date ; economic interest of other parties would be adjusted accordingly.
² - Convertible at any point if necessary to maintain the agreed "shareholding ratio" with GMR, or at maturity – see appendix on slide 21

3. Groupe ADP is entitled to extended governance rights, commensurate with its economic interest in New GIL.

Under the terms of a shareholders' agreement, Groupe ADP is entitled to extended governance rights in New GIL, similar to those held until now in GAL and thereby preserving its significant influence.

Groupe ADP and GMR group, through GMR-E, have five seats each on the Board of Directors of New GIL, out of a total of twenty members, ten of whom are independent⁷ directors.

Finally, the executive management of New GIL includes three senior positions appointed by Groupe ADP, as was the case in GAL: the Deputy Chief Executive Officer, the Chief Operating Officer and the Financial Partnership Officer.

4. New GIL gains agility and visibility to seize new opportunities in India and Asia

Post-merger, the capital structure of the airport holding company is being simplified, with now a direct ownership of airport assets for the shareholders of the listed company. As New GIL's shares are directly tradable, it will benefit from easier access to financial markets and the airport assets will enjoy greater visibility. These advantages will position New GIL to capture the potential for profitable growth offered by its market.

New GIL holds controlling stakes in major assets in India, including the airports of Delhi, Hyderabad and Goa, 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.

⁷ Independence as per Indian regulations: Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Delhi airport illustrates New GIL's ambitious environmental policy. As the first airport in Asia-Pacific to reach ACA level 4+⁸, notably by an electric supply only sourced from hydroelectric and solar power, Delhi airport has set for itself a target of "Net Zero Carbon Emission" in 2030.

New GIL is perfectly positioned to capture the very strong growth in traffic expected in India over the coming years, driven by the country's development and the rising propensity to air travel in the population. This growth is also supported by the ambitious development policy of Indian airlines, illustrated by record aircraft orders as well as the Indian government's strategy of building airport hubs in India.

In the medium term, based on a selective development policy, New GIL could benefit from the important external growth potential in India, where projects of concession of airport assets have been announced by the government. Likewise, in Asia, the need for airport infrastructure investments could represent an additional target for profitable development.

Moreover, to ensure revenue diversification and increase cash generation, New GIL will capitalize on international traffic growth, which is the most contributive, and on the trajectory of airport tariffs, while prioritizing the development of retail and real estate activities on the airport sites.

IMPACTS ON GROUPE ADP CONSOLIDATED FINANCIAL STATEMENTS

The completion of the merger will generate several accounting effects in Groupe ADP consolidated financial statements, according to different timeframes:

- ◆ In 2024, upon the closing of the merger, it will lead to the recognition of a non-cash charge estimated to date between around 400 and 500 million euros. Recorded under other operating income & expenses, this non-cash charge will impact the net income attributable to the group in 2024.

This non-cash charge reflects both the change in the economic interest's ownership level of Groupe ADP (resulting from the settlement of ratchet clauses and a liquidity premium) and the integration of the Groupe ADP's share of GIL's assets and liabilities (excluding GAL), whose net value is negative due primarily to the convertible bonds (Foreign Currency Convertible Bonds - FCCBs) issued by GIL and subscribed by ADP on March 25, 2023. It should be noted that the fair value of the FCCBs is primarily correlated to changes in the market capitalization of GIL (now New GIL).

- ◆ Until the settlement of the FCCBs (i.e. in 2033 at the latest), changes in the fair value of the FCCBs and the related derivatives are recorded in Groupe ADP's income statement in each accounting periods:
 - On the one hand, in Groupe ADP financial result, reflecting changes in the fair value of (i) the FCCBs, recorded in ADP SA's assets, and (ii) the associated derivatives assets and derivatives liabilities. These changes largely offset each other;
 - On the other hand, in Groupe ADP's income from associate and joint ventures, representing the change in fair value of FCCBs, recorded in *New GIL's* liabilities.

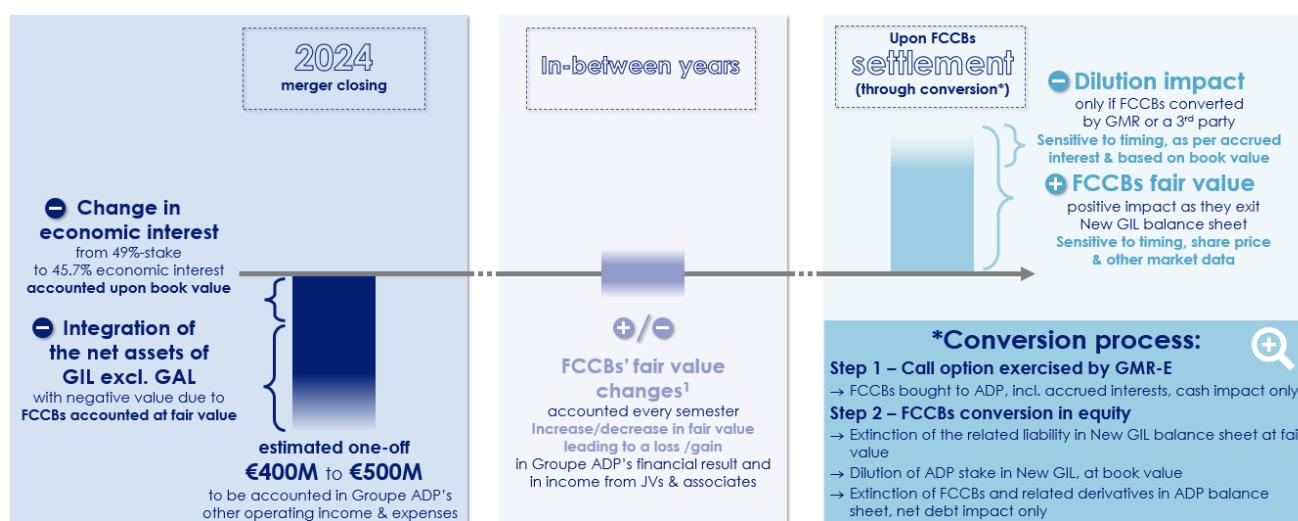
It should be noted that the Group's financial debt includes the fair value of these derivatives, whose variation will affect changes in the gross and net financial debt indicators upon each accounting period.

- ◆ Upon settlement of the FCCBs, resulting from their conversion by GMR-E or a third party, after the exercise either of the call option held by GMR-E, exercisable at any time (derivative liability recorded in ADP's balance sheet) or of the put option held by ADP, exercisable from 2028 (derivative asset), will lead, at the time of its completion (no later than 2033) to a non-cash income reflecting (i) the positive change in the net value of *New GIL* (linked to the conversion

⁸ Delhi International Airport has been recognized Level 4+ (Transition) of the ACI's Airport Carbon Accreditation program on November 17th, 2020.

of FCCBs debt into equity) and (ii) to a lesser degree, the negative impact of the change in the economic interest's ownership level⁹ of Groupe ADP in New GIL.

Illustration: Expected non-cash impacts of the transaction on Groupe ADP's financial statements



1. Change in the fair value of the FCCBs convertible bonds and of related derivatives
2. Net result attributable to the group

CONFIRMATION OF 2024-2025 FINANCIAL TARGETS

This operation, which contributes to accelerating GMR Airports' profitable development, is in line with Groupe ADP's strategy of selective international growth.

Groupe ADP confirms its objective of a net financial debt/EBITDA ratio of 3.5x to 4.0x in 2025, taking into account the above-mentioned expected effects as well as potential new growth projects.

Groupe ADP confirms its policy of a dividend payout rate corresponding to 60% of net income attributable to the group with a minimum of €3.0 per share, for 2024.

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

⁹ Impact of change in the economic interest's ownership level of Groupe ADP from 45.7% to between 43.5% and 41.9%, depending on interests accrued FCCBs, and accounted for based on New GIL's book value.

Financial calendar¹⁰

Conference call

A conference call (audiocast in English) will be held on **Friday 26 July 2024 at 11:00am (CET)**. The presentation can be followed live at the below links, which are also posted on [Groupe ADP's website](#).

A live webcast of the conference will be available at the following link: [webcast \(only in English\)](#).

Registration to participate to the Q&A session is available at the following link: [call registration](#)

Financial publications

- ◆ **2024 nine months revenue** - October 24th, 2024 - after markets closing, at 5:45pm (CET)

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 applicable, 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 inaccurate and are, either way, subject to risks. There are uncertainties about the realization of predicted events and the achievement 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 (AMF) on April 12th, 2024 under number D.24-0280, and, if applicable, have been updated in the half-year financial report as of 30 June 2024, both retrievable online on the AMF website www.amf-france.org or the Aéroports de Paris website www.parisaeroports.fr.

Aéroports de Paris does not commit to, and is not obligated to, update forecasted information contained in this document to reflect facts and circumstances posterior 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 2023, the group handled through its brand Paris Aéroport 99.7 million passengers at Paris-Charles de Gaulle and Paris-Orly, and nearly 336.4 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 2023, group revenue stood at €5,495 million and net income at €631 million.

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.

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¹⁰ Subject to change