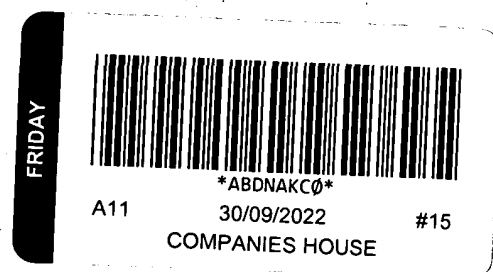


Apollo Credit Management International Limited
Registration Number: 11066420

ANNUAL REPORT AND FINANCIAL STATEMENTS
Year Ended December 31, 2021



Apollo Credit Management International Limited
Contents
For the year ended 31 December 2021

Company information	3
Strategic report	4
Directors' report	5-7
Independent auditor's report	8-11
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Notes to the financial statements	15-22

Apollo Credit Management International Limited

Company Information

For the year ended 31 December 2021

Directors

The following directors served during the year or part of the year:

Skardon Baker

Shaun Collins

Sebastian-Dominik Jais (Resigned 11 November 2021)

Steve McElwain

Christopher Hojlo

Seda Yalcinkaya

Ivaylo Kolev

Edward Jones

Registration Number

11066420

Registered Office

25 St George Street

London

W1S 1FS

Banker

Bank of America

2 King Edward Street

London

EC1A 1HQ

Auditor

Deloitte LLP, Statutory Auditor

1 New Street Square

London, EC4A 3HQ

United Kingdom

Apollo Credit Management International Limited

Strategic Report

For the year ended 31 December 2021

The directors present their strategic report for Apollo Credit Management International Limited (the "Company") for the year ended 31 December 2021.

Principal activity

The Company was incorporated on 15 November 2017.

The principal activity of the Company is to provide investment-related advisory services to various Apollo funds and affiliates (together the "Investment Managers").

Business review

The result for the year and the financial position at the year end were considered satisfactory by the directors.

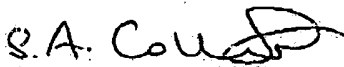
Principal risks and uncertainties

The Company has exposure to foreign exchange risk, as the functional currency of the Company is United States Dollar and the Company enters into transactions denominated in Pound Sterling. The directors do not consider the foreign exchange exposure to be significant as all amounts are settled within a reasonable time frame.

Key performance indicators

Given the straight forward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 28 September 2022 and signed on its behalf by



Shaun Collins
Director

Apollo Credit Management International Limited

Directors' Report

For the year ended 31 December 2021

The directors present their report on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 December 2021.

Directors

The directors who served throughout the year have been described on page 3, Company information.

Going concern

The Company has on-going contracts for the provision of investment-related advisory services to the Investment Managers. The directors have reviewed the projected income, expenses and cash flows for the Company over the next 12 months, and also the potential impact of COVID-19. The directors consider that the Company has sufficient financial resources and will be able to meet their liabilities as they fall due for a period of at least twelve months from the date of the approval of the financial statements. Accordingly, the financial statements are prepared on the going concern basis.

Streamlined energy and carbon reporting

From 1 April 2019 The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 requires large unquoted company to disclose energy and carbon information. The company qualifies as large based on the size of the statement of financial position and turnover.

	2021	2020
Emissions from electricity purchased for own use, including for the purposes of transport (scope 2 - tonnes of CO ₂ e)	13,558	16,281
Intensity ratio (tonnes of CO ₂ e per employee)	484	626

The Company applied the GHG methodology for estimating greenhouse gas emissions. The Company incurred no scope 1 or scope 3 emissions. The data for scope 2 emissions was gathered from the energy suppliers of its places of business in the UK and converted from kWh to CO₂e using government conversion factors. Total kWh consumption for the year was 63,856 (2020: 69,832).

No energy efficiency actions have been taken in the year to 31 December 2021.

Future developments

The directors do not anticipate any change in the nature of the Company's activities going forward.

Events after the end of the reporting period

Details of significant events since the end of the reporting year are contained in note 15 to the financial statements.

Results and dividends

The net liability of the Company as at 31 December 2021 were -\$1,859,489. The total comprehensive loss for the year ended 31 December 2021 is -\$16,939,579.

The Directors do not recommend the payment of a dividend for the year. No dividends were paid in the current or prior year.

Apollo Credit Management International Limited

Directors' Report

For the year ended 31 December 2021

Statement of directors' responsibilities (continued)

Political Donation

There were no political donations made by the Company during 2020 or 2021.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom ("UK") Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditor

The directors at the time when this Directors' report is approved have confirmed in accordance with the provisions of section 418 of the Companies Act 2006 that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- they have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Apollo Credit Management International Limited

Directors' Report

For the year ended 31 December 2021

Statement of directors' responsibilities (continued)

Independent Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 September 2022 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'S.A. Collins', with a stylized flourish at the end.

Shaun Collins

Director

Independent auditor's report to the members of Apollo Credit Management International Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Apollo Credit Management International Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of comprehensive income;
- the Statement of financial position;
- the Statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Apollo Credit Management International Limited

Report on the audit of the financial statements

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Apollo Credit Management International Limited

Report on the audit of the financial statements

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included Companies Act 2006
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

We identified a significant risk in relation to the cut off of accruals. To address this significant risk, Deloitte has performed unrecorded liabilities testing sampling at a significant risk level. Furthermore, Deloitte has extended our testing of unrecorded liabilities beyond the usual payment cycle.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent auditor's report to the members of Apollo Credit Management International Limited

Report on the audit of the financial statements

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

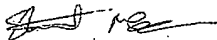
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
the financial statements are not in agreement with the accounting records and returns; or
certain disclosures of directors' remuneration specified by law are not made; or
we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McLaren (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

28 September 2022

Apollo Credit Management International Limited

**Statement of comprehensive income
For the year ended 31 December 2021**

		Year Ended 31 December 2021	Year Ended 31 December 2020
		\$	\$
Turnover	Note 4	64,580,839	40,696,985
Administrative expenses		(54,242,944)	(34,945,635)
Operating profit	5	10,337,895	5,751,350
Dividend Income	6	18,781,284	-
Impairment loss	12	(44,237,153)	-
(Loss) / Profit before taxation		(15,117,974)	5,751,350
Tax on profit	8	(1,821,605)	(500,934)
(Loss) / Profit before taxation		(16,939,579)	5,250,416

There are no items of other comprehensive income.
All amounts relate to continuing operations.

The accompanying notes on pages 15 to 22 form an integral part of these financial statements


Apollo Credit Management International Limited

Statement of financial position

As at 31 December 2021

		As at 31 December 2021	As at 31 December 2020
		\$	\$
	Notes		
Investment			
Investment	12	26,044,002	70,112,285
		26,044,002	70,112,285
Current assets			
Debtors falling due within one year	9	10,760,914	23,831,492
Cash at bank and in hand		6,463,387	2,021,117
		17,224,301	25,852,609
Creditors: amounts falling due within one year	10	(16,847,792)	(21,591,173)
Net current assets		376,509	4,261,436
Total assets less current liabilities		26,420,511	74,373,721
Creditors: amounts falling due after one year	11	(28,280,000)	(39,313,338)
Net (liability) / assets		(1,859,489)	35,060,383
Capital and reserves			
Called up share capital	13	1,010	1,010
Capital contribution reserve			22,303,228
Profit and loss account		(1,860,498)	12,756,145
Shareholders' funds		(1,859,488)	35,060,383

The financial statements were approved and authorised by the directors on 28 September 2022 and signed on behalf of the board of directors by:


Shaun Collins

Director

Apollo Credit Management International Limited

Registration No. : 11066420

The accompanying notes on pages 15 to 22 form an integral part of these financial statements

Apollo Credit Management International Limited

**Statement of changes in equity
For the year ended 31 December 2021**

Notes	Share capital	Profit and loss account	Capital contribution reserve	Total equity
	\$	\$	\$	\$
Balance as on January 1, 2020	1,010	7,700,657	-	7,701,667
Fair value of receiving interest free loan			22,510,015	22,510,015
Charge on delivery of equity settled share based payments	-	(401,715)		(401,715)
Profit and total comprehensive income for the financial year	-	5,250,416		5,250,416
Transfer of notional interest		206,787	(206,787)	-
Balance as at December 31, 2020	<u>1,010</u>	<u>12,756,145</u>	<u>22,303,228</u>	<u>35,060,383</u>
Balance as on January 1, 2021	13 1,010	12,756,145	22,303,228	35,060,383
Fair value of receiving interest free loan				
Charge on delivery of equity settled share based payments	-	1,985,723		1,985,723
Profit and total comprehensive income for the financial year	-	(16,939,579)		(16,939,579)
Interest Free Loan Settlement	11		(21,966,015)	(21,966,015)
Transfer of notional interest	11	337,213	(337,213)	-
Balance as at December 31, 2021	<u>1,010</u>	<u>(1,860,498)</u>	<u>-</u>	<u>(1,859,488)</u>

The accompanying notes on pages 15 to 22 form an integral part of these financial statements

Apollo Credit Management International Limited

Notes to the financial statements For the year ended 31 December 2021

1. General information

The Company is a private company limited by shares incorporated and domiciled in England and Wales. The address of its registered office and place of business is 25 St George Street, London, England, W1S 1FS. The Company's registration number is 11066420.

The principal activities of the Company and the nature of the Company's operations are set out in the strategic report on page 4.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with United Kingdom accounting standards, incorporating Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to share based payments, presentation of a statement of cash flows and remuneration of key management personnel.

This information is included in the consolidated financial statements of Apollo Global Management, Inc as at 31 December 2021 and may be obtained from www.apollo.com.

The following principal accounting policies have been applied:

2.2 Going concern

The Company has on-going contracts for the provision of investment-related advisory services to the Investment Managers. The directors have reviewed the projected income, expenses and cash flows for the Company over the next 12 months, and also the potential impact of COVID-19. The directors consider that the Company has sufficient financial resources and will be able to meet their liabilities as they fall due for a period of at least twelve months from the date of the approval of the financial statements. Accordingly, the financial statements are prepared on the going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The financial statements are presented in US Dollars which is the currency of the Company's primary economic environment. All investment-related advisory services are billed for and received in US Dollars.

Apollo Credit Management International Limited

Notes to the financial statements

For the year ended 31 December 2021

2.3 Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

2.4 Turnover

Turnover, which is stated net of any value added tax, is attributable to investment advisory services to the United States of America and UK. Turnover is recognised in the Statement of comprehensive income on an accrual basis as the services are rendered. The turnover is recognised at the fair value of consideration receivable. Turnover is recognised when it is deemed probable that the economic benefits will flow to the entity and amounts can be measured reliably.

2.5 Expenses

Expenses are recognised on an accruals basis in the period that they are incurred. Expenses are recognised in the Statement of comprehensive income.

2.6 Pensions

The Company operates a defined benefit contribution scheme for the benefit of its directors and employees. Contributions payable are charged to the Statement of comprehensive income in the period they are payable and the difference between the contribution payable and the contributions actually paid are shown within accrual or prepayments on the statement of financial position.

2.7 Financial instruments

Financial assets

The Company's financial assets comprise basic financial instruments, being trade and other receivables, loans and cash balances, that are categorised as being debt instruments measured at amortised cost.

Cash is represented by deposits with financial institutions repayable without penalty on notice of no more than 24 hours.

Trade and other receivables are measured initially at transaction price (including transaction costs) and thereafter at the undiscounted amount of cash or other consideration expected to be received which is net of

Investments are measured at cost less impairment. Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss statement.

Apollo Credit Management International Limited

Notes to the financial statements For the year ended 31 December 2021

2.7 Financial instruments (continued)

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities

The Company's financial liabilities comprise of basic financial liabilities, being trade and other payables that are categorised as financial liabilities measured at amortised cost. These are measured initially at transaction price (including transaction costs) and thereafter at the amount of cash or other consideration expected to be paid. Other financial liabilities like loans from fellow group companies are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Share based payments

Equity-settled share-based payments are issued by other Apollo Group Entities to directors and employees of Apollo Group Entities including those of the Company. The Company accounts for the cost of shares granted to employees or directors of the Company.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period. The fair value is determined based on the market price of the respective group entities' shares, discounted for the transfer restrictions and lack of dividends, at the date of grant.

On delivery of the underlying equity at the expiry of the vesting period, the parent company may incur a loss representing the difference between the fair value at grant date and that on the date of delivery, the cost of which is charged to the Company and is recorded in other reserves as 'charge on delivery of equity-settled share based payments'.

2.9 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

Apollo Credit Management International Limited

Notes to the financial statements For the year ended 31 December 2021

2.9 Taxation (continued)

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the year end date that are expected to apply to the reversal of the timing difference.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgements:

At the year end, management were aware of indicators of impairment within its investment in PK AirFinance Sarl, as discussions were underway for the sale of the entity. The recoverable amount of the investment in PK AirFinance Sarl was assessed throughout the negotiations and up to the date of signing the financial statements. Management believe the recoverable amount of the investment in PK AirFinance Sarl as at the year-end to be aligned with the sale price agreed and disclosed in note 16.

Key sources of estimation uncertainty:

Share based payments:

Equity-settled share awards are recognised as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of option valuation models – which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life – and is expensed on a straight-line basis over the vesting period.

Restricted Share Units (RSUs) are comprised of Plan Grants and Bonus Grants. Plan Grants may or may not provide the right to receive dividend equivalents until the RSUs vest and the underlying shares are generally issued by March 15th after the year in which they vest. For Plan Grants, the grant date fair value is based on the public share price of the Company, and is discounted for transfer restrictions and lack of dividends until vested if applicable. Bonus Grants provide the right to receive dividend equivalents on both vested and unvested RSUs and are generally issued after vesting on an approximate two-month lag. For Bonus Grants, the grant date fair value for the periods presented is based on the public share price of the Company, and is discounted for transfer restrictions.

After the grant date fair value is determined. The estimated fair value was determined and recognized over the vesting period on a straight-line basis. If employees are no longer associated with Apollo or if there is no turnover, the estimated compensation expense is revised to the actual amount of expense based on the RSUs vested at the reporting date.

Apollo Credit Management International Limited

Notes to the financial statements

For the year ended 31 December 2021

4. Turnover

The turnover is attributable to investment advisory services.

Analysed Geographically between markets, the turnover was as follows:

	2021	2020
	\$	\$
United States of America	56,573,409	36,557,055
United Kingdom	8,007,430	4,139,930
	<u>64,580,839</u>	<u>40,696,985</u>

5. Operating profit

The operating profit is stated after charging/(crediting):

	2021	2020
	\$	\$
Auditor's remuneration - audit of the Company financial statements	58,429	51,933
Auditor's remuneration - Taxation compliance services	33,421	18,858
Auditor's remuneration - Other taxation advisory services	207,591	259,810
Foreign exchange (gain) / loss	423,514	(41,638)
	<u>623,955</u>	<u>329,063</u>

6. Dividend Income

	2021	2020
	\$	\$
Dividend received from PK AirFinance Sarl	<u>18,781,284</u>	<u>-</u>

7. Directors and employees

Staff costs were as follows:

	2021	2020
	\$	\$
Wages and salaries	24,439,245	22,623,864
Social security costs	5,125,933	4,379,063
Defined contribution pension costs	314,014	248,551
	<u>29,879,192</u>	<u>27,251,478</u>

The total amount of remuneration received by directors during the period was \$18,168,232 (prior period: \$18,782,846). The highest paid director received remuneration of \$4,664,556 (prior period: \$6,577,535) during the period.

The average monthly number of persons employed during the period was as follows:

	2021	2020
Investment professionals	<u>28</u>	<u>25</u>
	<u>28</u>	<u>25</u>

Apollo Credit Management International Limited

Notes to the financial statements

For the year ended 31 December 2021

8. Taxation

	2021	2020
	\$	\$
Corporation tax		
Current tax on profit for the period	(6,862,440)	61,206
Prior year under accrual	278,986	439,728
Taxation on profit on ordinary activities	<u>(6,583,453)</u>	<u>500,934</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2021	2020
	\$	\$
Profit before tax	(15,117,974)	5,751,350
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19%	(2,872,416)	1,092,757
Effects of:		
Expenses not deductible for tax purposes	68,443	87,703
Income exempt from Tax	(3,568,444)	-
Part 12 deduction	(490,023)	(1,119,254)
Impairment Loss	8,405,059	-
Prior year under accrual	278,986	439,728
	<u>1,821,605</u>	<u>500,934</u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. This new law was substantively enacted on 24 May 2021.

9. Debtors

	2021	2020
	\$	\$
Due from affiliates	9,061,724	22,291,625
Other debtors	1,013,352	34,498
Prepayments	63,339	55,854
VAT recoverable	-	355,832
Corporation tax receivable	622,499	1,093,683
	<u>10,760,914</u>	<u>23,831,492</u>

All amounts due from affiliates are unsecured, interest free and repayable on demand.

10. Creditors: amounts falling due within one year

	2021	2020
	\$	\$
Other creditors	158,817	8,963,134
Accruals	3,683,101	2,640,468
VAT Payable	670,198	-
Payroll taxes	12,335,676	9,987,571
	<u>16,847,792</u>	<u>21,591,173</u>

Apollo Credit Management International Limited

Notes to the financial statements For the year ended 31 December 2021

11. Creditors: amounts falling due within one year

	2021	2020
	\$	\$
Loans	28,280,000	39,313,338
Analysis of Loans:		
Amounts falling due between one and five years	28,280,000	28,280,000
Amounts falling due after more than five years	-	11,033,338
	<u>28,280,000</u>	<u>39,313,338</u>

The Loan with Apollo Management Holdings L.P, with a principal value of \$33,336,565 and at fixed interest of 0% was repaid in 2021 in two tranches. First payment was made in September for \$7,884,382 and the remaining balance of \$25,452,183 was paid in October 2021. The balance in creditors of \$11,033,338 was reversed and the balance that was capitalised of \$21,966,015 was fully unwound, while \$337,213 was recognised as notional interest in line with the treatment prescribed by FRS 102.

The Company has a loan with PK AirFinance Sarl, based on various repayment tranches:

Tranche 1: Principal value of \$22,220,000 at fixed interest of 1.5% and is repayable on 31 July 2022

Tranche 2: Principal value of \$1,700,000 at fixed interest of 1.4% and is repayable on 31 July 2023

Tranche 3: Principal value of \$2,100,000 at fixed interest of 1.9% and is repayable on 31 July 2024

Tranche 4: Principal value of \$2,260,000 at fixed interest of 2.1% and is repayable on 31 July 2025

12. Investments

	2021	2020
	\$	\$
PK Air Finance France SAS		
Cost		
At 1 January 2021	-	-
Additions	-	-
As at 31 December 2021	<u>-</u>	<u>-</u>
PK AirFinance Sarl		
Cost		
At 1 January 2021	70,112,284	-
Additions	168,870	70,112,284
Impairment loss	(44,237,153)	-
As at 31 December 2021	<u>26,044,001</u>	<u>70,112,284</u>
	<u>26,044,002</u>	<u>70,112,285</u>

The investments are measured at cost less impairment. The Company has a 100% share ownership in PK Air Finance France SAS and PK AirFinance Sarl as at 31st December 2021, the subsidiary Companies were incorporated in France and Luxembourg respectively. The address of the registered office for PK Air Finance France SAS is 3 Boulevard de Sebastopol, 75001 Paris. The address of the registered office for PK AirFinance Sarl is 6D, Route de Treves, L-2633 Senningerberg.

An impairment loss of \$44,237,153 has been recognised in the Statement of comprehensive income pertaining to the investment in PK AirFinance Sarl. An impairment test was performed on PK AirFinance Sarl following indications of impairment as part of the annual assessment. The anticipated sale price of the entity was used as the basis to recognise the impairment. Further information about the divestment is in note 16.

13. Share capital

	2021	2020
	\$	\$
101,000 Ordinary shares of \$0.01 each	<u>1,010</u>	<u>1,010</u>

Apollo Credit Management International Limited

Notes to the financial statements

For the year ended 31 December 2021

14. Related party transactions

The Company has entered into investment advisory agreements with other Apollo Group Entities. Under these agreements the Company earns and pays respective entities an arm's length fee for the services performed. Under an Apollo management group settlement agreement, the Company can elect to settle the net balance due to/from other Apollo Group entities on a net settlement basis, with Apollo Global Management, Inc.

Accordingly, the net amount due from Apollo Global Management, Inc as at 31 December 2021 was \$9,061,724 (2020: \$22,291,625). The balance is repayable on demand.

Included within the Statement of comprehensive income is turnover earned from Apollo Group Entities of \$64,580,839 (prior period: \$40,696,985).

During the year, the Company has paid off loan from Apollo Management Holdings L.P of \$33,336,565 details of which can be found in Note 11.

15. Ultimate controlling party

The Company's ultimate controlling party is Apollo Global Management, Inc, a Delaware, United States, Limited Liability Corporation whose registered office is 9 West, 57th Street, New York, United States. Apollo Global Management, Inc consolidates the results of the Company. The smallest and largest group that consolidates the Company, for which financial statements are publicly available, is Apollo Global Management, Inc.

16. Subsequent events

From January 1, 2022 to September 28, 2022, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations, and individual issuers, all of which may negatively impact the Company's performance. The Directors has evaluated all transactions and events after the reporting date up to the date the financial statements are authorised for issue and did not note any other items that would adjust these financial statements or require disclosure.

Management are planning the divestment of PK AirFinance Sarl and PK Air Finance France SAS for approximately \$26,044,000 and \$1,368,000 respectively which is considered at arms length. The divestment is anticipated to take place on 30 September 2022 as a result of a larger restructuring exercise within the Apollo Global Management, Inc structure.