

Transaction Summary

The U.S. Department of the Treasury agreed to make a loan of \$58 million to Republic Airways, Inc. (the Company). Treasury originally agreed to make a loan of up to \$77 million to the Company, and the Company elected to draw a total of \$58 million. The Company is a regional passenger air carrier with approximately 6,700 U.S. employees in March 2020.

Treasury made the loan pursuant to section 4003(b)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is secured by spare parts and tooling inventory. This loan has an interest rate equal to LIBOR plus 3.5% and matures on November 6, 2025. The Company elected to draw a total of \$58 million on December 10, 2020. The loan proceeds will be used to provide liquidity to continue the Company's operations. The transaction agreement includes covenants by the Company to comply with certain restrictions on employee compensation, stock repurchases, dividends, and reductions in employment levels, as required by the CARES Act. Treasury received warrants to purchase common stock equal to 10% of the total loan amount drawn.