

Paris, 27 July 2023

Air France-KLM enters into exclusive discussions with Apollo Global Management for a €1.5bn quasi-equity financing supported by commercial partner contracts of the Loyalty program (Flying Blue)

Air France-KLM today announces that it has entered into exclusive discussions with Apollo Global Management regarding the potential financing of €1.5bn to a dedicated operating affiliate of Air France-KLM. This entity will hold the trademark and most of the commercial partner contracts related to Air France and KLM's joint loyalty program (Flying Blue), and will become the exclusive issuer of miles for the airlines and partners.

This financing would be non-dilutive, structured through a quasi-equity instrument, similarly to those raised by Air France on a pool of spare engines in July 2022 and maintenance activity components in July 2023. Under this agreement, Apollo-managed funds would subscribe to perpetual bonds issued by this dedicated operating affiliate of Air France-KLM.

This financing would be accounted as equity under IFRS, allowing Air France-KLM to make a further step towards its commitment to restore its equity and strengthen its balance sheet, aside from net profit generation and/or straight hybrid bonds.

The contemplated structure related to this financing would incur no change on the operation of the program vis-à-vis the Flying Blue members, no change on social aspects nor Air France, KLM or Air France-KLM employee's contracts.

Air France-KLM will pursue managing and operating its loyalty program and Air France and KLM would keep full ownership rights in the Flying Blue customer database.

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