

Paris, 14 July 2023

Air France-KLM and Apollo Global Management sign a definitive agreement for a €500 million quasi-equity financing for Air France's Engineering and Maintenance (MRO) components activity

Air France-KLM and Apollo Global Management (NYSE: APO) today announced that they have signed a definitive agreement for Apollo-managed funds and entities ("Apollo") to raise a €500 million financing into an operating affiliate of Air France that will own a pool of components dedicated to Air France's Engineering and Maintenance activities.

Under this agreement and subject to customary closing conditions, Apollo will subscribe to perpetual bonds issued by this ad hoc operating affiliate and this financing will be accounted as equity under IFRS. The financing's proceeds will be allocated to general corporate purposes and support future components expenditures related to the maintenance activity.

The perpetual bonds will bear an interest rate of 6.9% for the first 3 years and gradual step ups and caps will be applied thereafter. Air France will have the ability to redeem them at any time after 3 years.

This transaction will incur no change of ownership, operational and social aspects of Air France Engineering and Maintenance activity. There will be no change in the way Air France uses the components and executes the maintenance contracts, and no impact on Air France or Air France-KLM employees' contracts.

The transaction is part of the Group's overall IFRS equity restoration plan, as announced in February 2023 during the Full Year 2022 financial results.

Deutsche Bank AG and Skadden, Arps, Slate, Meagher & Flom LLP, are acting as exclusive financial and legal advisors to Air France-KLM. Milbank LLP and Jeantet are acting as legal advisors to the Apollo funds. Apollo Capital Solutions provided structuring and syndication services in connection with the transaction.

Investor Relations

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