

Paris, 9 January 2023

**Air France-KLM announces the successful issuance of its inaugural sustainability-linked bonds, for a total aggregate amount of €1.0bn**

- The offer attracted strong investor interest, with an orderbook around €2.6bn, covering c. 2.6x the size of the bonds.
- Bonds' coupons will be indexed on Air France-KLM Group's target to reduce its well-to-wake scope 1 and 3 jet fuel greenhouse gas (GHG) emissions by 10% per revenue tonne kilometer (RTK) by 2025 compared to 2019, as part of its wider decarbonization roadmap.
- The proceeds of the bonds will be allocated to partially redeem the outstanding bank loan guaranteed by the French State issued in May 2020.
- This transaction will contribute to improving Air France-KLM Group's financial flexibility through debt reprofiling and will provide additional support to its decarbonization trajectory.

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Air France-KLM (the "Company") has successfully placed its first sustainability-linked bonds today, for a nominal amount of €1.0bn, linked to the Company's target to reduce its well-to-wake scope 1 and 3 jet fuel greenhouse gas (GHG) emissions per revenue tonne kilometer (RTK) by 10% by 2025, compared to a 2019 baseline, as part of its 2030 SBTi approved objective.

The offering is composed of two tranches:

- a €500 million with a 3.3-year maturity and a coupon of 7.250%; and
- a €500 million with a 5.3-year maturity and a coupon of 8.125%.

Strong investor demand, with an orderbook around €2.6bn that covered c.2.6x the size of the bonds, is a testament to investors' confidence in Air France-KLM's measures taken to restore the Company's creditworthiness following the Covid-19 crisis.

The transaction will smoothen Air France-KLM's debt redemption profile over the coming years and provide additional leeway for the Company to deliver on its sustainable transformation plan, including the renewal of its fleet.

The proceeds will be used to pursue further partial redemption of the outstanding bank loan guaranteed by the French State ("PGE", issued in May 2020 during the Covid-19 crisis). This transaction is aligned with the Company's determination to actively pursue the redemption of the French State support package and the granted liquidity measures, in combination with its recovery path and sustainability ambition.

This transaction issuance is framed into the newly set Air France-KLM's Sustainability-Linked Financing Framework, aligned with the Sustainability-Linked Bond Principles ("SLBP") published by the ICMA in June 2020, and received a Second Party Opinion from Moody's Investors Services with a qualification of "Significant contribution to Sustainability".

This inaugural transaction links the Company's financial strategy with its environmental objectives and represents an additional milestone in Air France-KLM's ambition to achieve its decarbonization targets, as a leader for a more sustainable aviation industry. As such, it represents the first public sustainability-linked bond issuance in EUR in the airline sector.

The Air France-KLM Group and its airlines are fully committed to reducing their environmental footprint as part of a transparent and responsible approach to sustainability, with the objective to diminish its well-to-wake scope 1 and 3 jet fuel greenhouse gas protocol emissions by 30% per revenue tonne kilometre (RTK) by 2030 compared to 2019. In that context, the SBTi's Target Validation Team approved in December 2022 the Group's scope 1 and scope 3 emissions reduction targets and has confirmed that they are in line with a well-below 2°C objective, as determined by the Paris Agreement signed in 2015.

The Sustainability-Linked Financing Framework and the Second-Party Opinion are available at: <https://www.airfranceklm.com/en/finance/investors-and-analysts/debt>

An application will be made for the bonds to be admitted to trading on Euronext Paris.

Natixis acted as sole sustainability structuring advisor and Deutsche Bank, HSBC, Natixis, Société Générale and Crédit Agricole CIB acted as joint bookrunners of the transaction.

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