

Paris, October 26, 2023

Air France-KLM and Apollo Global Management sign a definitive agreement for a quasi-equity financing of €1.3 billion, with a potential upside to €1.5 billion

Air France-KLM and Apollo Global Management (NYSE: APO) today announced to have signed a definitive agreement between Apollo-managed funds and entities and a dedicated operating affiliate of Air France-KLM regarding a €1.3 billion financing, accounted as quasi-equity under IFRS, with the option for Apollo to increase the nominal amount up to €1.5 billion in total, prior to closing.

This dedicated operating affiliate of Air France-KLM will hold the trademark and most of the commercial partners contracts related to Air France and KLM's joint loyalty program (Flying Blue). The affiliate will become the exclusive issuer of miles for the airlines of the Group and partners, enabling Flying Blue's scalability and enhancing its growth prospects.

Under the agreement, Apollo-managed funds will subscribe to perpetual bonds issued by this dedicated operating affiliate. The financing will be accounted as equity under IFRS and is non-dilutive to shareholders. The structure is similar to two previous financings raised by Air France on its pool of spare engines in July 2022 and its maintenance activity components in July 2023.

This transaction will allow Air France-KLM to make an additional step towards its commitment to restore its IFRS equity and strengthen its balance sheet, in addition to net profit generation.

The perpetual bonds will bear a coupon of 6.4% for the first four years, with the ability to redeem with an overall financing cost of 6.75% on the first call date.

Air France-KLM will continue to manage and operate its loyalty program Flying Blue, and Air France and KLM will keep full ownership rights of their customer database.

The agreed structure will incur no changes for Flying Blue members. It will not affect social aspects for Air France, KLM or Air France-KLM employees' contracts.

The closing of the transaction remains subject to customary condition precedents, and is expected to take place by year end.

Deutsche Bank AG and Skadden, Arps, Slate, Meagher & Flom LLP are acting as exclusive financial and legal advisors to Air France-KLM. Apollo Global Management was advised by Barclays PLC as financial advisor, and Milbank LLP, Latham & Watkins LLP and NautaDutilh as legal advisors. Apollo Capital Solutions provided structuring and syndication services in connection with the transaction.

Investor Relations

Michiel Klinkers

michiel.klinkers@airfranceklm.com

Website: www.airfranceklm.com

Marouane Mami

mamami@airfranceklm.com