

Roissy, 7 May 2020

Signing of financing for a total amount of 7 billion euros enabling the Air France-KLM Group and Air France to weather the crisis and prepare for the future

On 6 May 2020, the Air France-KLM Group signed the legal documentation relating to the financing for a total amount of 7 billion euros, announced in its press release of 24 April 2020 and approved by the European Commission on 4 May 2020. This financing includes two loans intended to finance the liquidity needs of Air France and its subsidiaries:

-A Loan Guaranteed by the French State ("PGE") granted by a syndicate of 9 banks:

- Mandated Lead Arrangers and Book runners: Crédit Agricole CIB, HSBC France, Natixis (Documentation and Facility Agent);
- Senior Mandated Lead Arrangers: Deutsche Bank Luxembourg SA, Société Générale, Banco Santander Paris Branch;
- Mandated Lead Arrangers: BNP Paribas, Crédit Industriel et Commercial, Crédit Lyonnais (LCL).

The main features are as follows:

- an amount of 4 billion euros;
- a 90% guarantee granted by the French State;
- an initial 12-month maturity, with a one-year or two-year extension option exercisable by Air France-KLM;
- a coupon excluding the French State guarantee cost at an annual rate equal to EURIBOR (floored at zero) plus a margin of 0.75% in the first year, 1.50% in the second year and 2.75% in the third year;
- a cost of the guarantee granted by the French State initially equal to 0.5% of the total amount of the loan, and which will step up to 1% for each of the second and third years;
- a mandatory partial early repayment of 75% of the any net new money raised by Air France-KLM or Air France from financial institutions or through debt capital markets, subject to some exceptions;

- a mandatory total early repayment notably in case of change of control of Air France-KLM or Air France.

-A subordinated shareholder loan granted by the French State to Air France-KLM, with the following main features:

- a bullet amount of EUR 3 billion;
- a maturity of four years, with two consecutive one-year extension options exercisable by Air France-KLM;
- a coupon payable annually or capitalizable at the discretion of Air France-KLM at a rate equal to EURIBOR 12 months (floored at zero) plus a margin of 7% for the first four years, 7.5% for the fifth and 7.75% for the sixth. This rate will be increased by 5.5% step up in case (i) the general assembly would not approve a capital increase proposed by the Board of Directors that would enable incorporation in the company's shareholder equity of all or part of the outstanding shareholder loan, (ii) the general assembly would approve, without the approval from the French State, a capital increase which would not enable the incorporation of all or part the outstanding shareholder loan in the company's shareholder equity or (iii) a third party, not acting in concert with the French State, would exceed, alone or in concert, the threshold of 20% of the capital of Air France-KLM;
- subordination to the French State guaranteed bank loan and, in the event of receivership or liquidation, to all the Air France-KLM senior bond and bank debt, without prejudice of an incorporation of all or part the outstanding shareholder loan in the company's shareholder equity;
- early repayment in the occurrence of certain events, such as the takeover of Air France-KLM and cases of default such as if the Annual General Meeting of shareholders does not ratify this shareholder loan according to article L.225-40 of the French Code de commerce or in case of acceleration of the French State guaranteed bank loan.

The company has undertaken not to pay dividends until these two loans have been repaid in full.

Consecutive to this financing, Air France KLM will reimburse 1.1 billion euros on 7 May 2020 for the revolving credit facility drawn in March 2020 and will terminate it.

Discussions with the Dutch State are pursuing to finalize additional support to the KLM group.

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