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Roissy, 19 April 2021

Air France-KLM announces the success of its capital increase for an amount of €1.036 billion after exercise in full of the increase option

Air France-KLM (the “**Company**”) announces today the success of its capital increase without shareholders’ preferential subscription rights, by way of a public offering and with a priority subscription period on an irreducible and reducible basis granted to existing shareholders, for an amount of approximately €1,036 million (after exercise in full of the increase option) (the “**Capital Increase**”).

“The success of our capital increase and the renewed support of our main shareholders testify to the confidence of investors in the prospects of the Group, whose financial solidity has been strengthened thanks to these initial recapitalization measures.”, said Air France-KLM Group CEO, Benjamin Smith, “All Air France-KLM management and employees are strongly committed to pursuing our transformation plan to work together to improve the competitiveness of the Group and its airlines, and to approach the recovery with determination and ambition when it takes shape. “

The Group has reiterated the economic, financial and environmental commitments made in the framework of the State loan and reflected in its transformation plan. The Group therefore maintains an ambitious environmental roadmap to accelerate the Group's sustainable transition, in line with the objectives of the National Low Carbon Strategy (*Stratégie Nationale Bas Carbone*).

The Capital Increase will result in the issuance of 213,999,999 new shares (the “**New Shares**”) at a price per share of €4.84, representing approximately 50% of the Company’s existing share capital.

The proceeds of the Capital Increase will be allocated to strengthen the equity of Air France. Air France will use the allocated amount to consolidate its liquidity and finance general corporate purposes in the context of the Covid-19 crisis.

The Capital Increase, including the private placement, the priority offer and the public offer, attracted strong investor demand, which enabled the exercise in full of the increase option.

Orders placed in the public offering will be allocated in full, for an amount of approximately €2 million. Given the demand and the number of New Shares subscribed for by the shareholders during the priority subscription period both on an irreducible and reducible basis (*à titre irréductible et réductible*), orders placed in the private placement will be partially reduced to an amount of approximately €252 million.

In the context of the priority subscription period, the Company’s existing shareholders subscribed to 161,498,962 New Shares, representing approximately €782 million and 75% of the total amount of the Capital Increase, of which €266 million on an irreducible basis.

As per their subscription commitments, and given the allotment scale of reducible orders, the French State and China Eastern Airlines subscribed in the context of the priority period respectively 122,560,251 New Shares (i.e. 57% of the total amount of the Capital Increase) and 23,944,689 New Shares (i.e. 11% of the total amount of the Capital Increase).

The Company has agreed to a lock-up period starting from the signature of the placement and underwriting agreement and expiring 90 calendar days following the settlement and delivery date of the New Shares, subject to certain exceptions.

Each of the French State, China Eastern Airlines, the Dutch State and Delta Airlines has agreed to a lock-up period of 90 calendar days after the date of settlement and delivery of the New Shares, subject to customary exceptions.

Following the completion of the Capital Increase, the Company's share capital will increase to €642,634,034 divided in 642,634,034 shares, each with a nominal value of €1, split as follows:

	% of the capital	% of theoretical voting rights ⁽¹⁾
Number of shares and voting rights	642,634,034	860,643,182
French State	28.6%	28.5%
China Eastern Airlines ⁽²⁾	9.6%	11.5%
Dutch State ⁽³⁾	9.3%	13.9%
Delta Air Lines, Inc	5.8%	8.7%
Employees (FCPE)	2.5%	3.7%
Treasury stock	0.2%	0.3%
Others	44.0% ⁽⁴⁾	33.4%

(1) The theoretical voting rights calculation takes into account all the voting rights, including the double voting rights.

(2) Through Eastern Airlines Industry Investment (Luxembourg) Company Limited.

(3) by notice received on 8 March 2021, supplemented by a notice received on 9 March 2021, the Dutch State declared that on 4 March 2021, it had exceeded the threshold of 15% of the voting rights of the Company and that it held 60,000,000 shares of the Company representing 120,000,000 voting rights, i.e., 14.00% of the share capital and 18.56% of the voting rights of the Company.

(4) On 8 February 2021, Bank of America Corporation declared that it had exceeded the threshold of 7.19% of the share capital, corresponding to the consolidation of shares physically held but also, and for the most part, to the equity accounting of securities held through financial instruments. Excluding these instruments, Bank of America Corporation physically holds less than 5% of the capital of Air France-KLM and is therefore not represented in the shareholding chart above.

The settlement and delivery and the admission to trading on the regulated markets of Euronext Paris and Euronext Amsterdam of the New Shares are expected to take place on 22 April 2021.

Crédit Agricole Corporate and Investment Bank, Deutsche Bank, HSBC and Natixis acted as Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners (the “**Joint Global Coordinators**”), Banco Santander and Société Générale are acting as Joint Lead Managers and Joint Bookrunners (the “**Joint Bookrunners**”) and together with the Joint Global Coordinators the “**Bank Syndicate**”).

Availability of the prospectus

The prospectus (the “**Prospectus**”), comprising (i) the universal registration document of the Company filed with the AMF on 7 April 2021 under number D.21-0270 (the “**Universal Registration Document**”) (ii) a securities note (including a summary of the prospectus) (the “**Securities Note**”) which received approval under number 21-102 dated 12 April 2021, is available on the Company's website (www.airfranceklm.com) and on the AMF's website (www.amf-france.org). Copies of the Prospectus will be made available free of charge at the Company's headquarters, located at, 2, rue Robert Esnault-Pelterie - 75007 Paris, France.

Potential investors are advised to consider carefully the risk factors described in chapter 3.1 “Risk factors” of the Universal Registration Document and chapter 2 “Risk factors” of the Securities Note. Should all or any part of these risk factors materialize, the Company’s and the Group’s businesses, financials, results or ability to reach its guidance may be negatively affected.

Investor Relations

Olivier Gall

+33 1 49 89 52 59

olgall@airfranceklm.com

Website: www.airfranceklm.com

Michiel Klinkers

+33 1 49 89 52 60

michiel.klinkers@airfranceklm.com

Press

Press office

+33 1 41 56 56 00

IMPORTANT INFORMATION

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This press release is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "Prospectus Regulation"). Potential investors are advised to read the prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities. The approval of the prospectus by the AMF should not be understood as an endorsement of the securities offered or admitted to trading on a regulated market.

With respect to the member states of the European Economic Area (other than France) (each a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any Relevant Member State. As a result, the securities may not and will not be offered in any Relevant Member State except in accordance with the exemptions set forth in Article 1 (4) of the Prospectus Regulation or under any other circumstances which do not require the publication by Air France-KLM of a prospectus pursuant to Article 3 of the Prospectus Regulation and/or to applicable regulations of that Relevant Member State.

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