

Paris, 17 March 2023

Air France-KLM today announced the repayment of €300 million of the outstanding €600 million perpetual hybrid bonds held by the French State, reaching the 75% threshold of Covid-19 recapitalization State aid redemption. Air France-KLM also announced the refinancing of €320 million via the issuance of new French state perpetual hybrid bonds.

- Air France KLM has repaid €300 million of outstanding French State perpetual bonds, exceeding the 75% Covid-19 recapitalization aid redemption threshold
- The Group will refinance €320 million through a new issuance of perpetual hybrid bonds with the French State, without any “bans” attached.

In April 2021, Air France-KLM and the French State agreed to convert the direct French State loan of €3 billion, granted by the French State to Air France-KLM in late May 2020, into perpetual hybrid bonds as a Covid-19 recapitalization aid to Air France and Air France-KLM approved by the European Commission on 5 April 2021 (subject to several “bans”).

In 2022 the Group repaid €2.4 billion of the aforementioned €3 billion, leaving €600 million remaining. As announced at the Group’s FY2022 results presentation, Air France-KLM and Air France intend to fully exit the current Covid-19 recapitalization aid and its related “bans” as from April 19th, 2023.

Following the European Commission’s approval on February 16th, 2023, of a French State compensation aid granted to Air France without any bans attached, the Group today takes the first step of repaying and exiting the Covid-19 recapitalization State aid. This step enables the Group to exceed the 75% redemption threshold of the Covid-19 recapitalization aid.

Additionally, the Group will refinance €320 million through the issuance of new French State perpetual hybrid bonds as an approved compensation aid to Air France. These new perpetual bonds with no “bans” attached contain similar financial conditions as the one repaid, with non-call date and interest rate step-up postponed by an additional two years (March 2029).

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