

Paris, 30th November 2023

Air France-KLM and Apollo Global Management announce the upsizing and the completion of a quasi-equity financing of €1.5 billion

Following the signing on October 26, 2023, of a definitive agreement between Air France-KLM and Apollo (NYSE: APO) regarding the financing of a dedicated operating affiliate of Air France-KLM, the companies today announce that they have completed the transaction for an upsized total amount of €1.5 billion.

The financing by Apollo-managed and third-party investment vehicles supports a dedicated operating affiliate of Air France-KLM that holds the trademark and most of the commercial partners contracts related to Air France and KLM's joint loyalty program ("Flying Blue") as well as the exclusive right to issue "Miles" for the airlines and their partners. The financing is accounted for as equity under IFRS. As announced by Air France-KLM during its Q3 2023 results, this outcome materializes the steps implemented by the Group to restore its IFRS equity to positive by year end.

The transaction upsized to €1.5 billion reflects strong investor confidence and the quality of Air France-KLM Flying Blue Miles issuance activity. The transaction terms disclosed in late October 26, 2023, remain unchanged, with a fixed coupon of 6.4% p.a. for the first four years, with the right for Air France KLM to redeem with an overall financing fixed cost of 6.75% at the first call date.

Steven Zaat, Air France-KLM Chief Financial Officer, stated: *"We are delighted to confirm today the upsized and closing of this quasi-equity financing which represents a significant step further to strengthen Air France-KLM's balance sheet at attractive funding terms. This also represents a strategic milestone and clear recognition of our successful Flying Blue program miles activity as well as its potential scalability."*

Apollo Partner Jamshid Ehsani said: *"We are very pleased to be part of this inaugural European mileage capital investment with Air France-KLM. The transaction was well received by our investors, both those within the broad Apollo platform as well as select third-party investors, including sovereign wealth funds and multinational insurance companies."*

The agreed structure will incur no material changes for Flying Blue members. Air France-KLM will continue managing and operating the Flying Blue loyalty program, and Air France and KLM will each keep full control on the Flying Blue customer database. In addition, the financing structure will not affect social aspects for Air France, KLM nor Air France-KLM employees' contracts.

Deutsche Bank AG and Skadden, Arps, Slate, Meagher & Flom LLP and Allen & Overy are acting as exclusive financial and legal advisors to Air France-KLM. Apollo Funds were 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.

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