

Roissy, 26 June 2020

KLM secures loans of €3.4 billion to help overcome the crisis and prepare for the future

On 25 June 2020, the Air France-KLM Group Board of Directors approved a financial support package backed by the Dutch State for KLM in the amount of €3.4 billion. These loans will enable KLM to weather the current COVID-19 crisis and prepare for the future.

The Dutch state aid to KLM comes in addition to the €7 billion in funding granted by the French State to Air France announced on 7 May 2020.

Following discussions with the Dutch State and several Dutch and international banking institutions, the Air France-KLM Group and KLM were able to finalize the various components of a financial support package.

This financing includes two loans for KLM and its subsidiaries:

- A revolving credit facility of €2.4 billion, granted by 11 banks, of which three are Dutch banks and eight are international banks. The main elements include:
 - 90% guarantee supported by the Dutch State
 - Maturity of 5 years
 - Coupon at an annual rate equal to EURIBOR (floored at zero) plus a margin of 1.35%
 - A cost of guarantee granted by the Dutch state equal to 0.50% in year 1, 1.00% in year 2 and 3, and 2.00% after year 3
- A direct loan of €1 billion, granted by the Dutch State to KLM, with the following main elements:
 - Term loan of €1 billion
 - Maturity of 5.5 years
 - Coupon payable annually at a rate equal to EURIBOR 12 months (floored at zero) plus a margin of 6.25% for year 1, 6.75% for year 2 and 3, and 7.75% for year 4 and 5
 - Subordination to the new revolving credit facility

Both the revolving credit facility and the direct loan will be drawn on a pro rata basis. Further drawings subsequent to the first drawing are subject to certain conditions being fulfilled by KLM. KLM's first drawing under the new revolving credit facility will be used to repay and terminate the existing revolving credit facility drawn on 19 March 2020 for an amount of €665 million.

Conditions associated with the direct state loan are linked to the airline becoming more sustainable as well as the restored performance and competitiveness of KLM, including a comprehensive restructuring plan and contributions made by employees.

KLM has undertaken to suspend dividend payments to its shareholders until these two loans have been repaid in full.

This state aid, which remains subject to approval by the European Commission and the Dutch Parliament, will provide KLM with the necessary means to meet its obligations and adapt in a sector that the global crisis will severely disrupt.

"On behalf of all the employees at the Air France-KLM Group, I would like to thank the Dutch State and the financial institutions for their support to KLM in this unprecedented crisis for the airline industry," said Benjamin Smith, CEO of the Air France-KLM Group. "KLM is a strategic asset for the Netherlands, and I'm pleased to have seen the country rally around this national champion during this very challenging period. I'm also proud to note that KLM plays a critical role in the Dutch economy, and we are willing to do what we can to assist in its recovery process. Thanks to the support of the Dutch and French states, I am certain that the Air France-KLM Group will emerge stronger than ever before following this crisis."

"Due to COVID-19, KLM is currently in an unprecedented crisis," said Pieter Elbers, CEO of KLM. "The financing package is necessary to secure the long and difficult road of recovery in the coming period. This is a very important step and I express my gratitude on behalf of all KLM colleagues to the Dutch state and the banks for their confidence in our organisation and our future. With the financing package, KLM can continue to fulfil its important social role in economic recovery and sustainability. In the coming period, we will be working on the restoration of the route network and, on the other hand, on the development of the restructuring plan and the far-reaching conditions that have been imposed on the package."

Investor relations

Olivier Gall

+33 1 49 89 52 59

olgall@airfranceklm.com

Website: www.airfranceklm.com

Wouter van Beek

+33 1 49 89 52 60

wouter-van.beek@airfranceklm.com

Press office

+33 1 41 56 56 00