



An important change: Understanding the Air France-KLM reverse share split and share capital reduction

Dear shareholder,

The reverse share split and share capital reduction approved by the General Meeting of 7 June 2023 in its adoption of resolutions 36 and 37 will take place on 31 August 2023.

These changes may raise questions in the minds of shareholders. For that reason, Air France-KLM is committed to providing you with all the information you need about the upcoming reverse share split and share capital reduction to help you make any decisions you feel necessary.

An improved financial profile

The two previous capital increases have significantly increased the number of shares in circulation. So our intention in implementing the reverse share split of Air France-KLM shares, which will effectively increase our share price by a factor of 10, is:

- to reduce the number of shares in circulation to a more normal level,
- to align our share price with that of comparable businesses,
- to improve market perception of the Air France-KLM share.

The reverse share split and subsequent capital reduction will have no impact whatsoever on Air France-KLM shareholder equity.

A higher share price and fewer shares

A reverse share split is a transaction that reduces the number of shares in circulation by a fixed multiple – in our case, that means a parity of 10. The par value of each share will be multiplied by ten. The subsequent share capital reduction will then divide the par value of each share by 10. So after being multiplied by 10, the value of each share will be divided by 10, and its par value will therefore remain unchanged at €1.

As a result of which, the asset value of your Air France-KLM portfolio will remain unchanged on 31 August 2023.

What should you do?

On 31 August 2023, existing Air France-KLM shares will be converted into new shares at a parity of 10 to 1. For every 10 shares you own, you will receive 1 new share with a new ISIN code (FR001400J770), which will be worth 10 times the original market value, with the same par value of €1.

Please check whether the number of Air France-KLM shares you hold is a multiple of 10.

If you do own shares in a multiple of 10 (see **Scenario A**, below), you will receive 1 new share for every 10 shares held at the close of business on 30 August 2023.

If you own a number of shares that is not a multiple of 10, you have a number of options:

- **Option B:** round up your shareholding to a multiple of 10 before 30 August 2023:
 - **Option B1:** buy additional shares to round up your shareholding to a multiple of 10
 - **Option B2:** sell (1-9) excess shares to round up your portfolio to a multiple of 10
- **Option C:** do nothing, those surplus old shares falling outside a multiple of 10 will automatically be encashed and credited to you by your financial intermediary.

In summary...



Key dates for your diary

30 August 2023	Last day to round up the number of shares you hold to a multiple of 10.
31 August 2023	Effective date of the reverse share split and capital reduction.
31 August to 2 October 2023	Compensation of shareholders with fractional shares* by their financial intermediary.

* Fractional shares: shares that must be sold or topped up to obtain a number of shares that is a multiple of 10 to align with reverse share split parity.

Your questions

Q: When the reverse split is implemented, what happens to the shares I hold that fall outside a multiple of 10?

A: If the number of shares you hold exceeds a multiple of 10, you can:

- buy additional shares or sell surplus shares to round your Air France-KLM shareholding up or to a multiple of 10
- do nothing Your financial intermediary will then automatically encash your shares and credit them to you.

Q: Will the reverse share split change the overall value of my investment?

A: The number of shares you own will decrease, but the value of each share will increase proportionately, so the overall value of your investment will remain unchanged. Any shares in excess of a multiple of 10 will be encashed and credited to you. The asset value at 31 August 2023 will remain unchanged.

Q: What happens to double voting rights?

A: On 31 August 2023, new shares issued on the basis of existing registered shares with double voting rights will immediately benefit from double voting rights. Where the reverse share split on 31 August 2023 applies to existing registered shares without double voting rights, the period for determination of double voting rights for the new shares is deemed to begin on the most recent registration date of the pre-existing shares.

If you have any further questions, please do not hesitate to e-mail our Shareholder Relations team at mail.actionnaire@airfranceklm.com.

We would like to take this opportunity of thanking you for your continued confidence. We are convinced that this reverse share split will strengthen our financial profile and contribute to future value creation for our shareholders.

Yours sincerely,

The Air France-KLM
Shareholder Relations team

Individual shareholder contact

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