

Air France-KLM

Annual General Shareholders' Meeting of May 26, 2021

Answers to additional written questions from shareholders

Preliminary remark

In addition to the legal mechanism for written questions and in order to promote dialogue with shareholders during the Shareholders' Meeting, a dialogue box has been made available to shareholders on the website www.airfranceklm.com by connecting to the Meeting webcast (<https://www.yuca.tv/en/air-france-klm/assemblee-generale-2021>) from May 24 to May 26, 2021.

The text of the questions has been summarized (without altering its meaning) whenever their full wording is not required for the purposes of proper understanding.

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Recapitalization

1. Will a participation of the employees in the capital be envisaged in the framework of a future capital increase?

The precise terms and conditions of the next steps in the recapitalization of the Group have not been decided. The financial resolutions voted at the Shareholders' Meeting allow a wide range of solutions to be studied, of which an offer reserved for employees could possibly be part. The 35th resolution, submitted to the vote of the shareholders, specifically targets employee share ownership.

2. Can you recall the breakdown of the participants of the last capital increase?

The press release of 19 April 2021, available on the website www.airfranceklm.com (tab Finance/ Financial publications/ Press release), gives full details of the outcome of the capital increase. 75% of the new shares representing €782m were subscribed by existing shareholders during the priority period, 25% representing €252m were allocated in the private placement. The French State and China Eastern Airlines subscribed for 57% of the total new shares.

3. How does the Group intend to restore its balance sheet, following the significant aid the Group have received?

The Group plans to reduce its net debt/EBITDA to a level of 2 by 2023. This target will be achieved through a combination of two effects. On the one hand, the recovery of the Group's operating results as it emerges from the crisis, accelerated by the deployment of all the transformation plans and the associated cost reduction. On the other hand, the reduction of net debt and the strengthening of equity, through financial operations within the framework of the resolutions voted at the May 26, 2021 shareholders' meeting.

Human Resources

1. Can you give us some clarification on the "supply chain" project, what do you think about setting up an audit?

The supply chain program is a Maintenance related project based on three major pillars. The first is to review transport and logistics services to and from the French industrial centers. The second is based on optimizing flows at the Paris platforms. Finally, the third pillar focuses on the further enhancement of data management.

The final objective is the continuous improvement of our competitiveness and our service level for our mother companies and our external customers.

To manage this project, we are supported by an independent consulting agency.

2. Why hire externally to replace senior managers who have left via voluntary departure? Don't you have the in-house talent?

Due to Covid-19 and given the context of the PDV-PSE and APLD, external hiring within Air France has been frozen.

Since the beginning of 2021 we have however had to recruit expert profiles which were excluded from the PSE PDV and for which we do not have the internal skills nor the capacity to train within the required timeframe.

Public Affairs

1. As terminal 4 of Paris-CDG airport has been abandoned, what other alternatives are being considered?

The French government and *Aéroports de Paris* (ADP) have announced the cancellation of the Terminal 4 project as it was initially conceived. The COVID-19 crisis and the European Union's environmental ambitions have indeed had an impact on the development of traffic at the Roissy airport and on its organisation. In this context, Air France, ADP and the French authorities are considering the various solutions that will enable us to reconcile optimal development of the Roissy hub in the future while taking into account developments (such as inter-modality or the integration of new generations of electric or hydrogen-powered aircraft) that will enable us to meet our environmental objectives.

2. Could you please comment on the situation with the Ryanair flight that was forced to land in Minsk, Belarus? Does this situation have any implications on aviation in general?

KLM and Air France made the following statements regarding the Ryanair flight:

KLM's statement published on May 24, 2021:

"Following the incident on 23 May, KLM Royal Dutch Airlines immediately conducted its usual internal risk assessment and consulted intensively with relevant authorities. The joint conclusion was that there are no safety risks, implying that there is no compelling reason to suspend KLM flight operations over Belarus.

Since then, KLM has taken note of Prime Minister Rutte's call, ahead of the upcoming EU meeting, to suspend flight operations over Belarus until further notice. KLM will heed this call including the code share flights to Minsk operated by Belavia."

Air France's statement:

"Air France has taken note of the conclusions of the European Council and is therefore suspending the overflight of Belarusian airspace by its aircraft until further notice.

Air France is constantly monitoring the geopolitical situation in the areas served and flown over by its aircraft and strictly complies with regulations in force."

Fleet

1. What is the place of sustainable development in the renewal of the medium-haul fleet (in particular the replacement of the B737-NG)?

This is a major role. The phase-in of New Generation Aircraft is part of the strategic plan of the Group, with an ambitious but realistic environmental trajectory, allowing a significant reduction of CO2 and noise emissions.

2. Does the operation of the Airbus A321XLR or equivalent offer new market opportunities / opening of new routes?

We study carefully this program, this medium-haul aircraft is very efficient to operate some long-haul routes (but with a limited range), allowing lower operating costs per seat. Nevertheless, the priority of the Group is currently to rationalize the fleet and to reduce the number of aircraft types in operation.

3. Which part of Air France-KLM fleet is operated under an operating lease agreement and how did lessors support the Air France-KLM group?

51% of the fleet is under operating leases agreements, bringing a lot of flexibility in fleet management. Air France-KLM group is working with many lessors, with a very strong relationship, which is helpful in the current international crisis, allowing flexibility and positive business negotiations.

CSR

1. Does the Group intend to invest in zero emission aircraft (hydrogen or electric)?

Air France-KLM actively stimulates the emergence of different forms of technological breakthroughs that can help meet our de-carbonization ambitions. New electric and (hybrid) hydrogen aircraft that will suit our range of flights are not expected until 2035 or beyond, so we will keep monitoring these developments closely for now.

Strategy

1. What is the future of Hop! ?

HOP! will refocus on serving the Paris-Charles de Gaulle and Lyon hubs, with a fleet of around 32 aircraft.

2. Why not merge Hop! and Air France on the one side, and KLM Cityhopper and KLM on the other, in order to have more flexibility?

The Group's strategy is not to merge the airlines, but rather to strengthen the expertise of each one in its segment, by leveraging its specificities and positioning. The Group's regional airlines are organized to supply the hubs and to position themselves on small flows, for which their smaller aircraft are suited.

3. Why not create a dedicated French domestic short-haul airline, independent of Transavia?

Air France is a network airline, with a significant part of its business based on connecting traffic, partly from short-haul routes. It is therefore not relevant to split this activity, which remains a contribution to the other activities of the Air France network. The domestic market has recorded significant losses in recent years and is facing increased competition from low-cost airlines and rail. The Air France group's priorities for the recovery of this activity are the restructuring and deployment of Transavia, which is developing domestic routes from Orly and from region to region.

Shareholder structure

1. When will Air France-KLM be able to pay dividends?

At the November 2019 Capital Market Day, the Group indicated that a dividend could be paid as soon as the operating again surpasses €1.9 billion.

This guidance was announced prior to the Covid-19 crisis and the consequences it had on the whole industry. Since the beginning of the crisis, no guidance has been given on the subject.

Furthermore, under the terms of the European Commission's decision of 5 April 2021 on the recapitalization of Air France and Air France-KLM, as long as the recapitalization measures have not been repaid in full, Air France-KLM may not distribute dividends

Miscellaneous

1. Were the documents relating to the Air France-KLM Shareholders' Meeting (convening notice, URD, ...) sent to the shareholders in paper format?

As the Shareholders' Meeting was held behind closed doors, without the presence of its shareholders or persons authorised to attend, due to the health crisis, and as part of the Group's sustainable commitments, all related documents are available in their digital format on the Group's website: <https://www.airfranceklm.com/en/finance/shareholders/annual-general-meeting>

More specifically, the Group's 2020 Universal registration document was filed with the AMF in the new uniform European format in its French version. You will find it hereafter in its electronic version: [2020 Air France-KLM Universal Registration Document](#)

In addition, registered shareholders were convened by electronic or postal mail. Shareholders who chose to receive a hard copy of the convening notice received a copy of the brochure in the mail containing their convening notice. The convening notice is also available on the Air France-KLM website (www.airfranceklm.com, Finance/Shareholders/General Meeting tab) and can be accessed directly via the following link [Notice of Meeting 2021 Air France - KLM](#) (airfranceklm.com).