



KPMG Audit  
Tour EQHO  
2 Avenue Gambetta  
CS 60055  
92066 Paris la Défense Cedex  
France



**Deloitte & Associés**  
6 place de la Pyramide  
92908 Paris la Défense Cedex  
France

# *Air France-KLM S.A.*

*Statutory Auditors' Report on the Issuance of  
Shares and Other Marketable Securities with or  
without Preferential Subscription Rights*

Combined Shareholders' Meeting of May 26, 2021 - Resolutions 20, 23,  
24, 25, 27, 28, 29, 30, 31, 32 and 34

Air France-KLM S.A.

2 rue Robert Esnault-Pelterie - 75007 Paris



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## **Air France-KLM S.A.**

Registered office: 2 rue Robert Esnault-Pelterie - 75007 Paris  
Share capital: €.428 634 035

*This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **Statutory Auditors' Report on the Issuance of Shares and Other Marketable Securities with or without Preferential Subscription Rights**

Combined Shareholders' Meeting of May 26, 2021 - Resolutions 20, 23, 24, 25, 27, 28, 29, 30, 31, 32 and 34

To the Shareholders' Meeting of Air France-KLM S.A. ,

In our capacity as Statutory Auditors of your company (the "Company") and in compliance with the engagement set forth in Articles L.228-92 and L.225-135 et seq. and L.22-10-52 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposals to delegate authority to the Board of Directors to issue shares and/or other marketable securities. You are being asked to vote on the proposed transactions.

The Board of Directors proposes, on the basis of its report:

- that you delegate it authority, for a 26-month period as from the date of this Shareholders' Meeting, outside of public offering period, to decide on the following transactions and determine the final conditions thereof, and, where appropriate, to cancel your preferential subscription rights:
  - issuance of (i) ordinary shares of your Company and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities, while maintaining preferential subscription rights (resolution 20);
  - public offering other than offers described in Article L.411-2, 1° of the French Monetary and Financial Code (*Code monétaire et financier*), and cancellation of shareholders' preferential subscription rights but with a mandatory priority subscription period (resolution 21), of (i) ordinary shares of your Company and (ii) marketable equity securities granting access to other Company equity or debt securities and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities ;
  - public offering other than offers described in Article L.411-2, 1° of the French Monetary and Financial Code (*Code monétaire et financier*), and cancellation of shareholders'

- preferential subscription rights with an optional priority subscription period (resolution 22), of (i) equity securities, (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) all marketable securities granting access, by any means, to Company equity securities by companies whose share capital is more than 50% held, directly or indirectly by the Company, according to the terms and under the conditions set forth by Article L. 225-148 of the French Commercial Code;
- public offering and cancellation of shareholders' preferential subscription rights, as described in Article 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (resolution 23), of (i) ordinary shares and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities;
  - that you delegate it authority, for a 26-month period as from the date of this Shareholders' Meeting, usable during a public offering period, to decide on the following transactions and determine the final conditions thereof, and, where appropriate, to cancel your preferential subscription rights:
    - issuance of (i) ordinary shares of your Company and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities, while maintaining preferential subscription rights (resolution 27);
    - public offering other than offers described in Article L.411-2, 1° of the French Monetary and Financial Code (*Code monétaire et financier*), and cancellation of shareholders' preferential subscription rights but with a mandatory priority subscription period, (resolution 28) of (i) ordinary shares of your Company and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities;
    - public offering other than offers described in Article L.411-2, 1° of the French Monetary and Financial Code (*Code monétaire et financier*), and cancellation of shareholders' preferential subscription rights with an optional priority subscription period (resolution 29), of (i) equity securities, (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) all marketable securities granting access, by any means, to Company equity securities by companies whose share capital is more than 50% held, directly or indirectly by the Company, according to the terms and under the conditions set forth by Article L. 225-148 of the French Commercial Code;
    - public offering as described in Article L.411-2, 1° of the French Monetary and Financial Code (*Code monétaire et financier*), and cancellation of shareholders' preferential subscription rights (resolution 30), of (i) ordinary shares and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in

the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities;

- to allow, under resolution 34 and in the framework of the utilization of delegations set out in resolutions 21, 22, 23, 28, 29, and 30, to set the issue price within a limit not to exceed 10% of the share capital a year;
- that you delegate it the authority, for a 26-month period as from the date of this Shareholders' Meeting, excluding during a public offering period, to issue ordinary shares and/or marketable securities conferring entitlement to Company equity securities, to compensate in-kind contributions granted to the Company comprising equity securities or marketable securities conferring entitlement to Company equity (resolution 25), for a maximum of 10% of share capital.
- that you delegate it the authority, for a 26-month period as from the date of this Shareholders' Meeting, during a public offering period, to issue ordinary shares and/or marketable securities conferring entitlement to Company equity securities, to compensate in-kind contributions granted to the Company comprising equity securities or marketable securities conferring entitlement to Company equity (resolution 32), for a maximum of 5% of share capital.

The total nominal amount of capital increases to be carried out immediately or in the future, outside of public offering period, pursuant to resolutions 20, 22, 23, 24 and 25 resolutions may not exceed the maximum amount of €1 930 million as set forth in resolution 20, including any capital increases made under resolution 26, and €643 million as set forth in resolution 21, noting that:

- the amount of capital increases carried out under the authority delegated by resolutions 20, 21, 22, 23 and 25 resolutions may not exceed €1 930 million, €643 million, €129 million, €129 million and €64.2 million respectively;
- the amount of capital increases carried out pursuant to resolutions 22, 23 and 25 will be allocated to and subject to each of the limits set in resolutions 20 and 22;

The total nominal amount of debt securities issued, outside of a public offering period, pursuant to resolutions 20 and 21 may not exceed maximum amount of €3.5 billion, and €1 billion as set forth in resolutions 22 and 23. The amount of capital increases carried out pursuant to resolutions 21, 22 and 23 will be allocated to and subject to the limit set in resolution 20.

These maximum amounts take into account the number of additional securities to be issued under the delegations of authority mentioned in resolutions 20, 21, 22 and 23, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, if resolution 24 is adopted.

The total nominal amount of capital increases to be carried out immediately or in the future, within a public offering period may not exceed:

- €161 million under resolutions 27 and 28, it being specified that this amount will be allocated to and subject to the limit of €1 930 million, as set forth in resolution 20 and that the amount of increases that may be made under resolution 28 will be allocated to and subject to the limit set in resolution 27;
- €65 million under resolutions 29 and 30, it being specified that this amount will be allocated to and subject to the limit of €161 million, as set forth in resolutions 27 and 28, to the limit of €129 million, as set forth in resolutions 22, and to the limit of €1 930 million, as set forth in resolutions 20 and that the amount of increases that may be made under resolution 30 will be allocated to and subject to the limit set in resolution 29;
- €33 million under resolution 32, it being specified that this amount will be allocated to and subject to the limit of €161 million, as set forth in resolution 27, to the limit of €65 million, as set forth in resolutions 29, to the limit of €129 million, as set forth in resolutions 22, and to the limit of €1 930 million, as set forth in resolutions 20.
- €161 million under resolution 33, it being specified that this amount will be allocated to and subject to the limit of €161 million, as set forth in resolution 27, to the limit of €161 million, as set forth in resolutions 28 and to the limit of €1 930 million, as set forth in resolutions 20.

The total nominal amount of debt securities issued, within a public offering period, pursuant to resolutions 27, 28, 29 and 30 may not exceed maximum amount of €1 billion. The amount of capital increases carried out pursuant to resolutions 27, 28, 29 and 30 will be allocated to and subject to the limit set in resolution 20.

These maximum amounts take into account the number of additional securities to be issued under the delegations of authority mentioned in resolutions 27, 28, 29 and 30, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, if resolution 31 is adopted.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 et seq. of the French Commercial Code. It is our responsibility to express our opinion on the fairness of the quantitative information derived from the financial statements, on the proposed cancellation of preferential subscription rights and on other information relating to the transactions presented in the report.

**Air France-KLM S.A.**  
*Statutory Auditors' Report on the Issuance of Shares and Other Marketable Securities  
with or without Preferential Subscription Rights  
April, 22 2021*

We performed the procedures we deemed necessary in accordance with professional guidelines issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. Our work consisted in verifying the content of the Board of Directors' report relating to these transactions and the methods used to determine the issue price of the equity securities.

Subject to subsequent review of the conditions governing the issuances decided, we have no comments to make on the methods used to determine the issue price of the equity securities to be issued, presented in the Board of Directors' report pursuant to resolutions 21, 22, 23, 28, 29, 30 and 34.

Moreover, as your Board of Directors' report does not specify the methods used to determine the issue price of the equity securities to be issued under resolutions 20, 25, 27 and 32, we do not express an opinion on the components used to calculate the issue price of the equity securities.

As the final conditions governing the issuances have not yet been determined, we do not express an opinion on them or on the proposed cancellation of preferential subscription rights, as presented in resolutions 21, 22, 23, 28, 29 and 30.

In accordance with Article R.225-116 of the French Commercial Code, we shall prepare an additional report, where appropriate, when your Board of Directors uses the delegation of authority to issue marketable equity securities conferring entitlement to other equity or debt securities or marketable securities conferring entitlement to equity securities to be issued in the future or ordinary shares with the cancellation of preferential subscription rights.

Paris La Défense, April, 22 2021

The Statutory Auditors

KPMG Audit  
*Division of KPMG S.A.*

Deloitte & Associés

Valérie Besson  
Partner

Eric Dupré  
*Partner*

Pascal Colin  
*Partner*

Guillaume Crunelle  
*Partner*