



**Air France-KLM**

*(incorporated as a société anonyme in the Republic of France)*

**€500,000,000 Undated Deeply Subordinated Fixed Rate Resetable Notes**

**Issue Price : 99.479 per cent**

The Euro 500,000,000 Undated Deeply Subordinated Fixed Rate Resetable Notes (the “**Notes**”) of Air France-KLM (the “**Issuer**”) will be issued on 21 May 2025 (the “**Issue Date**”). The obligations of the Issuer under the Notes in respect of principal and interest (including for the avoidance of doubt, any Arrears of Interest and Additional Interest Amount) of the Notes constitute (subject to certain limitations described in the Condition 2 “Status of the Notes” in the Terms and Conditions of the Notes) direct, unconditional, deeply subordinated and unsecured obligations of the Issuer and rank and will at all times rank *pari passu* without any preference among themselves and (i) equally and rateably with all other present or future Deeply Subordinated Obligations (*engagements subordonnés de dernier rang*) of the Issuer, (ii) in priority to present and future Equity Securities of the Issuer and (iii) junior to all present or future Unsubordinated Obligations, Ordinary Subordinated Obligations of the Issuer and *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, as further defined and set out in the Condition 2 “Status of the Notes” in the Terms and Conditions of the Notes.

The Notes do not contain events of default, including any cross default.

Unless previously redeemed in accordance with the Condition 5 “Redemption and Purchase” in the Terms and Conditions of the Notes and subject to the further provisions described in the Condition 4 “Interest” in the Terms and Conditions of the Notes, the Notes will bear interest on their principal amount (i) from, and including, the Issue Date to, but excluding, the interest payment date falling on 21 August 2030 (the “**First Reset Date**”), at a fixed rate of 5.750 per cent. *per annum*; and (ii) from, and including, the First Reset Date to, but excluding, the interest payment date falling on 21 August 2035 (the “**First Step-up Date**”) at a fixed rate *per annum* which shall be equal to the sum of the Reference Rate (as defined herein) in respect of the relevant Interest Rate Period (as defined herein) and the Relevant Margin (as defined herein); and (iii) from, and including, the First Step-up Date to, but excluding, the Second Step-up Date (as defined herein), at a fixed rate *per annum* which shall be subject to a reset every five years and shall be equal to the sum of the Reference Rate (as defined herein) in respect of the relevant Interest Rate Period (as defined herein) and the Relevant Margin (as defined herein); and (iv) from, and including, the Second Step-up Date, at a fixed rate *per annum* which shall be subject to a reset every five years and shall be equal to the sum of the Reference Rate in respect of the relevant Interest Rate Period and the Relevant Margin, in each case subject to any applicable Change of Control Step-Up Margin (as defined herein) pursuant to Condition 4(b) and provided that the Interest Rate (as defined herein) shall be subject to a minimum of zero (0) per cent. *per annum*. Each Interest Amount (as defined herein) shall be payable annually in arrear on 21 August of each year, commencing on 21 August 2025, provided that there will be a short first coupon in respect of the first Interest Period.

Payment of interest on the Notes may be deferred in whole or in part at the option of the Issuer under certain circumstances, as set out in the Condition 4(f) “Interest - Optional Interest Deferral” in the Terms and Conditions of the Notes.

The Issuer will have the right to redeem all, but not some only, of the Notes at par (i) on any date during the period commencing on (and including) 21 May 2030 (the “**First Call Date**”) and ending on (and including) the First Reset Date or (ii) on any Interest Payment Date after the First Reset Date, as defined and further described in the Condition 5(b) “Redemption and Purchase – Optional Redemption” in the Terms and Conditions of the Notes. The Issuer may also, at its option, redeem all, but not some only, of the Notes then outstanding, at any time (other than (i) during the period from and including the First Call Date to, and including, the First Reset Date or (ii) on any subsequent Interest Payment Date after the First Reset Date) at the Make-whole Redemption Amount, as defined and further described in the Condition 5(c) “Redemption and Purchase – Make-whole Redemption by the Issuer” in the Terms and Conditions of the Notes. The Issuer may also, at its option, redeem all, but not some only, of the Notes at any time upon the occurrence of a Gross-Up Event, a Withholding Tax Event, a Tax Deductibility Event, an Accounting Event, an Equity Credit Rating Event or a Change of Control Call Event, each as further described and defined in the Condition 5 “Redemption and Purchase” in the Terms and Conditions of the Notes. The Issuer may also, at its option, redeem all, but not some only, of the outstanding Notes at par in the event that at least seventy-five (75) per cent. of the initial aggregate principal amount of the Notes has been purchased or redeemed by the Issuer, in accordance with the provisions set out in Condition 5(i) “Redemption and Purchase – Clean up Call Option” in the Terms and Conditions of the Notes.

This document (including the documents incorporated by reference therein) constitutes a prospectus (a “**Prospectus**”) for the purposes of Article 6 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the “**Prospectus Regulation**”) in respect of, and for the purposes of giving information with regard to, Air France-KLM and its fully consolidated subsidiaries taken as a whole (the “**Group**”), which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of Air France-KLM and the Group.

This Prospectus has been approved by the *Autorité des marchés financiers* (the “**AMF**”) in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes which are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. This Prospectus will be valid until the date of admission of the Notes to trading on Euronext Paris. After such date, this Prospectus will no longer be valid and the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

Application has been made to Euronext Paris for the Notes to be admitted to trading on the regulated market of Euronext Paris (“**Euronext Paris**”) with effect from the Issue Date. Euronext Paris is a regulated market (a “**Regulated Market**”) for the purposes of the Markets in Financial Instruments Directive 2014/65/EU of 15 May 2014, as amended, appearing on the list of regulated markets issued by the European Securities and Markets Authority (the “**ESMA**”).

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France (“**Euroclear France**”) which shall credit the accounts of the Account Holders. “**Account Holder**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (“**Euroclear**”) and the depositary bank for Clearstream Banking S.A. (“**Clearstream**”).

As of the date of this Prospectus, the Issuer's long-term debt has been rated BB+ with a stable outlook by S&P Global Ratings Europe Limited (“**S&P**”) and BBB- with a stable outlook by Fitch Ratings Ireland Limited (“**Fitch**”). The Notes have been rated BB by Fitch and B+ by S&P. Each of such credit rating agencies is established in the European Union and is registered under Regulation (EC) 1060/2009, as amended (the “**CRA Regulation**”) and is included in the list of registered credit rating agencies published on the website of the ESMA (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency without notice.

*Prospective investors should have regard to the factors described under the section headed “Risk factors” in this Prospectus.*

Copies of this Prospectus and the documents incorporated by reference in this Prospectus will be published on the websites of the Issuer ([www.airfranceklm.com](http://www.airfranceklm.com)) and of the AMF ([www.amf-france.org](http://www.amf-france.org)), save for the First Quarter 2025 Results Press Release which will only be available on the website of the Issuer.

*Global Coordinators and Joint Bookrunners*

**BNP PARIBAS**

**Citigroup**

**Goldman Sachs Bank Europe SE**

*Joint Bookrunners*

**Crédit Agricole CIB**

**HSBC**

**J.P. Morgan**

**Morgan Stanley**

**Natixis**

*This Prospectus constitutes a prospectus for the purposes of Article 6 of the Prospectus Regulation. This Prospectus is to be read in conjunction with all the information incorporated herein by reference (see Section “Documents Incorporated by Reference” below).*

*This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Joint Bookrunners (as defined in “Subscription and Sale” below) to subscribe or purchase any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions.*

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). For a description of further restrictions on offers and sales of Notes and the distribution of this Prospectus, see Section “Subscription and Sale” below.*

*This Prospectus has been prepared on the basis that any offer of the Notes in the United Kingdom (the “**UK**”) will be made pursuant to an exemption under Regulation (EU) 2017/1129, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK Prospectus Regulation**”) from a requirement to publish a prospectus for offers of Notes. This Prospectus is not a prospectus for the purpose of the UK Prospectus Regulation.*

*No person is or has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Joint Bookrunners.*

*Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group, since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*The Joint Bookrunners have not separately verified the information or representation contained or incorporated by reference herein. To the fullest extent permitted by law, the Joint Bookrunners accept no responsibility whatsoever for the information or representation contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or in connection with the Notes or their distribution or for any other statement, made or purported to be made by the Joint Bookrunners or on their behalf in connection with the Issuer or the offering and issue of the Notes. The Joint Bookrunners accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Prospectus or any such information or statement.*

*Neither this Prospectus nor any other information supplied in connection with the Notes or their distribution is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Prospectus or any other information supplied in connection with the Notes or their distribution should purchase any of the Notes. None of the Joint Bookrunners acts as a fiduciary to any investor or potential investor in the Notes. Each investor contemplating subscribing or purchasing Notes should make its own independent investigation of the financial condition and affairs, its own appraisal of the creditworthiness, of the Issuer or the Group and of the terms of the offering, including the merits and risks involved. For further details, see Section*

“Risk Factors” herein. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should subscribe for or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Joint Bookrunners has reviewed or undertakes to review the financial condition or affairs of the Issuer or the Group prior to or after the date of this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Bookrunners.

**EU MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES**

**ONLY TARGET MARKET** - Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 19 of the Guidelines on MiFID II product governance requirements published by the European Securities and Markets Authority (“ESMA”) on 3 August 2023, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES**

**ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PRIIPS REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail

investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**AN INVESTMENT IN THE NOTES MIGHT NOT BE SUITABLE FOR ALL INVESTORS** - The Notes are complex financial instruments that may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Neither the Issuer, nor any of the Joint Bookrunners nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase, sale or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

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## RISK FACTORS

*The Issuer considers that the risk factors described below are, as of the date hereof, important to make an investment decision in the Notes and/or may alter its ability to fulfil its obligations under the Notes towards investors. The risk factors may relate to the Issuer and the Group.*

*The following describes the main risk factors that the Issuer considers, as of the date hereof, material with respect to the Notes. The risks described below are not the only risks the Issuer and its subsidiaries face and they do not describe all of the risks of an investment in the Notes. The inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations or on an investment in the Notes.*

*Prior to making an investment decision in the Notes, prospective investors should consider carefully all the information contained or incorporated by reference in this Prospectus, including the risk factors detailed below. In particular, prospective investors, subscribers and holders of Notes must make their own analysis and assessment of all the risks associated to the Notes and the risks related to the Issuer, its activities and financial position. They should also consult their own financial or legal advisors as to the risks entailed by an investment in the Notes and the suitability of such an investment in light of their particular circumstances.*

*The Notes should only be purchased by investors who are financial institutions or other professional investors or qualified investors who are able to assess the specific risks implied by an investment in the Notes, or who act on the advice of financial institutions.*

*In each sub-category below, the most material risks are listed below on the Issuer's assessment of the expected magnitude of their negative impact and the probability of their occurrence.*

*Terms used but not defined in this section shall have the same meaning as that set out in the "Terms and Conditions of the Notes" and on the cover page of this Prospectus.*

### **1. RISK FACTORS RELATING TO THE ISSUER**

The risk factors relating to the Issuer and its activities are set out on pages 178 to 195 of the 2024 Universal Registration Document which is incorporated by reference herein (as defined in Section "Documents Incorporated by Reference" of this Prospectus). The risk factors considered to be the most significant (indicated by an asterisk) are presented first. These risks include:

- (i) Geopolitical and macro-economic risks;
  - International tensions: closed borders, wars, terrorist attacks, political and social unrest, health crises, etc.\*;
  - Economic uncertainty\*;
  - Risks relating to changes in oil and fuel prices\*;
  - Competition and trends in the aeronautics maintenance market; and
  - Changes in the competitive landscape for the air travel business;
- (ii) Risks relating to the air transportation activity;

- Risks related to airline safety\*;
- Climate-related risks\*;
- Noise management\*;
- Loss of flight slots or lack of access to flight slots;
- Carbon credit risk;
- Air pollution;
- Reinforcement of passenger compensation rights;
- Regulatory authorities' inquiry into the commercial cooperation agreements between carriers; and
- Commitments *vis-à-vis* the European Commission.

(iii) Risks related to the Group's processes;

- Operational performance and customer risks\*;
- Failure of a critical IT system, IT risks and cyber criminality;
  - Cyber criminality\*;
  - Data security;
  - Business continuity and regulatory compliance;
- Working conditions and human capital development;
  - Social stability and employee engagement\*;
  - Key competencies and attractiveness;
- Non-compliance with regulations, including competition, data protection, trade compliance and export control, anti-corruption and duty of vigilance laws;

(iv) Legal Risks;

- Legal risks related to litigation;

(v) Financial market risks;

- Balance sheet risk\*;
- Foreign exchange risks on operating flows;
- Foreign exchange risk on tangible investments;
- Foreign exchange risk on debt valuation;
- Interest rate exposure; and
- Liquidity Investment risk.”

## 2. RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe the main risk factors that are considered material for prospective investors in order to assess the market risk associated with the Notes. They do not describe all the risks of an investment in the Notes and



should be read and interpreted on the basis of the risk factors related to the Issuer as described in the 2024 Universal Registration Document.

## **2.1 Risks related to the trading markets of the Notes**

### ***Credit Risk***

As contemplated in Condition 2(a) of the Terms and Conditions of the Notes, the obligations of the Issuer under the Notes in respect of principal and interest (including for the avoidance of doubt, any Arrears of Interest and Additional Interest Amount (as defined below)) constitute direct, unconditional, deeply subordinated and unsecured obligations of the Issuer and rank and will at all times rank *pari passu* without any preference among themselves and (i) equally and rateably with all other present or future Deeply Subordinated Obligations (*engagements subordonnés de dernier rang*) of the Issuer, (ii) in priority to present and future Equity Securities of the Issuer and (iii) junior to all present or future Unsubordinated Obligations, Ordinary Subordinated Obligations of the Issuer and *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer. Therefore, Noteholders are exposed to the credit risk of the Issuer. Credit risk refers to the risk that the Issuer may be unable to meet its financial obligations under the Notes. The value of the Notes will also depend on the creditworthiness and liquidity position of the Issuer which may be impacted by the “Risks Factors relating to the Issuer” as described above. If the creditworthiness of the Issuer deteriorates, such deterioration could materially and negatively impact the Noteholders as (i) the Issuer may not be able to fulfil all or part of its payment obligations under the Notes, (ii) the value of the Notes may decrease and (iii) Noteholders may lose all or part of their investment.

### ***Any decline in the credit ratings of the Issuer may affect the market value of the Notes***

The Issuer's long-term debt has been rated BB+ with a stable outlook by S&P Global Ratings Europe Limited (“**S&P**”) and BBB- with a stable outlook by Fitch Ratings Ireland Limited (“**Fitch**”). The Notes have been rated BB by Fitch and B+ by S&P. The credit ratings of the Issuer are an assessment of its ability to pay its obligations, including those arising from the Notes. Any such ratings may not continue for any period of time or may not be reviewed, revised, suspended or withdrawn entirely by the relevant rating agencies as a result of changes in or unavailability of information or if, in the rating agencies' judgment, circumstances so warrant. Consequently, actual or anticipated declines in the credit ratings of the Issuer may affect the market value of the Notes.

Each of Fitch and S&P may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and/or ratings assigned to an issuer on a standalone basis and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

In addition, one or more independent credit rating agencies other than Fitch or S&P could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by Fitch or S&P, as the case may be, such unsolicited ratings could have an adverse effect on the value of the Notes.

### ***Market Value of the Notes***

Application has been made to admit the Notes to trading on Euronext Paris. Therefore, the market value of the Notes may be affected by the creditworthiness of the Issuer, and/or that of the Group and a number of additional factors, including, but not limited to, the value of the Reference Rate, its volatility, market interest and yield rates or the time remaining to the First Call Date or subsequent call dates.

The value of the Notes and of the Reference Rate depend on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and Euronext Paris or other stock exchanges on which the Notes or the Reference Rate are traded. The price at which a Noteholder will be able to sell the Notes prior to redemption by the Issuer may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the Reference Rate should not be taken as an indication of the Reference Rate's future performance during the life of the Notes.

### ***Liquidity Risks/Trading Market for the Notes***

Application has been made to Euronext Paris to admit the Notes to trading on Euronext Paris as from the Issue Date. However, the Notes may not have an established trading market when issued and admitted to trading and may never develop or continue or, if one does develop, be maintained. Therefore, the market for the Notes may not be liquid and the holders may not be able to sell their Notes when desired, or at all, or at prices they find acceptable. The liquidity of, and trading market for, the Notes may also be adversely affected by general declines in the market for similar securities. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as general economic conditions, the financial condition, the creditworthiness of the Issuer and/or the Group, and the value of the Reference Rate, as well as other factors such as the complexity and volatility of the Reference Rate, the interest deferral provisions relating to the Notes (as provided in Condition 4(f) (*Optional Interest Deferral*) of the Terms and Conditions of the Notes), the method of calculating the return to be paid in respect of such Notes, the outstanding amount of the Notes, any redemption features of the Notes as specified in Condition 5 (*Redemption and Purchase*) of the Terms and Conditions of the Notes, the performance of other instruments linked to the Reference Rate and the level, direction and volatility of interest rates generally. Such factors also will affect the market value of the Notes. The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder and accordingly such Noteholder may suffer a significant financial loss.

Noteholders may not be able to sell Notes readily or at prices that will enable Noteholders to realise their anticipated yield. This could have a material adverse impact on the Noteholders and, as a result, Noteholders could lose all or part of their investment in the Notes.

## **2.2 Risks relating to the structure of the Notes**

### ***The Notes are the lowest ranking subordinated obligations of the Issuer***

In accordance with Condition 2 (*Status of the Notes*) of the Terms and Conditions of the Notes, the obligations of the Issuer under the Notes in respect of principal and interest (including for the avoidance of doubt, any Arrears of Interest and Additional Interest Amount) constitute direct, unconditional, deeply subordinated and unsecured obligations of the Issuer and rank and will at all times rank *pari passu* without any preference among themselves and (i) equally and rateably with all other present or future Deeply Subordinated Obligations (*engagements subordonnés de dernier rang*) of the Issuer, (ii) in priority to present and future Equity Securities of the Issuer and (iii) junior to all present or future Unsubordinated Obligations, Ordinary Subordinated Obligations of the Issuer and *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer. In accordance with Condition 2(b) (*Payment on the Notes in the event of liquidation of the Issuer*), in the event of any judgment rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution (*liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason (and

in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes), the rights of Noteholders to payment under the Notes will be subordinated to the full payment of the unsubordinated creditors of the Issuer (including creditors in respect of Unsubordinated Obligations), of the ordinary subordinated creditors of the Issuer (including creditors in respect of Ordinary Subordinated Obligations) and of lenders in relation to *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer, if and to the extent that there is still cash available for those payments. The rights of the Noteholders will be calculated on the basis of the principal amount of the Notes together with any accrued interest on such principal amount and any Arrears of Interest (including any Additional Interest Amount thereon).

Thus, the Noteholders face a higher recovery risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer. In the event of incomplete payment of unsubordinated creditors and subordinated creditors ranking ahead of the claims of the Noteholders, the obligations of the Issuer in connection with the Notes shall terminate. The claims of the Noteholders under the Notes are intended to be senior only to claims of shareholders. There are, at the Issue Date, no instruments of the Issuer that rank junior to the Notes other than the Equity Securities of the Issuer. Thus, the Noteholders face a significantly higher performance risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer which could result in (i) a loss of all or a part of a Noteholder's investment in the event of a bankruptcy and (ii) more volatility in the market price of the Notes as compared to senior obligations of the Issuer. Please also see "*Credit risk*" above.

#### ***The Notes are effectively subordinated to subsidiary debt***

The Issuer is a holding company with no material assets other than its shareholdings in its subsidiaries including in particular Société Air France ("**Société Air France**") and Koninklijke Luchtvaart Maatschappij N.V. ("**KLM**"). Accordingly, in addition to the Notes being subordinated obligations of the Issuer themselves, the Notes will effectively be subordinated to claims of all creditors of the Issuer's subsidiaries, including trade creditors, secured creditors and creditors holding indebtedness, including any senior or subordinated indebtedness, and guarantees issued by the subsidiaries. Noteholders will not have any direct claims on the cash flows or the assets of the Issuer's subsidiaries, and such subsidiaries have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available to the Issuer for these payments. As a result the Noteholders will only rely on the Issuer's cash flows or assets to obtain payment under the Notes and, should the Issuer become insolvent, lose all or a substantial part of their investment in the Notes.

#### ***The Notes are undated securities***

In accordance with Condition 5(a) (*Final Redemption*) of the Terms and Conditions of the Notes, the Notes are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem or repurchase the Notes at any time, and the Noteholders have no right to require redemption of the Notes except, in accordance with Condition 8 (*Enforcement Events, no Events of Default and no Cross Default*), in the event that a judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution (*liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

As the Notes do not have a fixed maturity, the Noteholders must bear the financial risks of an investment in the Notes for an indefinite period of time and may not recover their investment in a foreseeable future. The Noteholders would only be able to realise value from the Notes prior to an early redemption by selling their Notes at their then market value in an available secondary market. In the absence of a secondary market for the Notes, Noteholders may therefore not recover all or part of their investment in the foreseeable future. Therefore,

the principal amount of the Notes may not be repaid and Noteholders may lose the value of their capital investment in the Notes.

### ***Optional deferral of interest payment***

In accordance with Condition 4(f) (*Optional Interest Deferral*) of the Terms and Conditions of the Notes, on any applicable Interest Payment Date, the Issuer may elect to defer payment in whole or in part of the interest accrued to that date, and any such failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose. Any interest in respect of the Notes not paid on an applicable Interest Payment Date will, so long as the same remains outstanding, be deferred and shall constitute Arrears of Interest and, if due for at least a year, bear interest, and may at the option of the Issuer be paid in whole or in part at any time as outlined in Condition 4(f) (*Optional Interest Deferral*) of the Terms and Conditions of the Notes.

Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due and payable in whole, but not in part, on whichever is the earliest of:

- (i) the tenth (10<sup>th</sup>) Business Day following the occurrence of a Mandatory Payment Event;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date of the final court ruling deciding a court-ordered liquidation of the Issuer (*liquidation judiciaire*) or the date of the voluntary liquidation of the Issuer (*liquidation amiable*) or the date of the full sale of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

Any deferral of interest payments or the perception that the Issuer will need to exercise its optional deferral right would have a significant adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provisions of the Notes, the market value of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition, therefore, investors may lose all or part of their investment. As a result, the value of the Notes or liquidity on the secondary market may be materially and negatively affected.

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If one or several interest payments are deferred, a purchaser of Notes in the secondary market may not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes, which would cause the Noteholders to lose all or part of the value of their investment in the Notes.

### ***Early Redemption Risk***

In accordance with the provisions of the Condition 5 (*Redemption and Purchase*) of the Terms and Conditions of the Notes, the Issuer may redeem all, but not some only, of the Notes (i) on any date during the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date, or on any Interest Payment Date after the First Reset Date (see Condition 5(b) (*Optional Redemption*)), (ii) at any time (other than (x) during the period from and including the First Call Date to and including the First Reset Date or (y) on any subsequent Interest Payment Date after the First Reset Date) (see Condition 5(c) (*Make-whole Redemption by the Issuer*)) and (iii) at any time, following the occurrence of a Gross-Up Event (see Condition 5(d)(i)), a Withholding Tax Event (see Condition 5(d)(ii)), a Tax Deductibility Event (see Condition

5(d)(iii)), an Accounting Event (see Condition 5(e) (*Redemption following an Accounting Event*)), an Equity Credit Rating Event (see Condition 5(f) (*Redemption following an Equity Credit Rating Event*)) or a Change of Control Call Event (see Condition 5(g) (*Redemption following a Change of Control Call Event*)). The Issuer may also, at its option, redeem all but not some only of the outstanding Notes in the event that at least seventy-five (75) per cent. of the initial aggregate principal amount of the Notes has been purchased or redeemed by the Issuer, in accordance with the provisions set out in Condition 5(i) (*Clean up Call Option*) in the Terms and Conditions of the Notes.

In the event of an early redemption of the Notes following the occurrence of a Gross-Up Event, a Withholding Tax Event, a Change of Control Call Event or a Repurchase Event, such early redemption of the Notes will be made at the principal amount of the Notes together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon), as outlined and defined in Conditions 5(d) (*Redemption for Taxation Reason*), 5(g) (*Redemption following a Change of Control Call Event*) and 5(i) (*Clean up Call Option*), respectively, of the Terms and Conditions of the Notes. In the event of an early redemption at the option of the Issuer by exercise of the Make-whole Redemption Option, such early redemption of the Notes will be made at the Make-whole Redemption Amount, as outlined and defined in Condition 5(c) of the Terms and Conditions of the Notes. In the event of an early redemption at the option of the Issuer following the occurrence of a Tax Deductibility Event, an Accounting Event or an Equity Credit Rating Event, such early redemption of the Notes will be made at (i) the Early Redemption Price, where such redemption occurs before the First Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Call Date, as outlined and defined in Conditions 5(d)(iii), 5(e) and 5(f), respectively, of the Terms and Conditions of the Notes.

The redemption at the option of the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may, or may be perceived to be able to, elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Should the Notes at such time be trading above or well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant. This also may be true prior to the First Step-up Date. Since the Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes, Noteholders might not be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Notes had they not been redeemed.

An exercise of any of the foregoing early redemption options by the Issuer may also result in the materialisation of the risk factor entitled "Liquidity Risks/Trading Market for the Notes" for the period starting as of the announcement date to and including the optional redemption date.

***There are no events of default or cross default under the Notes***

Condition 8 (*Enforcement Events, no Events of Default and no Cross Default*) of the Terms and Conditions of the Notes provides that there are no events of default or cross default allowing acceleration of the Notes if certain events occur. As a result, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, or defaults on any of its other outstanding indebtedness, Noteholders will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, therefore, investors may lose all or part of their investment. As a result, the value of the Notes or liquidity on the secondary market may be negatively affected.

***No limitation on issuing or guaranteeing debt ranking senior to, or pari passu with, the Notes***

There is no restriction under the Terms and Conditions of the Notes on the amount of debt which the Issuer may issue or guarantee, as there is no clause of limitation of indebtedness nor, as per Condition 3 (*No Negative Pledge*), a negative pledge. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* with, or senior to, the obligations under and in connection with the Notes. An increase of the outstanding amount of such securities or other liabilities may if such outstanding amount were to exceed the assets of the Issuer materially reduce the amount (if any) recoverable by Noteholders on a winding-up of the Issuer and Noteholders could suffer loss of their entire investment if the Issuer were liquidated (whether voluntarily or not). If the amount of interest due under such securities or other liabilities increases, it significantly increases the likelihood of a deferral of interest payments under the Notes and as a result Noteholders could suffer a significant reduction in the return of the Notes.

If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including loss of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

***The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event***

The current IFRS accounting classification of financial instruments such as the Notes may change, which may result in the occurrence of an Accounting Event in accordance with Condition 5(e) (*Redemption following an Accounting Event*) of the Terms and Conditions of the Notes. The classification of the Notes initially as equity may be changed to liability.

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the "**DP/2018/1 Paper**"). proposing a new classification approach to articulate more clearly the principles for classifying financial instruments as financial liabilities or equity instruments, and to improve the consistency, completeness and clarity of the classification requirements in IAS 32. In November 2023, the IASB published a paper titled "Exposure Draft Financial Instruments with Characteristics of Equity" where the IASB has decided not to pursue the proposed classification approach set out in DP/2018/1 Paper and instead aim at, inter alia, clarifying the requirements, including the underlying principles, for classifying a financial instrument as a financial liability or an equity instrument (the "**2023 Exposure Draft**").

The implementation of any of the clarifications regarding the requirements, including the underlying principles, for classifying a financial instrument as a financial liability or an equity instrument set out in the 2023 Exposure Draft or any other proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Notes from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Notes (pursuant to Condition 5(e) (*Redemption following an Accounting Event*)).

The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Should the Notes at such time be trading above or well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant.

For a description of the risks related to the early redemption of the Notes, see the Risk Factor entitled "*Early Redemption Risk*".

***The Terms and Conditions of the Notes contain a prohibition of set-off***

In accordance with Condition 2(c) (*Prohibition of set-off*) of the Terms and Conditions of the Notes, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Noteholder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention, subject to applicable law. As a result, a Noteholder which is also a debtor of the Issuer cannot set-off its payment obligation against any sum due to it by the Issuer under the Notes. This prohibition of set-off could therefore have an adverse impact on the counterparty risk for a Noteholder in the event that the Issuer were to become insolvent.

***The Second Step-up Date will be delayed by five years if the credit rating assigned to the Issuer by Standard and Poor's (ICR) is Investment Grade on any date following the Issue Date***

The Notes shall bear interest on their principal amount (i) from, and including, the First Reset Date to, but excluding, the First Step-up Date, at the First Reset Interest Rate, (ii) from, and including, the First Step-up Date to, but excluding, the Second Step-up Date, at the First Step-up Interest Rate and (iii) from, and including, the Second Step-up Date, at the Second Step-up Interest Rate.

At the date of this Prospectus, the Issuer's long-term debt has been rated BB+ with a stable outlook by S&P.

The Second Step-up Date shall be 21 August 2045, provided however that if the credit rating assigned to the Issuer by Standard and Poor's (ICR) is Investment Grade (as defined in Condition 4(a) below) on any date following the Issue Date, then the Second Step-up Date shall be deemed to be immediately, and irrevocably, changed to 21 August 2050.

Assuming that the credit rating assigned to the Issuer by Standard and Poor's is Investment Grade (as defined in Condition 4(a) below) on any date following the Issue Date, the Second Step-up Date and the application of the Second Step-up Interest Rate would be delayed by five years. This would impact the rate of interest on the Notes and Noteholders may receive lower return on the Notes than anticipated.

***Fixed Interest Rate Notes***

Pursuant to Condition 4(a) (*General*) of the Terms and Conditions of the Notes, the Notes bear interest at a rate of 5.750 per cent. *per annum* from, and including, the Issue Date to but excluding the First Reset Date.

A holder of a fixed interest rate note is exposed to the risk that the price of such note may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such note or during a certain period of time, the current interest rate on the capital market ("**Market Interest Rate**") typically changes on a daily basis. If the Market Interest Rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the Market Interest Rate. Holders of Notes should be aware that movements of the Market Interest Rate is uncertain and can adversely affect the market price of the Notes and can lead to losses for the holders if they sell their Notes.

***Reset of Interest Rate linked to the 5-year Swap Rate***

From and including the First Reset Date to, but excluding, the final redemption of the Notes, the Notes bear interest at a resettable rate which shall be equal to the relevant Reference Rate plus the Relevant Margin for each Interest Rate Period subject to any applicable Change of Control Step-Up Margin pursuant to Condition 4(b) and provided that the Interest Rate shall be subject to a minimum of zero (0) per cent. *per annum*.

The performance of the 5-year Swap Rate and the interest income on the Notes cannot be anticipated and neither the current nor the historical level of the 5-year Swap Rate is an indication of the future development

of the 5-year Swap Rate. Due to varying interest income, Noteholders are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, Noteholders are exposed to the reinvestment risk if market interest rates decline. That is, Noteholders may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, it cannot be ruled out that the price of the Notes may fall as a result of changes in the Market Interest Rate, as the Market Interest Rate fluctuates. The Noteholder is exposed to the risk “*Fixed Interest Rate Notes*” described above.

### ***Reform and regulation of “benchmarks”***

From and including the First Reset Date to but excluding the date on which the Issuer redeems the Notes, the Notes bear interest at a rate *per annum* which shall be subject to a reset every five years and shall be equal to the sum of the relevant 5-year Swap Rate for the relevant Interest Rate Period plus the Relevant Margin for each Interest Rate Period, subject to any applicable Change of Control Step-Up Margin pursuant to Condition 4(b) and provided that the interest Rate shall be subject to a minimum of zero (0) per cent. *per annum*. The 5-year Swap Rate and the 6-month EURIBOR rate (on which the floating leg of the 5-year Swap Rate is based) constitute benchmarks for the purposes of Regulation (EU) 2016/2011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (as amended, the “**Benchmarks Regulation**”).

The Benchmarks Regulation applies to “contributors”, “administrators” and “users” of “benchmarks” in the EU, and, among other things, (i) requires benchmark administrators to be authorised or registered with the competent authority of a Member State (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of “benchmarks” (or, if non EU based, to be subject to equivalent requirements) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised/registered with the competent authority of a Member State (or, if non EU based, not deemed equivalent or recognised or endorsed).

Notwithstanding the provisions of Condition 4(g) (*Benchmark Discontinuation*) which seek to offset any adverse effects for the Noteholders, the Benchmarks Regulation could have an adverse effect on their market value and return if the methodology or other terms of the 5-year Swap Rate or the EURIBOR as “benchmarks” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of such “benchmarks”.

In the event of the occurrence of a Benchmark Event, modifications could be made to the Terms and Conditions of the Notes to implement the changes required by determining an alternative benchmark and, if applicable, adjustment spread, without the consent of the Noteholders in accordance with Condition 4(g) (*Benchmark Discontinuation*). Accordingly, the application of an adjustment spread may result in the Notes performing differently (which may include payment of a lower interest rate) than they would do if the 5-year Swap Rate were to continue to apply in its current form.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks”, trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks”.

Any of the foregoing changes and their potential consequences, as a result of international, national or other reforms, or investigations, could have a material adverse effect on the market value of, and return on, the Notes.



The Benchmarks Regulation was amended by Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 and further amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 which introduced a harmonised approach to deal with the cessation or wind-down of certain benchmarks (such as EURIBOR) by conferring the power to designate a statutory replacement for certain benchmarks on the European Commission or the relevant national authority, such replacement being limited to contracts and financial instruments which contain no fallback provision or no suitable fallback provisions before the date of cessation of the benchmark concerned. This replacement could have a negative impact on the value or liquidity of, and return on, the Notes. However, there are still some uncertainties as to the application of these regulatory provisions as implementing acts must still be adopted. In addition, the transitional provisions applicable to third-country benchmarks are extended until the end of 2025 by Commission Delegated Regulation (EU) 2023/2222 of 14 July 2023.

The Terms and Conditions of the Notes provide that the 5-year Swap Rate shall be determined by reference to the Screen Page (or its successor or replacement). In circumstances where the 5-year Swap Rate (as defined in Condition 4 (*Interest*)) is discontinued, neither the Screen Page, nor any successor or replacement may be available. Where the Screen Page is not available, and no successor or replacement for the Screen Page is available, the Terms and Conditions of the Notes provide for the 5-year Swap Rate to be determined by the Calculation Agent by reference to quotations provided by banks to the Calculation Agent. If such quotations are not available, the 5-year Swap Rate applicable to the next succeeding Interest Rate Period shall be equal to the last 5-year Swap Rate available on the Screen Page as determined by the Calculation Agent.

#### ***Risks Relating to Benchmark Event***

Pursuant to Condition 4(g) (*Benchmark Discontinuation*), in the event of a Benchmark Event, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall, acting in good faith and in a commercially reasonable manner as an independent expert in the performance of its duties, advise the Issuer as to whether a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate and determine the Benchmark Amendments (including, without limitation, to the business day convention, the definition of business day, the determination date, the day count fraction and any method for obtaining the Successor Rate or Alternative Rate, including any adjustment factor needed to make such Successor Rate or Alternative Rate comparable to the 5-year Swap Rate (including any Adjustment Spread)).

Such Successor Rate or Alternative Rate will (in the absence of manifest error) be binding, and no consent of the Noteholders shall be required in connection with effecting the Successor Rate or Alternative Rate or any other changes pursuant to Condition 4(g).

In addition, if a Benchmark Event occurs pursuant to Condition 4(g) (*Benchmark Discontinuation*), no Successor Rate or Alternative Rate will be adopted and no Adjustment Spread shall apply, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of “equity credit” (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) assigned to the Notes by any Rating Agency when compared to the “equity credit” assigned to the Notes immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency or (ii) otherwise prejudice the eligibility of the Notes for “equity credit” from any Rating Agency. This could have a material adverse effect on the value of and return on any Notes and as a consequence, Noteholders may lose part of their investment.

The Successor Rate or Alternative Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the Successor Rate or Alternative Rate may perform differently from the discontinued benchmark. This could affect the performance of an alternative rate compared to the historical and expected performance of the relevant benchmark, although the adjustment factor applied to the Notes is supposed to

adequately compensate for this impact. This could in turn impact the rate of interest on, and market value of, the Notes and Noteholders may receive lower return on the Notes than anticipated at the time of the issue.

In certain circumstances, including where no Independent Adviser has been appointed or no Successor Rate or Alternative Rate (as applicable) is determined or applied or due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. In all these circumstances, other fallback rules might apply if the Original Reference Rate is discontinued or otherwise unavailable, which consist in the last 5-year Swap Rate available on the Screen Page, as determined by the Calculation Agent, to be used for the next succeeding Interest Period. This may result in the effective application of a fixed rate. In a rising interest rate environment, Noteholders will not benefit from any increase in rates. Any such consequences could have a material adverse effect on the value of and return on any Notes and as a consequence, Noteholders may lose part of their investment.

## **2.3 Risks relating to the legal form of the Notes and other legal issues**

### ***Specific French insolvency law provision regarding the rights of holders of debt securities***

The Issuer is a *société anonyme* with its corporate seat in France. In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of France to the extent that, where applicable, the “centre of main interests” (as construed under Regulation (EU) 2015/848, as amended) of the Issuer is located in France.

The Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 has been transposed into French law by the Ordonnance 2021-1193 dated 15 September 2021. According to this ordonnance, “affected parties” (including notably creditors, and therefore the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of interest based on verifiable criteria. Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may be overridden by a cross-class cram down. This limitation could have a material adverse effect on the ability of the Noteholders to recover their investments in the Notes.

The decision of each class is taken by a two-third (2/3<sup>rd</sup>) majority of the voting rights of the participating members, no quorum being required.

If the restructuring plan is not approved by all classes of affected parties, it can still be ratified by the court at the request of the Issuer or the receiver with the Issuer's consent and be imposed on dissenting classes through a cross-class cram down, under certain conditions.

For the avoidance of doubt, the provisions relating to the representation of Noteholders described in Condition 10 (*Representation of the Noteholders*) of the Terms and Conditions of the Notes will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

Should such proceedings be opened, the commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes issued by the Issuer. As a consequence, any decision taken by a class of affected parties, could negatively and significantly impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover all or part of the amounts due to them from the Issuer.

### ***Meetings and vote of Noteholders, modification and waivers***

Condition 10 (*Representation of the Noteholders*) of the Terms and Conditions of the Notes contains provisions for calling meetings of Noteholders or for consulting Noteholders through Written Decisions to consider matters affecting their interests generally, including without limitation the modification of the Terms and Conditions of the Notes. These provisions permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend (or were not represented) and vote at the relevant General Meeting, Noteholders who voted in a manner contrary to the majority and Noteholders who did not respond to, or rejected, the relevant Written Decision (all as defined in the Terms and Conditions of the Notes). If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes and hence Noteholders may lose part of their investment.

By exception to the above provisions, Condition 10(b)(iv) (*Exclusion of certain provisions of the French Code de commerce*) of the Terms and Conditions of the Notes provides that (i) the provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer, or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes, and (ii) the provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L.236-14 and L.236-23 of the French *Code de commerce*) shall not apply to the Notes to the extent that such proposal relates to a merger or demerger within the Group. As a result of these exclusions, the prior approval of the Noteholders will not have to be obtained on any such matters which may affect their interests generally.

## GENERAL DESCRIPTION OF THE NOTES

*This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see “Terms and Conditions of the Notes”.*

*This General Description of the Notes constitutes a general description of the Notes and it does not, and is not intended to, constitute a summary of this Prospectus within the meaning of Article 7 of the Prospectus Regulation or any implementing regulation thereof.*

<b>Issuer</b>	Air France-KLM
<b>Legal Entity Identifier (LEI)</b>	969500AQW31GYO8JZD66
<b>Securities</b>	€500,000,000 Undated Deeply Subordinated Fixed Rate Resetable Notes (the “Notes”).
<b>Maturity</b>	Undated.
<b>Global Coordinators and Joint Bookrunners</b>	BNP PARIBAS, Citigroup Global Markets Europe AG and Goldman Sachs Bank Europe SE
<b>Joint Bookrunners</b>	Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe, J.P. Morgan SE, Morgan Stanley Europe SE and Natixis
<b>Form and Denomination</b>	The Notes will be issued in dematerialised bearer form ( <i>au porteur</i> ) in the denomination of €100,000 each.
<b>Issue Date</b>	21 May 2025
<b>Status / Ranking</b>	<p>The Notes (which constitute <i>obligations</i> under French law) are Deeply Subordinated Obligations. The obligations of the Issuer under the Notes in respect of principal and interest (including for the avoidance of doubt, any Arrears of Interest and Additional Interest Amount (as defined below)) constitute direct, unconditional, deeply subordinated and unsecured obligations of the Issuer and rank and will at all times rank <i>pari passu</i> without any preference among themselves and (i) equally and rateably with all other present or future Deeply Subordinated Obligations (<i>engagements subordonnés de dernier rang</i>) of the Issuer, (ii) in priority to present and future Equity Securities of the Issuer and (iii) junior to all present or future Unsubordinated Obligations, Ordinary Subordinated Obligations of the Issuer and <i>prêts participatifs</i> granted to, and <i>titres participatifs</i> issued by, the Issuer.</p>

“**Deeply Subordinated Obligations**” means any Obligations, bonds, notes or other securities issued by the Issuer, including the Parity Obligations of the Issuer as defined in Condition 4(f), which constitute direct, unconditional, unsecured and deeply subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer and which rank and will rank *pari passu* without any preference among themselves and will at all times rank (i) equally and rateably with all other present or future Deeply Subordinated Obligations (*engagements subordonnés de dernier rang*) of the Issuer, (ii) in priority to present and future Equity Securities of the Issuer and (iii) junior to all present or future Unsubordinated Obligations, Ordinary Subordinated Obligations and *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer.

“**Equity Securities**” means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer’s share capital (including preference shares (*actions de préférence*)).

“**Obligations**” means, in respect of any person, any financial obligation expressed to be assumed by or imposed on such person under or arising as a result of any contract, agreement, guarantee, document, instrument, conduct or relationship or directly by law.

**“Ordinary Subordinated Obligations”** means any Obligations which constitute direct, unconditional, unsecured and subordinated Obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and will at all times rank (i) equally and rateably with all other present or future Ordinary Subordinated Obligations of the Issuer, (ii) in priority to present and future Equity Securities, Deeply Subordinated Obligations and to any *prêts participatifs* granted to, and any *titres participatifs* issued by, the Issuer, and (iii) junior to all present and future Unsubordinated Obligations of the Issuer.

**“Unsubordinated Obligations”** means any Obligations which constitute direct, unconditional, unsecured and unsubordinated Obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by French law) will at all times rank (i) equally and rateably with any present or future Unsubordinated Obligations of the Issuer, (ii) in priority to present and future Equity Securities, Deeply Subordinated Obligations, Ordinary Subordinated Obligations and to any *prêts participatifs* granted to, and any *titres participatifs* issued by, the Issuer.

## Interest

The Notes shall bear interest on their principal amount at the following interest rate (the **“Interest Rate”**):

- (i) from, and including, the Issue Date to, but excluding, the **First Reset Date**, at a fixed rate of 5.750 per cent. *per annum*, provided that there will be a short first coupon in respect of the first Interest Period from (and including) the Issue Date to (but excluding) 21 August 2025, amounting to Euro 1,449.32 per each Euro 100,000 in principal amount of the Notes;
- (ii) from, and including, the First Reset Date to, but excluding, the First Step-up Date, at a fixed rate *per annum* which shall be equal to the sum of the Reference Rate in respect of the relevant Interest Rate Period and the Relevant Margin (the **“First Reset Interest Rate”**);
- (iii) from, and including, the First Step-up Date to, but excluding, the Second Step-up Date, at a fixed rate *per annum* which shall be subject to a reset every five years and shall be equal to the sum of the Reference Rate in respect of the relevant Interest Rate Period and the Relevant Margin (the **“First Step-up Interest Rate”**); and
- (iv) from, and including, the Second Step-up Date, at a fixed rate *per annum* which shall be subject to a reset every five years and shall be equal to the sum of the Reference Rate in respect of the relevant Interest Rate Period and the Relevant Margin (the **“Second Step-up Interest Rate”**),

in each case subject to any applicable Change of Control Step-Up Margin pursuant to Condition 4(b) and provided that the Interest Rate shall be subject to a minimum of zero (0) per cent. *per annum*.

Each Interest Amount shall be payable annually in arrear on 21 August of each year (each an **“Interest Payment Date”**) commencing on 21 August 2025, provided, however, that if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant payment will be postponed to the next following Business Day and no interest shall accrue nor be payable as a result of such postponement.

**“5-year Swap Rate”** means, subject to Condition 4(g) below, either (i) the mid-swap rate in euros for a term of five (5) years as displayed on Reuters screen **“ICESWAP2/EURSFIXA”** as at 11:00 a.m. (Central European time) or, if such rate is not displayed on such screen as at the relevant time, the euro mid-swap rate as displayed on a successor page as determined by the Calculation Agent (in each case, the **“Screen Page”**) or (ii) in the event that the 5-year Swap Rate does not appear on the Screen Page on the relevant Determination Date, the Reference Bank Rate on such Determination Date.

**“First Reset Date”** means 21 August 2030.

**“First Step-up Date”** means 21 August 2035.

**“ICR”** means “Issuer credit rating” as used in the ratings methodology of Standard and Poor’s (or such other nomenclature that Standard and Poor’s may then use to describe such rating).

**“Initial Margin”** means 3.580 per cent. *per annum*.

**“Interest Rate Period”** means each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date.

**“Investment Grade”** means a rating equal to or greater than BBB- by Standard and Poor’s or the equivalent thereof under any new ratings system if the ratings systems of Standard and Poor’s will be modified after the Issue Date.

**“Reference Bank Rate”** means the percentage rate determined on the basis of the five years mid swap rate for Euro swap transactions provided by at least five leading swap dealers in the interbank market (the **“Reference Banks”**) selected by the Calculation Agent, in consultation with the Issuer, at its request at approximately 11:00 a.m. (Central European time), on the relevant Determination Date. If one quotation is provided, the Reference Bank Rate will be such quotation. If two or more quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three such quotations are provided, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reference Bank Rate shall be equal to the last 5-year Swap Rate available on the Screen Page as determined by the Calculation Agent.

**“Reference Rate”** means, in respect of any Interest Rate Period as from the First Reset Date, the 5-year Swap Rate determined by the Calculation Agent on the day falling two (2) Business Days prior to the first day of the relevant Interest Rate Period (each a **“Determination Date”**).

**“Relevant Margin”** means (i) from (and including) the First Reset Date to (but excluding) the First Step-up Date, the Initial Margin, (ii) from (and including) the First Step-up Date to (but excluding) the Second Step-up Date, the sum of the Initial Margin and 0.25 per cent. *per annum* and (iii) from (and including) the Second Step-up Date, the sum of the Initial Margin and 1.00 per cent. *per annum*, in each case subject to Condition 4(b) and provided that each of the First Reset Interest Rate, the First Step-up Interest Rate and the Second Step-up Interest Rate shall never be less than zero.

**“Reset Date”** means the First Reset Date and every fifth (5<sup>th</sup>) Interest Payment Date thereafter.

**“Second Step-up Date”** means 21 August 2045, provided however that if the ICR assigned to the Issuer by Standard and Poor’s is Investment Grade on any date following the Issue Date, then the Second Step-up Date shall be deemed to be immediately, and irrevocably, changed to 21 August 2050.

**“Standard and Poor’s”** means S&P Global Ratings Europe Limited or any other entity assigning credit ratings to the Issuer on behalf of S&P Global Inc. (or any successor entity).

#### **Benchmark Event**

If a Benchmark Event occurs then the Issuer may appoint an Independent Adviser in accordance with Condition 4(g) (*Benchmark Discontinuation*), to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread if any and any Benchmark Amendments.

#### **Rate of Interest following a Change of Control**

Further to the occurrence of a Change of Control Call Event, if the Change of Control Notice specifies that the Issuer has elected not to exercise its call option, the interest payable on the Notes will be increased by an additional margin of 5.00 per cent. *per annum* (the **“Change of Control Step-Up Margin”**) from (and including) the earlier of

(i) the date of the Change of Control Notice or (ii) the thirtieth (30<sup>th</sup>) calendar day following the effective Change of Control Call Event, to (but excluding) the date of redemption of the Notes.

Where more than one Change of Control Call Event occurs during the life of the Notes, the increase in Interest Rate as referred to in the paragraph above shall only apply once, upon the occurrence of the first Change of Control Call Event.

## Optional Interest Deferral

### *Optional Interest Payment*

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer, at any time and at its sole discretion, elects to defer such payment in whole or in part, in which event the Issuer shall not have any obligation to make such payment and any such failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has been deferred on an Interest Payment Date shall constitute “**Arrears of Interest**”.

### *Payment of Arrears of Interest*

Arrears of Interest (together with the corresponding Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole or in part at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in whole, but not in part, on whichever is the earliest of:

- (i) the tenth (10<sup>th</sup>) Business Day following the occurrence of a Mandatory Payment Event;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date of the final court ruling deciding a court-ordered liquidation of the Issuer (*liquidation judiciaire*) or the date of the voluntary liquidation of the Issuer (*liquidation amiable*) or the date of the full sale of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the Interest Rate from time to time applicable to the Notes (the “**Arrears Interest Rate**”) and the amount of such interest (the “**Additional Interest Amount**”) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the Terms and Conditions of the Notes.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with and to the extent permitted by applicable law to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

### *Optional Partial Payment of Arrears of Interest and Additional Interest Amounts:*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;

- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any of the Notes in respect of any period, shall be pro rata to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued on the Notes in respect of that period to the date of payment.

For the purpose hereof :

**“Group”** means the Issuer and its Subsidiaries taken as a whole.

**“Mandatory Payment Event”** means that:

- (i) a dividend or any other distribution or payment of any nature is declared, paid or made in respect of any Equity Securities or any Parity Obligations of the Issuer save for, in each case, any compulsory dividend, other distribution or payment, required by the terms of such Equity Securities or Parity Obligations, or
- (ii) the Issuer, or any Subsidiary of the Issuer, has repurchased, purchased, redeemed or otherwise acquired, or procured purchase of any Equity Securities of the Issuer other than in connection with the satisfaction by the Issuer of its obligations under any existing or future buy-back programme, share option, or free share allocation plan or other shares incentives or ownership schemes reserved for directors, officers and/or employees of the Issuer or any member of its Group, shares to be delivered upon exercise of the holders of securities giving access to the share capital of the Issuer, shares transferred intra-Group, liquidity agreement (*programme de liquidité*) or any associated hedging transaction or where such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Equity Securities, or
- (iii) the Issuer, or any Subsidiary of the Issuer, has repurchased, purchased, redeemed or otherwise acquired, or procured purchase of any Parity Obligations of the Issuer except where such repurchase, purchase, redemption or acquisition is (x) contractually required to be made under the terms of such Parity Obligations or (y) effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value,

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption, other acquisition, actions or measures required by the terms of such securities.

**“Parity Obligations”** means, at any time, any Deeply Subordinated Obligations and any securities or obligations which rank *pari passu* with the Notes (including, at the date of this Prospectus, the Issuer’s: (i) €305,300,000 deeply subordinated undated convertible bonds issued on 23 November 2022 (of which €305,300,000 are outstanding) (ISIN: FR001400DU47), and (ii) the €727,800,000 perpetual hybrid notes subscribed by the French State in March 2023 and April 2023 (of which €727,800,000 are outstanding) which are described as the “TSS 23” in the 2024 Universal Registration Document. The term Parity Obligations shall apply *mutatis mutandis* to any obligations issued by any Subsidiary of the Issuer, where relevant, provided that each such obligation shall qualify as Parity Obligations only to the extent such obligation is guaranteed by the Issuer or the Issuer otherwise assumes liability for it, and the Issuer’s obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer’s obligations under the Notes.

**“Subsidiary”** means in relation to any person or entity at any time, a subsidiary as defined in Article L. 233-1 of the French *Code de commerce* or any other person or entity controlled directly or indirectly by such person or entity within the meaning of Article L. 233-3 I.1 and I.2 of the French *Code de commerce*.



<b>Taxation</b>	All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
<b>Additional Amounts</b>	If any French law or regulation should require that any payment of principal, interest or other assimilated revenues made by the Issuer in respect of the Notes be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of France or any political subdivision or authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (“ <b>Additional Amounts</b> ”) as may be necessary in order that the Noteholders, after such deduction or withholding, receive the full amount provided in such Notes to be then due and payable; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note in certain circumstances as more fully described in the Terms and Conditions of the Notes.
<b>Final Redemption</b>	Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.
<b>Optional Redemption at the option of the Issuer</b>	The Issuer will have the right to redeem all, but not some only, of the Notes (i) on any date during the period commencing on (and including) 21 May 2030 (the “ <b>First Call Date</b> ”) and ending on (and including) the First Reset Date, or (ii) on any Interest Payment Date after the First Reset Date. Such early redemption of the Notes will be made at their principal amount together with any accrued interest to the date set for redemption and Arrears of Interest (including any Additional Interest Amounts thereon).
<b>Make-whole Redemption by the Issuer</b>	The Issuer will have the right to redeem all, but not some only, of the Notes then outstanding, at any time other than (i) during the period from, and including, the First Call Date to, and including, the First Reset Date or (ii) on any Interest Payment Date after the First Reset Date, at the Make-whole Redemption Amount.
<b>Early Redemption following a Gross-Up Event</b>	If, by reason of a change in any law or regulation of France or any political subdivision or authority therein or thereof having power to tax, or any change in the official application or interpretation of such law or regulation (including a holding by a competent court), becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts (a “ <b>Gross-Up Event</b> ”), the Issuer may, at its sole discretion, at any time, redeem all, but not some only, of the Notes at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
<b>Early Redemption following a Withholding Tax Event</b>	If the Issuer would on the occasion of the next payment of principal or interest in respect of the Notes be prevented by French law or regulation from making payment to the Noteholders of the full amount then due and payable (a “ <b>Withholding Tax Event</b> ”), notwithstanding the undertaking to pay Additional Amounts, then the Issuer may, at its sole discretion, at any time, redeem all, but not some only, of the Notes at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon), provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable in respect of the Notes without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.
<b>Early Redemption following a Tax Deductibility Event</b>	If, an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in any law or regulation of France or any political subdivision or authority therein or thereof having power to tax, or any change in the official application or interpretation of such law or regulation

(including a holding by a competent court), or any other change in the tax treatment of the Notes, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in that part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced (a “**Tax Deductibility Event**”), the Issuer may, at its option, at any time, redeem all, but not some only, of the Notes at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Call Date, provided that in each case the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

**Early Redemption  
following an Accounting  
Event**

If an Accounting Event shall occur after the Issue Date, the Issuer may at its option redeem all, but not some only, of the Notes at any time, at (i) the Early Redemption Price where such redemption occurs before the First Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Call Date.

“**Accounting Event**” means that an opinion of a recognised accountancy firm of international standing, acting upon instructions of the Issuer, has been delivered to the Issuer and the Fiscal Agent, stating that the Notes may not or will no longer from the implementation date of the relevant new International Financial Reporting Standards (“**IFRS**”) or any other accounting standards that may replace IFRS, be recorded as “equity” in full for the purposes of the annual consolidated financial statements of the Issuer pursuant to the IFRS or any other accounting standards that may replace IFRS.

The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on, and include, the date which is the earliest of (i) the date on which the change in the relevant new IFRS rules is officially announced by the IFRS-IASB board or equivalent body of IFRS-EU, (ii) the date on which the change to the relevant new IFRS rules is officially adopted and (iii) the date on which the change to the relevant new IFRS rules comes into effect (the “**Accounting Event Adoption Date**”). The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. For the avoidance of doubt such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

**Early Redemption  
following an Equity  
Credit Rating Event**

If an Equity Credit Rating Event shall occur after the Issue Date, the Issuer may, at its option, redeem all, but not some only, of the Notes at any time at (i) the Early Redemption Price where such redemption occurs before the First Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date where such redemption occurs on or after the First Call Date, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which the Notes are assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Notes by the relevant Rating Agency on the Issue Date, or if such equity credit was not assigned on the Issue Date, at the date when the equity credit was assigned for the first time.

“**Equity Credit Rating Event**” means that the Issuer has received written confirmation from any Rating Agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the “equity credit” criteria (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) of such Rating Agency (as defined below) or the application thereof, effective after the Issue Date (or effective after the date when the equity credit is assigned for the first time, as applicable), which amendment, clarification or change or the application thereof results in (a) a lower equity credit for the Notes than the then respective equity credit assigned on the Issue Date, or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time

### Early Redemption following a Change of Control Call Event

or (b) the period of time during which the relevant Rating Agency has assigned to the Notes a particular level of "equity credit" being shortened as compared to the period of time for which such Rating Agency did assign to the Notes that level of "equity credit" on the Issue Date, or if such "equity credit" was not assigned on the Issue Date, at the date when the "equity credit" was assigned for the first time.

**"Rating Agency"** means Standard and Poor's, Fitch Ratings Ireland Limited or any other rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates.

If at any time while any Note remains outstanding, (i) a Change of Control or a Share Transfer occurs and (ii) within the Change of Control Period, a Rating Downgrade occurs or has occurred as a result of such Change of Control or Share Transfer (a **"Change of Control Call Event"**), the Issuer may redeem, or procure purchase of, all, but not some only, of the Notes on the Change of Control Call Date, at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

In the event of a Change of Control Call Event, the Issuer will inform the Noteholders, no later than thirty (30) calendar days following the effective Change of Control Call Event in accordance with Condition 11 (a **"Change of Control Notice"**) specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either (i) the date on which redemption or purchase of the Notes (the **"Change of Control Call Date"**) will take place or, as the case may be, (ii) the Issuer's election not to redeem, or procure purchase of, the Notes.

If the Issuer elects to redeem, or to procure purchase of, the Notes, such redemption or purchase will take place not less than thirty (30), nor more than forty-five (45) calendar days after a Change of Control Notice is given.

**"Change of Control"** means, for one or more individuals or entities acting alone or in concert, acquiring the control of the Issuer, being specified that **"control"** means, for the purpose of the present definition, the holding (directly or indirectly via entities controlled by the relevant person(s)) of (x) the majority of the voting rights of the shares of the Issuer or (y) more than 40% of such voting rights if no other shareholder of the Issuer, acting alone or in concert, holds (directly or indirectly via entities controlled by such shareholder(s)) a percentage of voting rights in excess of the above stake. For the purpose of this definition, "acting in concert" has the meaning given to it in Article L.233-10 of the French Code de commerce.

**"Change of Control Period"** means the period commencing on the date that is the earlier of the date of the public announcement of (i) the occurrence of a Change of Control or a Share Transfer or (ii) the Issuer's intention to effect a Change of Control or a Share Transfer, and ending on the date which is ninety (90) calendar days after the date of such public announcement.

**"KLM"** means Koninklijke Luchtvaart Maatschappij N.V.

**"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control or a Share Transfer, as the case may be, if within the Change of Control Period, the rating previously assigned to the Issuer by any Rating Agency solicited by the Issuer is (x) withdrawn, (y) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse) or (z) if the rating previously assigned to the Issuer by any Rating Agency solicited by the Issuer was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB, or their respective equivalents); provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Share Transfer (and thus shall not be deemed to constitute a Rating Downgrade for the purpose of the definition of Change of Control Call Event hereunder) if the Rating Agencies downgrading or withdrawing the rating of the Issuer do not announce or publicly confirm that the reduction or withdrawal was the result, in whole or in part, of the applicable Change of Control or Share Transfer, as the

case may be, and (ii) any Rating Downgrade must have been confirmed in a letter or other form of written communication sent to the Issuer and publicly disclosed. If the Issuer is rated by more than one Rating Agency at the time of the occurrence of a Change of Control or a Share Transfer, as the case may be, and such rating has been solicited by the Issuer, the rating to be taken into account to determine whether a Rating Downgrade has occurred shall be the lower rating assigned by any such Rating Agency. If at any time of the occurrence of a Change of Control or a Share Transfer, as the case may be, the Issuer is no longer rated by any Rating Agency, and no Rating Agency assigns within the Change of Control Period a rating equivalent to, or higher than, the last rating assigned to the Issuer, a Rating Downgrade will be deemed to have occurred. For the avoidance of doubt, if at any time prior to a Change of Control Period, the Issuer ceases to be rated by one or more Rating Agencies, from which a rating was previously solicited by the Issuer, such event will not constitute a Rating Downgrade.

“**Share Transfer**” means that a person, other than an entity controlled directly or indirectly by the Issuer (within the meaning of Article L.233-3 of the French *Code de commerce*), came to hold (via purchase, subscription or any other means) (i) more than 50% of the share capital of Société Air France and/or the economic rights of KLM or (ii) more than 50% of the voting rights of Société Air France and/or KLM.

**Early Redemption Price and Early Redemption Date**

“**Early Redemption Price**” means 101 per cent. of the principal amount of the Notes, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

“**Early Redemption Date**” means the effective date of redemption of the Notes made in accordance with Condition 5 (*Redemption and Purchase*) of the Terms and Conditions of the Notes.

**Purchase**

The Issuer may at any time purchase Notes together with rights to interest and any other amounts relating thereto in the open market or otherwise (including by way of a tender and/or exchange offer) at any price in accordance with applicable laws and regulations.

**Clean up Call Option**

In the event that at least seventy-five (75) per cent. of the initial aggregate principal amount of the Notes has been purchased or redeemed by the Issuer (a “**Repurchase Event**”), the Issuer may, at its option, redeem all, but not some only, of the outstanding Notes at any time at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

**Prohibition of set-off**

Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Noteholder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention except in the context of an exchange offer.

**No Negative Pledge**

There will be no negative pledge in respect of the Notes.

**Enforcement Events, no Events of Default and no Cross Default**

There are no events of default, including any cross default, in respect of the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution (*liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes). No payments will be made to holders of any Equity Securities of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

<b>Representation of the Noteholders</b>	The Noteholders will be grouped automatically for the defence of their respective common interests in a single masse (hereinafter referred to as the “ <b>Masse</b> ”) which will be governed by the provisions of the French <i>Code de commerce</i> subject to certain exceptions and provisions. The <i>Masse</i> will be a separate legal entity and will act in part through a representative and in part through a General Meeting of Noteholders. The Issuer is entitled in lieu of holding a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Decision.
<b>Admission to trading</b>	Application has been made for the Notes to be admitted to trading on Euronext Paris. Such admission to trading are expected to occur as of the Issue Date or as soon as practicable thereafter.
<b>Selling Restrictions</b>	There are restrictions on the offer and sale of the Notes and the distribution of offering material, including in the United States of America, Canada, the United Kingdom, and the European Economic Area.
<b>Use of Proceeds</b>	The estimated net proceeds of the issue of the Notes will be used by the Issuer for general corporate purposes including the potential refinancing of existing perpetual hybrid debt within the Group.
<b>Governing law</b>	The Notes will be governed by, and construed in accordance with, French law.
<b>Settlement</b>	Euroclear France.
<b>Fiscal Agent and Principal Paying Agent</b>	Société Générale
<b>Calculation Agent</b>	Aether Financial Services

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the information contained in the following sections, which are incorporated by reference in, and shall be deemed to form part of, this Prospectus:

- (1) the sections referred to in the table below of the English translation of the Issuer's first quarter 2025 results press release (the "**First Quarter 2025 Results Press Release**") (being an English translation of the Issuer's *communiqué de presse des résultats du premier trimestre 2025*);

[https://www.airfranceklm.com/sites/default/files/2025-04/20250430\\_q1-2025-afklm-press-release-english.pdf](https://www.airfranceklm.com/sites/default/files/2025-04/20250430_q1-2025-afklm-press-release-english.pdf)

- (2) the sections identified in the cross reference table below which are extracted from the *Document d'enregistrement universel* 2024 of the Issuer in French language which was filed under no. D.25-0226 with the AMF on 3 April 2025 (the "**2024 Universal Registration Document**");

[https://www.airfranceklm.com/sites/default/files/2025-04/2024\\_urd-vfr\\_03042025.pdf](https://www.airfranceklm.com/sites/default/files/2025-04/2024_urd-vfr_03042025.pdf)

- (3) the sections identified in the cross reference table below which are extracted from the *Document d'enregistrement universel* 2023 of the Issuer in French language which was filed under no. D.24-0336 with the AMF on 26 April 2024 (the "**2023 Universal Registration Document**");

[https://www.airfranceklm.com/sites/default/files/2024-04/af\\_urd\\_2023\\_fr\\_vme12\\_260424.pdf](https://www.airfranceklm.com/sites/default/files/2024-04/af_urd_2023_fr_vme12_260424.pdf)

save that any statement contained in this Prospectus or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 23 of the Prospectus Regulation herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any reference in the Prospectus to the First Quarter 2025 Results Press Release, 2024 Universal Registration Document and the 2023 Universal Registration Document, shall be deemed to include only the sections mentioned in the table below.

The 2024 Universal Registration Document and the 2023 Universal Registration Document are available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and, together with the First Quarter 2025 Results Press Release on the website of the Issuer ([www.airfranceklm.com](http://www.airfranceklm.com)). Free English translations of the 2024 Universal Registration Document and the 2023 Universal Registration Document are also available for viewing on the website of the Issuer ([www.airfranceklm.com](http://www.airfranceklm.com)). These documents are free translations of the corresponding French language documents and are furnished for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

Any information not listed in the cross-reference list below but included in the documents incorporated by reference is either not relevant for investors or covered elsewhere in the Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Prospectus (including, for the avoidance of doubt, any information on the websites which appear in the documents incorporated by reference) refers does not form part of this Prospectus and has not been scrutinised or approved by the AMF.

### Cross-reference list for information incorporated by reference

Annex 7 of the Commission Delegated Regulation 2019/980, as amended		Page/Ref No.
3	<b>Risk Factors</b>	2024 Universal Registration Document pages 178 to 195
4	<b>Information about the Issuer</b>	
4.1	History and development of the Issuer	2024 Universal Registration Document pages 508 to 510
4.1.1	The legal and commercial name of the issuer	2024 Universal Registration Document page 511
4.1.2	The place of registration of the issuer, its registration number and legal entity identifier ('LEI').	2024 Universal Registration Document page 511
4.1.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite.	2024 Universal Registration Document page 511
4.1.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	2024 Universal Registration Document page 511
4.1.5	Any recent events particular to the issuer and which are to a material extent relevant to an evaluation of the issuer's solvency.	First Quarter 2025 Results Press Release pages 1-23
5	<b>Business Overview</b>	
5.1	<b>Principal activities</b>	
5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	2024 Universal Registration Document pages 40 to 54
5.1.2	The basis for any statement made by the issuer regarding its competitive position.	2024 Universal Registration Document pages 36 to 37
6	<b>Organisational structure</b>	
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	2024 Universal Registration Document pages 473 to 475, 512 to 513 and 493
7	<b>Trend Information</b>	
7.1	<p>A description of:</p> <p>(a) any material adverse change in the prospects of the issuer since the date of its last published audited financial statements; and</p> <p>(b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document.</p> <p>If neither of the above are applicable then the issuer should include (an) appropriate negative statement(s).</p>	N/A
9	<b>Administrative, Management and Supervisory Bodies</b>	

Annex 7 of the Commission Delegated Regulation 2019/980, as amended		Page/Ref No.
9.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer:	2024 Universal Registration Document pages 78 to 99 and 157 to 158
	(a) members of the administrative, management or supervisory bodies; and	
	(b) partners with unlimited liability, in the case of a limited partnership with a share capital.	
9.2	Potential conflicts of interest between members of the administrative and management bodies and the Issuer.	2024 Universal Registration Document pages 111 to 112
10	<b>Major Shareholders</b>	
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	2024 Universal Registration Document pages 171 to 172 and 435
10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	2024 Universal Registration Document pages 171 to 172 and pages 512 to 513
11	<b>Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses</b>	
11.1	<b>Historical Financial Information</b>	
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year.	
	<b>Consolidated financial statements 2024:</b>	
		2024 Universal Registration Document pages 388 to 481
	<b>Non-consolidated financial statements 2024:</b>	
		2024 Universal Registration Document pages 482 to 501
	<b>Consolidated financial statements 2023:</b>	
		2023 Universal Registration Document pages 342 to 434
	<b>Non consolidated financial statements 2023:</b>	
		2023 Universal Registration Document pages 435 to 454
11.1.3	<p>Accounting standards</p> <p>The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.</p> <p>If Regulation (EC) No 1606/2002 is not applicable the financial statements must be prepared according to:</p> <p>(a) a Member State's national accounting standards for issuers from the EEA as required by Directive 2013/34/ EU;</p> <p>(b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers.</p> <p>Otherwise the following information must be included in the registration document:</p> <p>(a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material</p>	



Annex 7 of the Commission Delegated Regulation 2019/980, as amended		Page/Ref No.
	<p>differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information;</p> <p>(b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002 as adopted by the Union and the accounting principles adopted by the issuer in preparing its annual financial statements.</p>	
	<b>Consolidated financial statements 2024:</b>	
		2024 Universal Registration Document page 396
	<b>Non-consolidated financial statements 2024:</b>	
		2024 Universal Registration Document pages 484 to 485
	<b>Consolidated financial statements 2023:</b>	
		2023 Universal Registration Document page 351
	<b>Non-consolidated financial statements 2023:</b>	
		2023 Universal Registration Document pages 437 to 438
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:	
	<b>Non-consolidated financial statements 2024:</b>	
	(a) the balance sheet;	2024 Universal Registration Document page 483
	(b) the income statement;	2024 Universal Registration Document page 482
	(c) the accounting policies and explanatory notes.	2024 Universal Registration Document pages 484 to 496
	<b>Non-consolidated financial statements 2023:</b>	
	(a) the balance sheet;	2023 Universal Registration Document page 436
	(b) the income statement;	2023 Universal Registration Document page 435
	(c) the accounting policies and explanatory notes.	2023 Universal Registration Document pages 437 to 449
11.1.5	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	2024 Universal Registration Document pages 388 to 475 2023 Universal Registration Document pages 342 to 429
	1. consolidated balance sheet;	2024 Universal Registration Document pages 390 to 391 2023 Universal Registration Document pages 344 to 345
	2. consolidated income statement;	2024 Universal Registration Document page 388 2023 Universal Registration Document page 342
	3. consolidated cash flow statement; and	2024 Universal Registration Document pages 394 2023 Universal Registration Document pages 348 to 349
	4. accounting policies and explanatory notes.	2024 Universal Registration Document pages 395 to 475 2023 Universal Registration Document pages 350 to 429
	Interim financial information (unaudited)	N/A

Annex 7 of the Commission Delegated Regulation 2019/980, as amended		Page/Ref No.
11.1.6	Age of financial information The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	2024 Universal Registration Document pages 390 to 391 and page 483
11.2	<b>Auditing of historical annual financial information</b>	
11.2.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with Directive 2006/43/EC and Regulation (EU) No 537/2014.	2024 Universal Registration Document pages 476 to 481 and 498 to 501 2023 Universal Registration Document pages 430 to 434 and 451 to 454
11.2.1a	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.	N/A
11.3	<b>Legal and arbitration proceedings</b>	
	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	2024 Universal Registration Document pages 188, 192, 445 to 449 and 495 to 496
12	<b>Material Contracts</b>	
	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.	2024 Universal Registration Document pages 16, 22 to 27 and 168 to 171

## TERMS AND CONDITIONS OF THE NOTES

*The terms and conditions of the Notes (the “Terms and Conditions of the Notes”) will be as follows:*

The issue of the €500,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes (the “Notes”) by Air France-KLM (the “Issuer”) has been authorised by a resolution of the Board of Directors (*Conseil d’administration*) of the Issuer dated 24 July 2024 and a decision of its Chief Executive Officer (*Directeur Général*) dated 16 May 2025. The Issuer has entered into (i) an agency agreement relating to the Notes (the “Agency Agreement”) on 19 May 2025 with Société Générale as fiscal agent and paying agent (the “Fiscal Agent” and the “Paying Agent” which expressions shall, where the context so admits, include any successor for the time being as fiscal agent or paying agent, as the case may be) and (ii) a calculation agent letter (the “Calculation Agent Letter”) on 19 May 2025 with Aether Financial Services as calculation agent (the “Calculation Agent” which expression shall, where the context so admits, include any successor for the time being as calculation agent, and together with the Fiscal Agent and the Paying Agent, the “Agents”). Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of the Paying Agent and at the registered office of the Issuer.

References below to “Conditions” are, unless the context otherwise requires, to the numbered paragraphs below. In these Conditions, “holder of Notes”, “holder of any Note” or “Noteholder” means the person whose name appears in the account of the relevant Account Holder as being entitled to such Notes.

### 1. Form, Denomination and Title

The Notes will be issued on 21 May 2025 (the “Issue Date”) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “Account Holders” shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (“Euroclear”) and the depositary bank for Clearstream Banking S.A. (“Clearstream”).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

### 2. Status of the Notes

#### (a) Deeply Subordinated Obligations

The Notes (which constitute *obligations* under French law) are Deeply Subordinated Obligations. The obligations of the Issuer under the Notes in respect of principal and interest (including for the avoidance of doubt, any Arrears of Interest and Additional Interest Amount (as defined below)) constitute direct, unconditional, deeply subordinated and unsecured obligations of the Issuer and rank and will at all times rank *pari passu* without any preference among themselves and (i) equally and rateably with all other present or future Deeply Subordinated Obligations (*engagements subordonnés de dernier rang*) of the Issuer, (ii) in priority to present and future Equity Securities of the Issuer and (iii) junior to all present or future Unsubordinated Obligations, Ordinary Subordinated Obligations of the Issuer and *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer.

“Deeply Subordinated Obligations” means any Obligations, bonds, notes or other securities issued by the Issuer, including the Parity Obligations of the Issuer as defined in Condition 4(f), which constitute direct,

unconditional, unsecured and deeply subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer and which rank and will rank *pari passu* without any preference among themselves and will at all times rank (i) equally and rateably with all other present or future Deeply Subordinated Obligations (*engagements subordonnés de dernier rang*) of the Issuer, (ii) in priority to present and future Equity Securities of the Issuer and (iii) junior to all present or future Unsubordinated Obligations, Ordinary Subordinated Obligations and *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer.

**“Equity Securities”** means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

**“Obligations”** means, in respect of any person, any financial obligation expressed to be assumed by or imposed on such person under or arising as a result of any contract, agreement, guarantee, document, instrument, conduct or relationship or directly by law.

**“Ordinary Subordinated Obligations”** means any Obligations which constitute direct, unconditional, unsecured and subordinated Obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and will at all times rank (i) equally and rateably with all other present or future Ordinary Subordinated Obligations of the Issuer, (ii) in priority to present and future Equity Securities, Deeply Subordinated Obligations and to any *prêts participatifs* granted to, and any *titres participatifs* issued by, the Issuer, and (iii) junior to all present and future Unsubordinated Obligations of the Issuer.

**“Unsubordinated Obligations”** means any Obligations which constitute direct, unconditional, unsecured and unsubordinated Obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by French law) will at all times rank (i) equally and rateably with any present or future Unsubordinated Obligations of the Issuer, (ii) in priority to present and future Equity Securities, Deeply Subordinated Obligations, Ordinary Subordinated Obligations and to any *prêts participatifs* granted to, and any *titres participatifs* issued by, the Issuer.

**(b) Payment on the Notes in the event of liquidation of the Issuer**

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution (*liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes), the payments of the creditors of the Issuer shall be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- (i) unsubordinated creditors of the Issuer (including creditors in respect of Unsubordinated Obligations);
- (ii) ordinary subordinated creditors of the Issuer (including creditors in respect of Ordinary Subordinated Obligations);
- (iii) lenders in relation to *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer; and
- (iv) deeply subordinated creditors of the Issuer (including holders of Notes and creditors in respect of Deeply Subordinated Obligations).

For such purposes, the rights of the Noteholders will be calculated on the basis of the principal amount of the Notes together with any accrued interest on such principal amount and any Arrears of Interest (including any Additional Interest Amount thereon).

In the event of liquidation of the Issuer, the Notes shall rank in priority only to any payments to holders of Equity Securities.

In the event of incomplete payment of the creditors referred to in (i), (ii) and (iii) above, the obligations of the Issuer in connection with any present or future Deeply Subordinated Obligations (including the Notes) shall be terminated.

(c) **Prohibition of set-off**

Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Noteholder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention except in the context of an exchange offer.

**3. No Negative Pledge**

There will be no negative pledge in respect of the Notes.

**4. Interest**

(a) **General**

Unless previously redeemed in accordance with the Conditions and subject to the further provisions of this Condition (in particular, but not limited to Condition 4(f)), the Notes shall bear interest on their principal amount at the following interest rate (the “**Interest Rate**”):

- (i) from, and including, the Issue Date to, but excluding, the **First Reset Date**, at a fixed rate of 5.750 per cent. *per annum*, provided that there will be a short first coupon in respect of the first Interest Period from (and including) the Issue Date to (but excluding) 21 August 2025, amounting to Euro 1,449.32 per each Euro 100,000 in principal amount of the Notes;
- (ii) from, and including, the First Reset Date to, but excluding, the First Step-up Date, at a fixed rate *per annum* which shall be equal to the sum of the Reference Rate in respect of the relevant Interest Rate Period and the Relevant Margin (the “**First Reset Interest Rate**”);
- (iii) from, and including, the First Step-up Date to, but excluding, the Second Step-up Date, at a fixed rate *per annum* which shall be subject to a reset every five years and shall be equal to the sum of the Reference Rate in respect of the relevant Interest Rate Period and the Relevant Margin (the “**First Step-up Interest Rate**”); and
- (iv) from, and including, the Second Step-up Date, at a fixed rate *per annum* which shall be subject to a reset every five years and shall be equal to the sum of the Reference Rate in respect of the relevant Interest Rate Period and the Relevant Margin (the “**Second Step-up Interest Rate**”),

in each case subject to any applicable Change of Control Step-Up Margin pursuant to Condition 4(b) and provided that the Interest Rate shall be subject to a minimum of zero (0) per cent. *per annum*.

Each Interest Amount shall be payable annually in arrear on 21 August of each year (each an “**Interest Payment Date**”), commencing on 21 August 2025, provided, however, that if any Interest Payment Date would otherwise

fall on a date which is not a Business Day, the relevant payment will be postponed to the next following Business Day and no interest shall accrue nor be payable as a result of such postponement.

Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Interest Rate for each Note and calculate the relevant Interest Amount (as defined in Condition 4(c) below).

The Calculation Agent will cause the Interest Rate and the relevant Interest Amount payable per Note to be notified to the Issuer, the Paying Agent and to the Noteholders in accordance with Condition 11 without undue delay, but, in any case, not later than the fourth Business Day after its determination.

The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal or Arrears of Interest (as defined below) in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant rate as specified in this Condition 4 on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholders.

For the purpose hereof:

**“5-year Swap Rate”** means, subject to Condition 4(g) below, either (i) the mid-swap rate in euros for a term of five (5) years as displayed on Reuters screen “ICESWAP2/EURSFIXA” as at 11:00 a.m. (Central European time) or, if such rate is not displayed on such screen as at the relevant time, the euro mid-swap rate as displayed on a successor page as determined by the Calculation Agent (in each case, the **“Screen Page”**) or (ii) in the event that the 5-year Swap Rate does not appear on the Screen Page on the relevant Determination Date, the Reference Bank Rate on such Determination Date.

**“Business Day”** means any day (other than a Saturday or a Sunday) which is a T2 Settlement Day.

**“First Reset Date”** means 21 August 2030.

**“First Step-up Date”** means 21 August 2035.

**“ICR”** means “Issuer credit rating” as used in the ratings methodology of Standard and Poor’s (or such other nomenclature that Standard and Poor’s may then use to describe such rating).

**“Initial Margin”** means 3.580 per cent. *per annum*.

**“Interest Period”** means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**“Interest Rate Period”** means each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date.

**“Investment Grade”** means a rating equal to or greater than BBB- by Standard and Poor’s or the equivalent thereof under any new ratings system if the ratings systems of Standard and Poor’s will be modified after the Issue Date.

**“Reference Bank Rate”** means the percentage rate determined on the basis of the five years mid swap rate for Euro swap transactions provided by at least five leading swap dealers in the interbank market (the **“Reference Banks”**) selected by the Calculation Agent, in consultation with the Issuer, at its request at approximately 11:00 a.m. (Central European time), on the relevant Determination Date. If one quotation is provided, the Reference Bank Rate will be such quotation. If two or more quotations are provided, the Reference Bank Rate will be the

arithmetic mean of the quotations, eliminating, if at least three such quotations are provided, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reference Bank Rate shall be equal to the last 5-year Swap Rate available on the Screen Page as determined by the Calculation Agent.

“**Reference Rate**” means, in respect of any Interest Rate Period as from the First Reset Date, the 5-year Swap Rate determined by the Calculation Agent on the day falling two (2) Business Days prior to the first day of the relevant Interest Rate Period (each a “**Determination Date**”).

“**Relevant Margin**” means (i) from (and including) the First Reset Date to (but excluding) the First Step-up Date, the Initial Margin, (ii) from (and including) the First Step-up Date to (but excluding) the Second Step-up Date, the sum of the Initial Margin and 0.25 per cent. *per annum* and (iii) from (and including) the Second Step-up Date, the sum of the Initial Margin and 1.00 per cent. *per annum*, in each case subject to Condition 4(b) and provided that each of the First Reset Interest Rate, the First Step-up Interest Rate and the Second Step-up Interest Rate shall never be less than zero.

“**Reset Date**” means the First Reset Date and every fifth (5<sup>th</sup>) Interest Payment Date thereafter.

“**Second Step-up Date**” means 21 August 2045, provided however that if the ICR assigned to the Issuer by Standard and Poor’s is Investment Grade on any date following the Issue Date, then the Second Step-up Date shall be deemed to be immediately, and irrevocably, changed to 21 August 2050.

“**Standard and Poor’s**” means S&P Global Ratings Europe Limited or any other entity assigning credit ratings to the Issuer on behalf of S&P Global Inc. (or any successor entity).

“**T2**” means the real time gross settlement system operated by the Eurosystem or any successor or replacement for that system.

“**T2 Settlement Day**” means any day on which T2 is operating.

#### (b) **Interest Rate following a Change of Control Call Event**

Further to the occurrence of a Change of Control Call Event as defined in Condition 5(g) below, if the Change of Control Notice (as defined Condition 5(g) below) specifies that the Issuer has elected not to exercise its call option, the interest payable on the Notes will be increased by an additional margin of 5.00 per cent. *per annum* (the “**Change of Control Step-Up Margin**”) from (and including) the earlier of (i) the date of the Change of Control Notice (as defined in Condition 5(g) below) or (ii) the thirtieth (30<sup>th</sup>) calendar day following the effective Change of Control Call Event, to (but excluding) the date of redemption of the Notes.

Where more than one Change of Control Call Event occurs during the life of the Notes, the increase in Interest Rate as referred to in the paragraph above shall only apply once, upon the occurrence of the first Change of Control Call Event.

#### (c) **Calculation of Interest Amounts**

Subject to provisions of Condition 4(b) governing any applicable Change of Control Step-Up Margin, the amount of interest (the “**Interest Amount**”) payable on each Note on each Interest Payment Date will be the product of the principal amount of such Note and the applicable Interest Rate, multiplied by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

“**Actual/Actual (ICMA)**” means:

- (i) if interest is required to be calculated for a period that is equal to or shorter than the Interest Period to which it applies, the number of days in the relevant period divided by the number of days in the Interest Period in which the relevant period falls;
- (ii) if interest is required to be calculated for a period of more than one year, the sum of (a) the number of days of the relevant period falling in the Interest Period in which it begins divided by the total number of days in such Interest Period and (b) the number of days of the relevant period falling in the next Interest Period divided by the total number of days in such next Interest Period (including the first such day but excluding the last).

(d) **Notifications, etc. to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Reference Banks (or any of them) or the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

(e) **Calculation Agent**

So long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders and, to the extent permitted by law, shall not incur no liability against, the Issuer or the Noteholders. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 11.

(f) **Optional Interest Deferral**

(i) **Optional Interest Payment**

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer, at any time and at its sole discretion, by giving notice to the Noteholders pursuant to Condition 4(f)(iv), elects to defer such payment in whole or in part, in which event the Issuer shall not have any obligation to make such payment and any such failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has not been paid in accordance with this paragraph will be deferred and shall constitute “**Arrears of Interest**” and shall be payable as outlined below.

(ii) **Payment of Arrears of Interest**

Arrears of Interest (together with the corresponding Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole or in part at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in whole, but not in part, on whichever is the earliest of:



- the tenth (10<sup>th</sup>) Business Day following the occurrence of a Mandatory Payment Event;
- the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- the date on which the Notes are redeemed; or
- the date of the final court ruling deciding a court-ordered liquidation of the Issuer (*liquidation judiciaire*) or the date of the voluntary liquidation of the Issuer (*liquidation amiable*) or the date of the full sale of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the Interest Rate from time to time applicable to the Notes (the “**Arrears Interest Rate**”) and the amount of such interest (the “**Additional Interest Amount**”) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with and to the extent permitted by applicable law, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

(iii) Optional Partial Payment of Arrears of Interest and Additional Interest Amounts

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (A) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (B) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (C) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any of the Notes in respect of any period, shall be pro rata to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued on the Notes in respect of that period to the date of payment.

For the purpose hereof:

“**Group**” means the Issuer and its Subsidiaries taken as a whole.

“**Mandatory Payment Event**” means that:

- (i) a dividend or any other distribution or payment of any nature is declared, paid or made in respect of any Equity Securities or any Parity Obligations of the Issuer save for, in each case,

any compulsory dividend, other distribution or payment, required by the terms of such Equity Securities or Parity Obligations, or

- (ii) the Issuer, or any Subsidiary of the Issuer, has repurchased, purchased, redeemed or otherwise acquired, or procured purchase of any Equity Securities of the Issuer other than in connection with the satisfaction by the Issuer of its obligations under any existing or future buy-back programme, share option, or free share allocation plan or other shares incentives or ownership schemes reserved for directors, officers and/or employees of the Issuer or any member of its Group, shares to be delivered upon exercise of the holders of securities giving access to the share capital of the Issuer, shares transferred intra-Group, liquidity agreement (*programme de liquidité*) or any associated hedging transaction or where such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Equity Securities, or
- (iii) the Issuer, or any Subsidiary of the Issuer, has repurchased, purchased, redeemed or otherwise acquired, or procured purchase of any Parity Obligations of the Issuer except where such repurchase, purchase, redemption or acquisition is (x) contractually required to be made under the terms of such Parity Obligations or (y) effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value,

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption, other acquisition, actions or measures required by the terms of such securities.

“**Parity Obligations**” means, at any time, any Deeply Subordinated Obligations and any securities or obligations which rank *pari passu* with the Notes (including, at the date of this Prospectus, the Issuer’s: (i) €305,300,000 deeply subordinated undated convertible bonds issued on 23 November 2022 (of which €305,300,000 are outstanding) (ISIN: FR001400DU47), and (ii) the €727,800,000 perpetual hybrid notes subscribed by the French State in March 2023 and April 2023 (of which €727,800,000 are outstanding) which are described as the “TSS 23” in the 2024 Universal Registration Document. The term Parity Obligations shall apply *mutatis mutandis* to any obligations issued by any Subsidiary of the Issuer, where relevant, provided that each such obligation shall qualify as Parity Obligations only to the extent such obligation is guaranteed by the Issuer or the Issuer otherwise assumes liability for it, and the Issuer’s obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer’s obligations under the Notes.

“**Subsidiary**” means in relation to any person or entity at any time, a subsidiary as defined in Article L. 233-1 of the French *Code de commerce* or any other person or entity controlled directly or indirectly by such person or entity within the meaning of Article L. 233-3 I.1 and I.2 of the French *Code de commerce*.

- (iv) Notice of Deferral and Payment of Arrears of Interests

Notice of (i) deferral of any interest under the Notes on any Interest Payment Date and (ii) any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable shall be given to the Noteholders in accordance with Condition 11, the Paying Agent and the Calculation Agent at least five (5) Business Days, but no more than thirty (30) Business Days, prior to such Interest Payment Date or date.

- (g) **Benchmark Discontinuation**

If the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event occurs in relation to the Original Reference Rate at any time when any Interest Rate (or any component part thereof) remains to

be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over the other fallbacks specified in Condition 4(a).

(i) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(g)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(g)(iii)) and any Benchmark Amendments (in accordance with Condition 4(g)(iv)).

An Independent Adviser appointed pursuant to this Condition 4(g) shall act in good faith and in a commercially reasonable manner as an independent expert and (in the absence of manifest error or fraud) shall have no liability whatsoever to the Issuer, the Agents or the Noteholders for any determination made by it pursuant to this Condition 4(g).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser determines in good faith and in a commercially reasonable manner that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(g)(iv)) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4(g)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(g)(iv)) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4(g)).

(iii) Adjustment Spread

If the Independent Adviser, determines in good faith and in a commercially reasonable manner (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of the Interest Rate (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(g) and the Independent Adviser determines in good faith and in a commercially reasonable manner (A) that amendments to these Conditions (including, without limitation, amendments to the definitions of Actual/Actual (ICMA), Business Day or Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(g)(v), without any requirement for the consent or approval of the Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4(g), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(g), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of “equity credit” (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) assigned to the Notes by any Rating Agency when compared to the “equity credit” assigned to the Notes immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency or (ii) otherwise prejudice the eligibility of the Notes for “equity credit” from any Rating Agency.

(v) Notices

The Issuer shall, after receiving such information from the Independent Adviser, notify the Agents, the Representative (if any) and, in accordance with Condition 11, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and of the specific terms of any Benchmark Amendments, determined under this Condition 4(g). Such notice shall be irrevocable and binding and shall specify the effective date of the Benchmark Amendments, if any.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Agents and the Noteholders.

(vi) Survival of Original Reference Rate

If, following the occurrence of a Benchmark Event, (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(g) prior to the relevant Determination Date, the 5-Year Swap Rate applicable to the next succeeding Interest Rate Period shall be equal to the last 5-Year Swap Rate available on the Screen Page as determined by the Calculation Agent.

For the avoidance of doubt, this Condition 4(g) shall apply to the relevant next succeeding Interest Rate Period only and any subsequent Interest Rate Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(g).

Without prejudice to the Issuer’s obligations under the provisions of this Condition 4(g), the Original Reference Rate and the fallback provisions provided for in Condition 4(a) will continue to apply unless and until a Benchmark Event has occurred and the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and of any Adjustment Spread and/or Benchmark Amendments.

(vii) New Benchmark Event in respect of the Successor Rate or Alternative Rate

If Benchmark Amendments have been implemented pursuant to this Condition 4(g) and a new Benchmark Event occurs in respect of the then applicable Successor Rate or Alternative Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser and ensure that the provisions of this Condition 4(g) shall apply as if the Successor Rate or Alternative Rate were the Original Reference Rate.

(viii) Definitions

For the purpose of this Condition 4(g):

**“Adjustment Spread”** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines in accordance with customary market usage in the international debt capital market for such Successor Rate or Alternative Rate and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) in the case of an Alternative Rate (or in the case of a Successor Rate where (a) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (c) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser acting in good faith and in a commercially reasonable manner determines to be appropriate.

**“Alternative Rate”** means, in the absence of Successor Rate, an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 4(g) and which is customary market usage in the international debt capital markets for the purpose of determining rates of interest (or the relevant component part thereof) for a commensurate interest period in euro.

**“Benchmark Event”** means:

- (a) the Original Reference Rate ceasing to exist or be published; or
- (b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six (6) months prior to the specified date referred to in (b)(i); or
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six (6) months prior to the specified date referred to in (d)(i); or

- (e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months; or
- (f) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate, in the opinion of the supervisor, is no longer representative of an underlying market or that its method of calculation has significantly changed; or
- (g) it has or will prior to the next Determination Date, become unlawful for the Issuer, the Calculation Agent or the Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation, if applicable); or
- (h) that a decision to withdraw the authorisation or registration pursuant to Article 35 of the Benchmarks Regulation of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted.

For the avoidance of doubt, in respect of paragraphs (b), (d) and (e) above, such public statement will not constitute a Benchmark Event before the date falling six (6) months prior the date specified in the relevant public announcement on which the Original Reference Rate is permanently or indefinitely discontinued or prohibited.

**“Benchmarks Regulation”** means Regulation (EU) 2016/1011 of 8 June 2016, as amended or supplemented.

**“Independent Adviser”** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise, at all times acting in good faith and in a commercially reasonable manner, appointed by the Issuer at its own expense under Condition 4(g)(i).

**“Original Reference Rate”** means the 5-year Swap Rate.

**“Relevant Nominating Body”** means, in respect of a benchmark or screen rate (as applicable):

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof.

**“Successor Rate”** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. If, following a Benchmark Event, more than one successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser shall determine which of those successor or replacement rates is the most appropriate, taking into consideration, without limitation, the particular features of the Notes and the nature of the Issuer.

## 5. Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition.

### (a) Final Redemption

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

### (b) Optional Redemption

The Issuer will have the right to redeem all, but not some only, of the Notes (i) on any date during the period commencing on (and including) 21 May 2030 (the “**First Call Date**”) and ending on (and including) the First Reset Date, or (ii) on any Interest Payment Date after the First Reset Date, subject to having given not more than seventy-five (75) nor less than ten (10) calendar days’ prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable).

Such early redemption of the Notes will be made at their principal amount together with any accrued interest to the date set for redemption and Arrears of Interest (including any Additional Interest Amounts thereon).

### (c) Make-whole Redemption by the Issuer

The Issuer may, subject to having given not more than seventy-five (75) nor less than ten (10) calendar days’ prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption (such date, a “**Make-whole Redemption Date**”)) redeem all, but not some only, of the Notes then outstanding, at any time other than (i) during the period from, and including, the First Call Date to, and including, the First Reset Date or (ii) on any Interest Payment Date after the First Reset Date, at the Make-whole Redemption Amount (the “**Make-whole Redemption Option**”).

The Issuer shall, not less than fifteen (15) calendar days before the giving of any notice referred to above, notify the Fiscal Agent and the Calculation Agent of its decision to exercise the Make-whole Redemption Option. No later than the Business Day immediately following the Calculation Date, the Calculation Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of the Make-whole Redemption Amount. All Notes shall be redeemed on the Make-whole Redemption Date in accordance with this Condition.

For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Benchmark Rate**” means the amount displayed on the Reference Screen Rate or, if the Reference Screen Rate is not available, the average of the four quotations given by Reference Dealers on the Business Day immediately preceding the Calculation Date at market close of the mid-market annual yield to maturity of the Reference Bond (rounded to the nearest 0.001%, with 0.0005% rounded upwards). If the Reference Bond is no longer outstanding or the Reference Screen Rate does not quote the yield on the Reference Bond, a Similar Security will be chosen by the Issuer in consultation with an independent investment bank of international standing on the Business Day immediately preceding the Calculation Date and notified to the Calculation Agent. The Benchmark Rate (and the reference of the Similar Security if applicable) will be published by the Issuer in accordance with Condition 11.

“**Calculation Date**” means the third (3<sup>rd</sup>) Business Day prior to the Make-whole Redemption Date.

“**Make-whole Margin**” means 0.50 per cent. *per annum*.

**“Make-whole Redemption Amount”** means, in respect of each Note, an amount in Euro, determined by the Calculation Agent, equal to the sum of:

- (i) the greater of (x) the principal amount of such Note and (y) the sum (rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards)) of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Note (assuming for this purpose that any Change of Control Step-Up Margin that would (had the Issuer not elected to redeem the Notes pursuant to this Condition 5(c)) be in effect on the Make-whole Redemption Date shall continue to apply to but excluding the Relevant Date) (excluding any Arrears of Interest and Additional Interest Amount thereon and any interest accruing on such Note from, and including, the Interest Payment Date immediately preceding such Make-whole Redemption Date or, as the case may be, the Issue Date, to, but excluding, the Make-whole Redemption Date) discounted from Relevant Date to, in each case, such Make-whole Redemption Date on the basis of the relevant day count fraction at a rate equal to the Make-whole Redemption Rate and assuming for the purpose of discounting that the principal amount would be repaid on the Relevant Date; and
- (ii) any interest accrued but not paid on such Note from, and including, the Interest Payment Date immediately preceding such Make-whole Redemption Date, or, as the case may be, the Issue Date, to, but excluding, the Make-whole Redemption Date, together with any outstanding Arrears of Interest (and Additional Interest Amount thereon).

**“Make-whole Redemption Rate”** means the sum, as calculated by the Calculation Agent, of the Benchmark Rate and the Make-whole Margin.

**“Reference Bond”** means the German government treasury bond bearing interest at a rate of 0.00 per cent. *per annum* due 15 August 2030, with ISIN DE0001102507.

**“Reference Dealers”** means four banks (which may include the Joint Bookrunners) selected from time to time by the Calculation Agent, at its sole discretion, which are primary European government security dealers, and their respective successors, or makers in pricing corporate bond issues.

**“Reference Screen Rate”** means Bloomberg HP page for the Reference Bond (using the settings “Mid YTM” and “Daily”).

**“Relevant Date”** means (A) the First Call Date, if the relevant Make-whole Redemption Date occurs prior to the First Call Date, or (B) the next succeeding Interest Payment Date, if the relevant Make-whole Redemption Date occurs after the First Reset Date.

**“Similar Security”** means the German government treasury bond(s) selected as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed (assuming for this purpose only that the Notes mature on the Relevant Date) that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable to the Notes.

(d) **Redemption for Taxation Reasons**

- (i) If, by reason of a change in any law or regulation of France or any political subdivision or authority therein or thereof having power to tax, or any change in the official application or interpretation of such law or regulation (including a holding by a competent court), becoming effective on or after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts as specified in Condition 7 (a **“Gross-Up Event”**), the Issuer may, at its sole discretion, at any time, subject to having given not more than seventy-five (75) nor less than ten (10) calendar days’ prior notice to the Noteholders in accordance



with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) If the Issuer would on the occasion of the next payment of principal or interest in respect of the Notes be prevented by French law or regulation from making payment to the Noteholders of the full amount then due and payable (a **“Withholding Tax Event”**), notwithstanding the undertaking to pay Additional Amounts contained in Condition 7, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer may, at its sole discretion, at any time, subject to having given not less than seven (7) calendar days’ prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable in respect of the Notes without withholding for French taxes or, if such date is past, as soon as practicable thereafter.
- (iii) If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in any law or regulation of France or any political subdivision or authority therein or thereof having power to tax, or any change in the official application or interpretation of such law or regulation (including a holding by a competent court), or any other change in the tax treatment of the Notes, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in that part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced (a **“Tax Deductibility Event”**), the Issuer may, at its option, at any time (subject to having given not more than seventy-five (75) nor less than ten (10) calendar days’ notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 11), redeem all, but not some only, of the Notes at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date where such redemption occurs on or after the First Call Date, provided that in each case the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

(e) **Redemption following an Accounting Event**

If an Accounting Event shall occur after the Issue Date, the Issuer may, at its option, redeem all, but not some only, of the Notes at any time, subject to having given not more than seventy-five (75) nor less than ten (10) calendar days’ notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 11, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date where such redemption occurs on or after the First Call Date.

**“Accounting Event”** means that an opinion of a recognised accountancy firm of international standing, acting upon instructions of the Issuer, has been delivered to the Issuer and the Fiscal Agent, stating that the Notes may

not or will no longer from the implementation date of the relevant new International Financial Reporting Standards (“IFRS”) or any other accounting standards that may replace IFRS, be recorded as “equity” in full for the purposes of the annual consolidated financial statements of the Issuer pursuant to the IFRS or any other accounting standards that may replace IFRS.

The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on, and include, the date which is the earliest of (i) the date on which the change in the relevant new IFRS rules is officially announced by the IFRS-IASB board or equivalent body of IFRS-EU, (ii) the date on which the change to the relevant new IFRS rules is officially adopted and (iii) the date on which the change to the relevant new IFRS rules comes into effect (the “**Accounting Event Adoption Date**”). The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. For the avoidance of doubt such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

(f) **Redemption following an Equity Credit Rating Event**

If an Equity Credit Rating Event shall occur after the Issue Date, the Issuer may, at its option, redeem all, but not some only, of the Notes at any time, subject to having given not more than seventy-five (75) nor less than ten (10) calendar days’ notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 11, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date where such redemption occurs on or after the First Call Date, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which the Notes are assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Notes by the relevant Rating Agency on the Issue Date, or if such equity credit was not assigned on the Issue Date, at the date when the equity credit was assigned for the first time.

“**Equity Credit Rating Event**” means that the Issuer has received written confirmation from any Rating Agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the “equity credit” criteria (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) of such Rating Agency (as defined below) or the application thereof, effective after the Issue Date (or effective after the date when the equity credit is assigned for the first time, as applicable), which amendment, clarification or change or the application thereof results in (a) a lower equity credit for the Notes than the then respective equity credit assigned on the Issue Date, or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time or (b) the period of time during which the relevant Rating Agency has assigned to the Notes a particular level of “equity credit” being shortened as compared to the period of time for which such Rating Agency did assign to the Notes that level of “equity credit” on the Issue Date, or if such “equity credit” was not assigned on the Issue Date, at the date when the “equity credit” was assigned for the first time.

“**Rating Agency**” means Standard and Poor’s, Fitch Ratings Ireland Limited or any other rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates.

(g) **Redemption following a Change of Control Call Event**

If at any time while any Note remains outstanding, (i) a Change of Control or a Share Transfer occurs and (ii) within the Change of Control Period, a Rating Downgrade occurs or has occurred as a result of such Change of Control or Share Transfer (a **“Change of Control Call Event”**), the Issuer may redeem, or procure purchase of, all, but not some only, of the Notes on the Change of Control Call Date (as defined below), at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

In the event of a Change of Control Call Event, the Issuer will inform the Noteholders, no later than thirty (30) calendar days following the effective Change of Control Call Event in accordance with Condition 11 (a **“Change of Control Notice”**) specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either (i) the date on which redemption or purchase of the Notes (the **“Change of Control Call Date”**) will take place or, as the case may be, (ii) the Issuer’s election not to redeem, or procure purchase of, the Notes.

If the Issuer elects to redeem, or to procure purchase of, the Notes, such redemption or purchase will take place not less than thirty (30), nor more than forty-five (45) calendar days after a Change of Control Notice is given.

For the purposes hereof:

**“Change of Control”** means, for one or more individuals or entities acting alone or in concert, acquiring the control of the Issuer, being specified that **“control”** means, for the purpose of the present definition, the holding (directly or indirectly via entities controlled by the relevant person(s)) of (x) the majority of the voting rights of the shares of the Issuer or (y) more than 40% of such voting rights if no other shareholder of the Issuer, acting alone or in concert, holds (directly or indirectly via entities controlled by such shareholder(s)) a percentage of voting rights in excess of the above stake. For the purpose of this definition, **“acting in concert”** has the meaning given to it in Article L.233-10 of the French *Code de commerce*.

**“Change of Control Period”** means the period commencing on the date that is the earlier of the date of the public announcement of (i) the occurrence of a Change of Control or a Share Transfer or (ii) the Issuer’s intention to effect a Change of Control or a Share Transfer, and ending on the date which is ninety (90) calendar days after the date of such public announcement.

**“KLM”** means Koninklijke Luchtvaart Maatschappij N.V.

**“Rating Downgrade”** shall be deemed to have occurred in respect of a Change of Control or a Share Transfer, as the case may be, if within the Change of Control Period, the rating previously assigned to the Issuer by any Rating Agency solicited by the Issuer is (x) withdrawn, (y) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse) or (z) if the rating previously assigned to the Issuer by any Rating Agency solicited by the Issuer was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB, or their respective equivalents); provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Share Transfer (and thus shall not be deemed to constitute a Rating Downgrade for the purpose of the definition of Change of Control Call Event hereunder) if the Rating Agencies downgrading or withdrawing the rating of the Issuer do not announce or publicly confirm that the reduction or withdrawal was the result, in whole or in part, of the applicable Change of Control or Share Transfer, as the case may be, and (ii) any Rating Downgrade must have been confirmed in a letter or other form of written communication sent to the Issuer and publicly disclosed. If the Issuer is rated by more than one Rating Agency at the time of the occurrence of a Change of Control or a Share Transfer, as the case may be, and such rating has been solicited by the Issuer, the rating to be taken into account to determine whether a Rating Downgrade has occurred shall be the lower rating assigned by any such Rating Agency. If at any time of the occurrence of a Change of Control or a Share Transfer, as the case may be, the Issuer is no longer rated by any Rating Agency, and no Rating Agency assigns within

the Change of Control Period a rating equivalent to, or higher than, the last rating assigned to the Issuer, a Rating Downgrade will be deemed to have occurred. For the avoidance of doubt, if at any time prior to a Change of Control Period, the Issuer ceases to be rated by one or more Rating Agencies, from which a rating was previously solicited by the Issuer, such event will not constitute a Rating Downgrade for the purpose of this Condition 5(g).

“**Share Transfer**” means that a person, other than an entity controlled directly or indirectly by the Issuer (within the meaning of Article L.233-3 of the French *Code de commerce*), came to hold (via purchase, subscription or any other means) (i) more than 50% of the share capital of Société Air France and/or the economic rights of KLM or (ii) more than 50% of the voting rights of Société Air France and/or KLM.

(h) **Purchases**

The Issuer may at any time purchase Notes together with rights to interest and any other amounts relating thereto in the open market or otherwise (including by way of a tender and/or exchange offer) at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations.

(i) **Clean up Call Option**

In the event that at least seventy-five (75) per cent. of the initial aggregate principal amount of the Notes has been purchased or redeemed by the Issuer (a “**Repurchase Event**”), the Issuer may redeem all, but not some only, of the outstanding Notes at any time at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon), subject to the Issuer having given the Noteholders not more than seventy-five (75) nor less than ten (10) calendar days’ prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable).

(j) **Cancellation**

All Notes which are purchased or redeemed for cancellation by the Issuer pursuant to this Condition 5 will forthwith be cancelled (together with rights to interest and any other amounts relating thereto) by transfer to an account in accordance with the rules and procedures of Euroclear France and may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(k) **Definitions**

For the purposes of these Conditions:

“**Early Redemption Price**” means 101 per cent. of the principal amount of the Notes, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

“**Early Redemption Date**” means the effective date of redemption of the Notes made in accordance with these Conditions.

**6. Payments**

(a) **Method of Payment**

Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts) in respect of the Notes will be made in euro, by transfer to a euro-denominated account of the relevant Account Holder. All payments validly made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer in respect of such payments.

All payments are subject in all cases to any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

**(b) Payments on Business Days**

If any due date for payment in respect of any Note is not a Business Day, the Noteholder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

**(c) Fiscal Agent, Paying Agent and Calculation Agent**

The name and specified offices of the initial Fiscal Agent and Paying Agent are as follows:

**Société Générale Securities Services**

32 rue du Champ de Tir  
CS 30812  
44308 Nantes Cedex 3  
France

The name and specified office of the initial Calculation Agent are as follows:

**Aether Financial Services**

36 rue de Monceau  
75008 Paris  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Paying Agent or any other Paying Agent or the Calculation Agent and/or appoint a substitute Fiscal Agent, Calculation Agent or Paying Agent and additional or other Paying Agents or approve any change in the office through which such Fiscal Agent, Calculation Agent or Paying Agent acts, provided that, so long as any Note is outstanding, there will at all times be (i) a Fiscal Agent having a specified office in a major European city, (ii) so long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such stock exchange so require, at least one Paying Agent having a specified office in a European city and ensuring financial services in the Republic of France (which may be the Fiscal Agent) and (iii) a Calculation Agent.

Such appointment or termination shall be notified to the Noteholders in accordance with Condition 11.

**7. Taxation**

**(a) Withholding Tax**

All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) **Additional Amounts**

If any French law or regulation should require that any payment of principal, interest or other assimilated revenues made by the Issuer in respect of the Notes be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of France or any political subdivision or authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (“**Additional Amounts**”) as may be necessary in order that the Noteholders, after such deduction or withholding, receive the full amount provided in such Notes to be then due and payable; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a holder (or beneficial owner (*ayant droit*)) who is liable to such taxes, duties, assessments or other governmental charges, in respect of such Note by reason of his having some connection with France other than the mere holding of such Note.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, the principal amount of the Notes and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, if any, all Arrears of Interest and all Additional Interest Amount) payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any Additional Amounts that may be payable under this Condition.

**8. Enforcement Events, no Events of Default and no Cross Default**

There are no events of default, including any cross default, in respect of the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution (*liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes). No payments will be made to holders of any Equity Securities of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

**9. Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

**10. Representation of the Noteholders**

The Noteholders will be grouped automatically for the defence of their respective common interests in a single *masse* (hereinafter referred to as the “*Masse*”).

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, L.228-65 I 1°, 3° and 4°, L.228-65 II, L.228-71, R.228-67, R.228-69, R.228-72 and R.228-76 al. 1 thereof, and by the conditions set out below, provided that notices calling a general meeting of the Noteholders (a “**General Meeting**”) and the resolutions passed at any General Meeting or by a Written Decision (as defined below) and any other decision to be published pursuant to French legal and regulatory provisions will be published only as provided under Condition 11 below.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes, without prejudice to the rights that Noteholders may exercise individually in accordance with, and subject to, the provisions of the Terms and Conditions of the Notes.

The Masse will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through collective decisions of the Noteholders (the “**Collective Decisions**”).

(a) **Representative**

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its Board of Directors (*Conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors, its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Management Board (*Directoire*) or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a company in whatever capacity.

The initial Representative shall be:

**Aether Financial Services**  
(811 475 383 RCS Paris)  
36 rue de Monceau  
75008 Paris  
France

The Issuer shall pay to the Representative an amount equal to 400 euros (excluding VAT) due and payable on the Issue Date. No additional remuneration is payable in relation to any subsequent issue pursuant to Condition 12.

In the event of death, liquidation, dissolution, incompatibility, resignation or revocation of the Representative, a replacement will be elected by the General Meeting.

All Noteholders may at all times obtain the names and addresses of the Representative at the principal office of the Issuer and the specified office of any of the Paying Agents.

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

**(b) Collective Decision**

Collective Decisions are adopted either in a General Meeting or by Written Decision (as such term is defined below).

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second (2<sup>nd</sup>) Business Day preceding the date set for the relevant Collective Decision.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any Noteholder.

**(i) General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

In accordance with the provisions of Article L. 228-51 of the French *Code de commerce*, notice of the date, time, place, agenda and required quorum of any General Meeting will be published in accordance with Condition 11, not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than six (6) calendar days prior to the date of the General Meeting on second convocation.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a simple majority of votes cast by the Noteholders attending such General Meeting or represented thereat. The votes cast do not include those attached to the Notes for which the Noteholders did not take part in the vote, abstained or voted blank or invalid.

In accordance with Article L. 228-61 of the French *Code de commerce*, each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence, by videoconference, or by any other means of telecommunication allowing the identification of participating Noteholders.

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits of the Noteholders which now or in the future may accrue, including authorizing the Representative to act at law as plaintiff or defendant in the name and on behalf of the Noteholders.



The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) to Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert the Notes into shares.

**(ii) Written Decision**

In accordance with Article L.228-46-1 of the French *Code de commerce*, Collective Decisions may also be taken by a “**Written Decision**”, at the initiative of the Issuer or the Representative.

Such Written Decision shall be signed by or on behalf of all the Noteholders without having to comply with formalities and time limits referred to above. Any Written Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Subject to the following sentence, a Written Decision may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of such Noteholders. Approval of a Written Decision may also be given by way of electronic communication allowing the identification of Noteholders (“**Electronic Consent**”).

Notice seeking the approval of a Written Decision (including by way of Electronic Consent), which shall include the text of the proposed resolutions together with any report thereon, will be published as provided under Condition 11 (*Notice*) not less than fifteen (15) days prior to the date fixed for the passing of such Written Decision (the “**Written Decision Date**”). Notices seeking the approval of a Written Decision will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Decision. Noteholders expressing their approval or rejection before the Written Decision Date will undertake not to dispose of their Notes until after the Written Decision Date.

For the purpose hereof, a Written Decision means a resolution in writing signed by or approved by or on behalf of the holders of not less than seventy five (75) per cent. in nominal amount of the Notes outstanding. References to a Written Decision include, unless the context otherwise requires, a resolution approved by Electronic Consent.

**(iii) Effect of resolutions**

A resolution passed at a General Meeting, and a Written Decision or an Electronic Consent, shall be binding on all Noteholders, whether or not present at the General Meeting and whether or not, in the case of a Written Decision or an Electronic Consent, they have participated in such Written Decision or Electronic Consent and each of them shall be bound to give effect to the resolution accordingly.

**(iv) Exclusion of certain provisions of the French Code de commerce**

The provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer, or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes.

The provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L.236-14 and L.236-23 of the French *Code de commerce*) shall not apply to the Notes only to the extent that such proposal relates to a merger or demerger within the Group.

**(v) Notice of Collective Decisions to the Noteholders**

The Collective Decisions shall be published in accordance with the provisions set out in Condition 11 not more than ninety (90) calendar days from the date thereof. The decisions referred to in Articles R.228-61 and R.236-14 of the French *Code de commerce* will be published, to the extent permitted by such Articles, in accordance with Condition 11.

**11. Notices**

Any notice to the Noteholders will be valid if delivered to Euroclear France, Euroclear and Clearstream for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer ([www.airfranceklm.com](http://www.airfranceklm.com)), provided that, so long as the Notes are admitted to trading on Euronext Paris and the rules applicable to that stock exchange so require, such notice shall also be published on the website of Euronext Paris ([www.euronext.com](http://www.euronext.com)).

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

**12. Further Issues and Assimilation**

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects save for the issue price, the amount and date of the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation.

In the event of such an assimilation, the Noteholders and the holders of such further notes will be grouped together in a single *Masse* for the defence of their common interests. References in these Conditions to the Notes include any other notes issued pursuant to this Condition and assimilated with the Notes.

**13. Governing Law and Jurisdiction**

**(a) Governing Law**

The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, the laws of France.

**(b) Jurisdiction**

Any legal action or proceeding arising out of or in connection with the Notes will be irrevocably submitted to the exclusive jurisdiction of the competent courts in Paris.

**The following paragraphs in italics do not form part of the Terms and Conditions of the Notes.**

*The Issuer intends (without thereby assuming a legal obligation), that if it redeems or repurchases any Notes (or any part thereof), it will so redeem or repurchase the relevant Notes (or any part thereof) only to the extent that such part of the aggregate principal amount of the Notes (or any part thereof) to be redeemed or repurchased as was categorised as equity by Standard and Poor's at the time of its issuance ("equity credit") does not exceed such part of the net proceeds received by the Issuer or any Subsidiary of the Issuer on or prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by Standard and Poor's, as the case may be, an aggregate "equity credit" (or such similar nomenclature used by Standard and Poor's from time to time) that is equal to or greater than the "equity credit" assigned to the relevant Notes (or any part thereof) to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or the interpretation thereof since the issuance of the relevant Notes), unless:*

- (a) *the long-term corporate rating (or such similar nomenclature then used by Standard and Poor's) assigned by Standard and Poor's to the Issuer is at least the same as or higher than the long-term corporate credit rating assigned to the Issuer on the date of the last additional hybrid issuance (excluding any refinancing transaction of the hybrid securities which were assigned a similar "equity credit" by Standard and Poor's (or such similar nomenclature then used by Standard and Poor's)) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or*
- (b) *in the case of repurchase or redemption, taken together with other relevant repurchases or redemptions of hybrid securities of the Issuer, such repurchase or redemption is of less than (i) 10 per cent. of the aggregate hybrid capital outstanding in any period of 12 consecutive months or (ii) 25 per cent. of the hybrid capital outstanding in any period of 10 consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile; or*
- (c) *the relevant Notes are redeemed pursuant to an Equity Credit Rating Event, an Accounting Event, a Tax Deductibility Event, a Withholding Tax Event, a Gross-Up Event or a Change of Control Call Event; or*
- (d) *the relevant Notes are not assigned an "equity credit" by Standard and Poor's (or such similar nomenclature then used by Standard and Poor's) at the time of such redemption or repurchase; or*
- (e) *in the case of a redemption or repurchase, such redemption or repurchase relates to an aggregate principal amount of Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which Standard and Poor's then assigns equity content under its prevailing methodology, or*
- (f) *such redemption or repurchase occurs on or after the Second Step-Up Date.*

## **USE OF PROCEEDS**

The estimated net proceeds of the issue of the Notes will amount to €494,395,000. The estimated net proceeds of the issue of the Notes will be used by the Issuer for general corporate purposes including the potential refinancing of existing perpetual hybrid debt within the Group.

## RECENT DEVELOPMENTS

The following recent development has been published by the Issuer:

1. Press release dated 9 May 2025

**“Delta, Korean Air to strengthen partnerships with WestJet”**

- *Delta and Korean to acquire independent equity stakes totaling 25% in WestJet for US\$550 million from Onex Partners and its affiliated funds and co-investors (the “Onex Group”)*
- *Agreement will further align airlines’ interests, expand customer benefits and strengthen connectivity between Canada and North America, Europe and Asia and beyond*

Delta Air Lines and Korean Air will strengthen their respective partnerships with WestJet through the purchase of minority equity stakes in the Canadian airline from Onex Partners, the upper middle market private equity platform of Onex, a Canadian investor and alternative asset manager. Affiliated funds and co-investors of the Onex Group intend to participate in the sale alongside Onex Partners. These investments build on each airline’s existing relationships with WestJet to provide further benefits to customers in North America, Europe, Asia and beyond.

Under the agreements announced today, Delta and Korean will acquire independent equity stakes totaling 25% in WestJet. Delta will be investing US\$330 million and acquiring a 15% stake, and Korean will invest US\$220 million in exchange for a 10% stake.

Upon closing, Delta has the right and intent to sell and transfer a 2.3% stake in WestJet to its Joint Venture partner Air France-KLM, also an existing WestJet partner, in exchange for US\$50 million. This separate transaction would remain subject to certain Air France-KLM approvals. The Onex Group will continue to own and control Calgary, Alberta-based WestJet.

Delta and Korean have each been codeshare partners with WestJet for years. The broader partnerships will support future benefits for travelers, including an elevated, more seamless travel experience for customers worldwide.

“Investing in a world-class partner like WestJet aligns our interests and ensures that we remain focused on providing a world-class global network and customer experience for travelers in the United States and Canada,” said Delta CEO Ed Bastian. “Together, Delta and our airline partners are connecting the world and transforming the future of travel.”

“We are pleased to invest in WestJet as part of our continued commitment to enhancing transpacific connectivity,” said Walter Cho, Chairman and CEO of Korean Air and Hanjin Group. “This strategic partnership will enhance our global network and create long-term value for customers through greater choice and convenience.”

“Delta, Korean and Air France-KLM are among the world’s most prominent and best-managed airlines. Onex is delighted to welcome them as shareholders in WestJet,” said Tawfiq Popatia, Co-Head of Onex Partners.

“These investments, and the enhanced partnerships they bring, are an endorsement of our people and WestJet’s differentiated performance through an extraordinary period for aviation in recent years,” said WestJet CEO Alexis von Hoensbroech.

Delta and WestJet have been partners since February 2011, providing an expanded global network and seamless travel options for customers on both sides of the U.S.-Canada border. Delta, which is celebrating its 100<sup>th</sup> anniversary, has proudly been serving the people of Canada for more than 90 years. In recent years, Delta has made equity investments

with several international partners, including Air France-KLM, LATAM, Aeromexico, Virgin Atlantic, China Eastern and Korean Air's parent company, Hanjin KAL.

Korean Air and WestJet have partnered since June 2012, steadily expanding their transpacific connectivity. Through their codeshare agreement, travelers on both sides of the Pacific can access flights between Seoul Incheon and Vancouver, Toronto, and Calgary, with onward connections to WestJet's domestic Canadian and U.S. routes, as well as Korean Air's extensive Asian network.

Barclays is acting as financial advisor to WestJet and Onex on the transaction. The agreement is subject to certain regulatory approvals.

2. Press release dated 29 April 2025:

**“Florence Parly Appointed Chair of the Board of Directors of the Air France-KLM Group**

On the recommendation of the Nomination and Governance Committee, the Board of Directors of Air France-KLM decided, during its meeting on April 29, 2025, to appoint Florence Parly as Chair of the Board of Directors of the Air France-KLM Group.

This appointment will take effect following the 2025 Annual Shareholders' Meeting, which will approve the financial statements for the 2024 fiscal year and is scheduled to be held on June 4, 2025.

Florence Parly will succeed Anne-Marie Couderc, who has served as Chair of the Group's Board of Directors since May 2018, and whose term is coming to an end.

Florence Parly joined the Group's Board of Directors in December 2023 as a board member.

Commenting on Florence Parly's appointment, Anne-Marie Couderc said: *“I am very pleased with the Board's decision to appoint Florence Parly to succeed me as Chair of the Board. Her extensive experience of the business world and of political institutions, in senior positions in the transport sector and as a minister, are remarkable assets for the success of Air France-KLM.*

*7 years after being appointed myself, I am very proud of the work Benjamin Smith and I have accomplished. Despite a financial situation that still needs to be consolidated, our Group has emerged stronger from the successive crises we had to overcome. I am confident about the future of Air France-KLM and I would particularly like to thank all our employees for the exceptional moments we have shared these past years.”*

## SUBSCRIPTION AND SALE

BNP PARIBAS, Citigroup Global Markets Europe AG, Goldman Sachs Bank Europe SE, Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe, J.P. Morgan SE, Morgan Stanley Europe SE and Natixis (the “**Joint Bookrunners**”) have jointly and severally agreed, pursuant to a subscription agreement (the “**Subscription Agreement**”) dated 19 May 2025, subject to satisfaction of certain conditions, to procure subscribers and payment for, or failing which to subscribe and pay for Notes at an issue price of 99.479 per cent. of the principal amount of the Notes (the “**Issue Price**”) less any applicable commission as separately agreed between the Joint Bookrunners and the Issuer. The Issuer will also reimburse the Joint Bookrunners in respect of certain of their expenses, and has agreed to indemnify the Joint Bookrunners against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

### United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the U.S., and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act (“**Regulation S**”). The Notes are being offered and sold outside of the United States reliance on Regulation S.

Each Joint Bookrunner has agreed that it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until forty (40) calendar days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 of Regulation S. Accordingly, neither the Joint Bookrunners nor any of their respective affiliates, nor any persons acting on their behalf, have engaged or will engage in any directed selling efforts with respect to the Notes, and the Joint Bookrunners, their respective affiliates and any persons acting on their behalf have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Bookrunner has agreed that, at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Notes from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until forty (40) days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, registration under the Securities Act.

### United Kingdom

Each of the Joint Bookrunners has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

#### **Prohibition of Sales to United Kingdom Retail Investors**

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression “retail investor” means a person who is one (or both) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

#### **France**

Each Joint Bookrunner has represented and agreed that, it has only offered or sold and will only offer or sell, directly or indirectly, any Notes to the public in France pursuant to an exemption under Article 1(4) of the Prospectus Regulation and under Article L. 411-2 of the French *Code monétaire et financier* and that it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), as defined in the Prospectus Regulation as amended from time to time and in Article L. 411-2 1° of the French *Code monétaire et financier*.

#### **Prohibition of Sales to European Economic Area Retail Investors**

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA.

- (a) For the purposes of this provision, the expression “retail investor” means a person who is one (or both) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

This Prohibition of Sales to EEA Retail Investors’ selling restriction is in addition to any other selling restrictions set out in this Prospectus.

#### **Canada**

Each of the Joint Bookrunners has represented and agreed that it has not offered or sold and will not offer or sell the Notes in Canada other than to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as



defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

## **General**

No action has been or will be taken by the Issuer or the Joint Bookrunners that would, or is intended to, permit a public offer of the Notes or possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Joint Bookrunners has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes or has not, directly or indirectly, distributed or published and will not, directly or indirectly, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information relating to the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

## GENERAL INFORMATION

### 1. AUTHORISATION

The Notes were issued pursuant to resolutions of the *Conseil d'administration* (Board of Directors) of the Issuer adopted on 24 July 2024 and a decision of the *Directeur Général Adjoint Economie et Finances* of the Issuer dated 16 May 2025.

### 2. APPROVAL BY THE AMF

This Prospectus has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation and received the approval number no. 25-164 dated 19 May 2025. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus will be valid until the date of admission of the Notes to trading on Euronext Paris. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

### 3. ADMISSION TO TRADING AND LISTING FEES

Application has been made for the Notes to be admitted to trading on Euronext Paris as from the Issue Date.

The estimated costs for the admission to trading of the Notes are €20,000 (including AMF and Euronext Paris fees).

### 4. CLEARING SYSTEMS

The Notes have been accepted for clearance through Clearstream and Euroclear with the Common Code number 307125765 and Euroclear France with the International Securities Identification Number (ISIN) FR001400ZKL2.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg. The address of Euroclear France is 10-12, place de la Bourse, 75002 Paris, France.

### 5. CONFLICT OF INTEREST

Save as disclosed in this Prospectus, to the Issuer's knowledge and as of the date of this Prospectus, there is no potential conflict of interest between the duties of the members of the administrative, management and supervisory bodies of the Issuer and their private interests or their other duties.

### 6. NO SIGNIFICANT CHANGE

There has been no significant change in the financial performance and/or financial position of the Issuer or the Group since 31 March 2025.

### 7. NO MATERIAL ADVERSE CHANGE

There has been no material adverse change in the prospects of the Issuer and the Group since 31 December 2024.

## **8. LEGAL PROCEEDINGS**

Save as disclosed in this Prospectus, neither the Issuer nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware) during a period covering at least the past twelve (12) months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.

## **9. FINANCIAL STATEMENTS**

PricewaterhouseCoopers Audit and KPMG S.A. (all entities regulated by the *Haute Autorité de l'Audit* (H2A) and duly authorised as *Commissaires aux comptes*) have audited and rendered audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2024 and 2023.

PricewaterhouseCoopers Audit and KPMG S.A. have audited and rendered audit reports on the non-consolidated financial statements of the Issuer for the years ended 31 December 2024 and 31 December 2023.

The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* (CNCC) and are members of the CNCC professional body.

## **10. DOCUMENTS**

So long as any of the Notes are outstanding, the following documents can be inspected on the website of the Issuer ([www.airfranceklm.com](http://www.airfranceklm.com)):

- (i) the *statuts* of the Issuer;
- (ii) First Quarter 2025 Results Press Release;
- (iii) 2024 Universal Registration Document;
- (iv) 2023 Universal Registration Document;
- (v) a copy of this Prospectus together with any supplement to this Prospectus and any document incorporated by reference; and
- (vi) all reports, letters and other documents, valuations and statements prepared by any expert at the Issuer's request of which is included or referred to in this Prospectus in respect of the issue of the Notes.

A copy of this Prospectus together with any supplement to this Prospectus and any document incorporated by reference will be available on the website of the Issuer ([www.airfranceklm.com](http://www.airfranceklm.com)). Copies of this Prospectus, the 2024 Universal Registration Document and the 2023 Universal Registration Document will also be available on the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)).

Any websites included in this Prospectus are for information purposes only and the information in such websites does not form any part of this Prospectus unless that information is incorporated by reference into the Prospectus.

## **11. YIELD**

The yield to the First Reset Date of the Notes is equal to 5.875 per cent. *per annum* and is calculated on the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## **12. ESTIMATED NET PROCEEDS**

The estimated net amount of the proceeds of the Notes amounts to €494,395,000.

## **13. CURRENCY**

All references in this document to “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended.

## **14. LEI NUMBER**

The Legal Entity Identifier number of the Issuer is 969500AQW31GYO8JZD66.

## **15. INTEREST**

So far as the Issuer is aware, save for the commissions and any fees payable to the Joint Bookrunners, no person involved in the issue of the Notes has any interest, including conflicting ones, that is material to the issue.

## **16. TAXATION**

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions (including as a result of change in law). Potential investors are advised to ask for their own tax adviser’s advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor.

## **17. JOINT BOOKRUNNERS**

Certain of the Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Joint Bookrunners and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. Certain of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **18. STABILISATION**

In connection with the issue of the Notes, BNP PARIBAS (the “**Stabilisation Manager**”) (or any person acting on behalf of the Stabilisation Manager) may (but will not be required to) over-allot Notes or effect transactions within a specified period, with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail.

However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 calendar days after the Issue Date and 60 calendar days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or person(s) acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

## 19. RATINGS

The long-term debt of the Issuer is rated BBB- (stable outlook) by Fitch and BB+ (stable outlook) by S&P. The Notes have been rated BB by Fitch and B+ by S&P. Each of such credit rating agencies is established in the European Union and is registered under the CRA Regulation and is included in the list of registered credit rating agencies published on the website of the ESMA (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency without notice.

## 20. FORWARD-LOOKING STATEMENTS

This Prospectus contains or incorporates by reference objectives, forecasts or other forward-looking statements that may be identified by the use of words such as “anticipate,” “believe,” “expect,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such objectives, forecasts or other forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the businesses of the Group, as well as assumptions and analysis made by the Group in light of its perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate in the circumstances. By their nature, forward-looking statements involve known and unknown risks, uncertainties and assumptions that could cause actual results, performance and the timing of events to differ materially from those expressed or implied by the forward-looking statements.

These forward-looking statements speak only as of the date on which the statements were made, and no obligation has been undertaken to publicly update or revise any forward-looking statements made in this Prospectus or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. These forward-looking statements do not constitute profit forecasts or estimates under Commission Delegated Regulation (EU) 2019/980, as amended, supplementing the Prospectus Regulation.

## 21. BENCHMARKS REGULATION

Amounts payable under the Notes from and including the First Reset Date are calculated by reference to the Euro 5-Year Swap Rate which itself refers to ICESWAP2/EURSFIXA, which itself refers to EUAMDB05 Index, which is provided by ICE Benchmark Administration Limited (the “**Administrator**”). As at the date of this Prospectus, the Administrator does not appear in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Regulation (EU) No. 2016/1011, as amended (the “**Benchmarks Regulation**”). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Administrator is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). As at the date of this Prospectus, the Administrator appears on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority in the United Kingdom.

## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

I hereby certify that the information contained in this Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

### AIR FRANCE-KLM

7, rue du Cirque  
75008 Paris  
France

Duly represented by:  
Steven Zaat  
authorised signatory,  
on 19 May 2025



This Prospectus has been approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, as amended. The AMF has approved this Prospectus after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129, as amended. This approval does not imply any verification on the accuracy of such information by the AMF.

This approval is not a favorable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

This Prospectus has been approved on 19 May 2025 and is valid until the date of admission of the Notes to trading on Euronext Paris and shall, during this period and in accordance with the provisions of article 23 of the Regulation (EU) 2017/1129, as amended, be completed by a supplement to the Prospectus in the event of new material facts or substantial errors or inaccuracies.

This Prospectus obtained the following approval number: 25-164.

**Issuer**

**AIR FRANCE-KLM**

7, rue du Cirque  
75008 Paris  
France

**Global Coordinators and Joint Bookrunners**

**BNP PARIBAS**

16, boulevard des Italiens  
75009 Paris  
France

**Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt am Main  
Germany

**Goldman Sachs Bank Europe SE**

Marienturm, Taunusanlage 9-10  
D-60329 Frankfurt am Main  
Germany

**Joint Bookrunners**

**Crédit Agricole Corporate and Investment Bank**

12, Place des Etats-Unis – CS 70052  
92547 Montrouge  
France

**HSBC Continental Europe**

38, Avenue Kléber  
75116 Paris  
France

**J.P. Morgan SE**

Taunustor 1  
60310 Frankfurt am Main  
Germany

**Morgan Stanley Europe SE**

Grosse Gallusstrasse 18  
60312 Frankfurt-am-Main  
Germany

**Natixis**

7, Promenade Germaine Sablon  
75013 Paris  
France

**Fiscal Agent and Paying Agent**

**Société Générale**

32 rue du Champ de Tir  
CS 30812  
44308 Nantes Cedex 3  
France

**Calculation Agent**

**Aether Financial Services**

36 rue de Monceau  
75008 Paris  
France

**Auditors**

**KPMG S.A.**  
Tour EQHO, 2 avenue Gambetta  
CS60055  
92066 Paris La Défense Cedex  
France

**PricewaterhouseCoopers Audit**  
63 rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
France

**Legal Advisers**

**To the Issuer**  
**Gide Loyrette Nouel A.A.R.P.I**  
15, rue de Laborde  
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**To the Joint Bookrunners**  
**Allen Overy Shearman Sterling LLP**  
32, rue François 1<sup>er</sup>  
75008 Paris  
France