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Air France-KLM S.A.

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

Combined Shareholders' Meeting of May 28, 2019
19th, 20th, 21st, 22nd, 23rd, 24th, 26th, 27th, 28st, 29th, 30th
31st and 33rd resolutions
Air France-KLM S.A.
2, rue Robert Esnault-Pelterie – 75007 Paris



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Air France-KLM S.A.

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

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

Combined Shareholders' Meeting of May 16, 2017 – 19th, 20th, 21st, 22nd, 23rd, 24th, 26th, 27th, 28st, 29th, 30th, 31st and 33rd resolutions

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

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

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

- that you delegate it authority, for a 26-month period as from the date of this Shareholders' Meeting, outside of public offering period, to decide on the following transactions and determine the final conditions thereof, and, where appropriate, to cancel your preferential subscription rights:
 - issuance of (i) ordinary shares of your Company and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities, while maintaining preferential subscription rights (resolution 19);
 - public offering, and cancellation of shareholders' preferential subscription rights but with a mandatory priority subscription period (resolution 20), of (i) ordinary shares of your Company and (ii) marketable equity securities granting access to other Company equity or debt securities ;
 - public offering, and cancellation of shareholders' preferential subscription rights with an optional priority subscription period (resolution 21), of (i) equity securities, (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (ii) all marketable securities granting access, by any means, to Company

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equity securities by companies whose share capital is more than 50% held, directly or indirectly by the Company, , it being specified that ordinary Company shares and/or securities granting access, either immediately or at a later date, to Company shares to be issued in the future, could be issued in consideration of securities contributed to a public exchange offer initiated by the Company, according to the terms and under the conditions set forth by Article L. 225-148 of the French Commercial Code; issuance, and cancellation of shareholders' preferential subscription rights, by way of a private placement as described in Article 411-2 section II of the French Monetary and Financial Code (*Code monétaire et financier*) (resolution 22), of (i) ordinary shares and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities;

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

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- to allow, under resolution 33 and in the framework of the utilization of delegations set out in resolutions 20, 21, 22, 27, 28 and 29, to set the issue price within a limit not to exceed 10% of the share capital a year;
- that you delegate it the authority, for a 26-month period as from the date of this Shareholders' Meeting, excluding during a public offering period, to issue ordinary shares and/or marketable securities conferring entitlement to Company equity securities, to compensate in-kind contributions granted to the Company comprising equity securities or marketable securities conferring entitlement to Company equity (resolution 24), for a maximum of 10% of share capital.
- that you delegate it the authority, for a 26-month period as from the date of this Shareholders' Meeting, during a public offering period, to issue ordinary shares and/or marketable securities conferring entitlement to Company equity securities, to compensate in-kind contributions granted to the Company comprising equity securities or marketable securities conferring entitlement to Company equity (resolution 31), for a maximum of 5% of share capital.

The total nominal amount of capital increases to be carried out immediately or in the future, outside of public offering period, pursuant to resolutions 19, 20, 21 22, 23 and 24 resolutions may not exceed the maximum amount of €214 million as set forth in resolution 19, including any capital increases made under resolutions 25 and 32, noting that:

- the amount of capital increases carried out under the authority delegated by resolutions 19, 20, 21, 22 and 24 resolutions may not exceed €214 million, €64 million, €43 million, €43 million and €43 million respectively,
- the amount of capital increases carried out pursuant to resolution 20 will be allocated to and subject to the limit set in resolution 19,
- the amount of capital increases carried out pursuant to resolution 21 will be allocated to and subject to each of the limits set in resolutions 19 and 20,
- the amount of capital increases carried out pursuant to resolution 22 and resolution 24 each will be allocated to and subject to each of the limits set in resolutions 19, 20 and 21.

The total nominal amount of debt securities issued, outside of a public offering period, pursuant to resolutions 19, 20, 21 and 22 may not exceed maximum amount of €1 billion, as set forth in resolution 26.

These maximum amounts take into account the number of additional securities to be issued under the delegations of authority mentioned in resolutions 19, 20, 21 and 22, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, if resolution 23 is adopted.

The total nominal amount of capital increases to be carried out immediately or in the future, within a public offering period, pursuant to resolutions 26, 27, 28, 29, 30 and 31 resolutions may not exceed the maximum amount of €107 million, as set forth in resolution 26 million, after deduction of any capital increases carried out pursuant to resolution 32, noting that:

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- the amount of capital increases carried out under the authority delegated by resolutions 26, 27, 28, 29 and 31 may not exceed €107 million, €32 million, €21 million, €20,9 million and €21 million respectively,
- the amount of capital increases carried out pursuant to resolution 26 will be allocated to and subject to each of the limits set in resolution 19,
- the amount of capital increases carried out pursuant to resolution 27 will be subject to each of the limits set in resolutions 19, 20 and 26,
- the amount of capital increases carried out pursuant to resolution 28 will be allocated to and subject to each of the limits set in resolutions 19, 21, 26 and 27,
- the amount of capital increases carried out pursuant to resolution 29 will be allocated to and subject to each of the limits set in resolutions 19, 22, 26, 27 and 28,
- the amount of capital increases carried out pursuant to resolution 31 will be allocated to and subject to each of the limits set in resolutions 19, 24, 26, 27 and 28.

In accordance with resolution 26, the total nominal amount of debt securities issued, within a public offering period, pursuant to resolutions 26, 27, 28 and 29 may not exceed €1 billion.

These maximum amounts take into account the number of additional securities to be issued under the delegations of authority mentioned in resolutions 26, 27, 28 and 29, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, if resolution 30 is adopted.

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

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

Subject to subsequent review of the conditions governing the issuances decided, we have no comments to make on the methods used to determine the issue price of the equity securities to be issued, presented in the Board of Directors' report pursuant to resolutions 20, 21, 22, 27, 28, 29 and 33.

Moreover, as your Board of Directors' report does not specify the methods used to determine the issue price of the equity securities to be issued under resolutions 19, 24, 26 and 31, we do not express an opinion on the components used to calculate the issue price of the equity securities.



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As the final conditions governing the issuances have not yet been determined, we do not express an opinion on them or on the proposed cancellation of preferential subscription rights, as presented in resolutions 20, 21, 22, 27, 28 and 29.

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

Paris La Défense, April 19, 2019

The Statutory Auditors

KPMG Audit
Division of KPMG S.A.

Deloitte et Associés

Jean-Paul Vellutini
Partner

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