Disclosure of related party-agreements

Information pursuant to article L. 225-40-2 of the French Commercial Code

Entering into of a State Guaranteed Loan and of Shareholder Loan

(Board meeting authorization dated 24 April 2020)

On May 6, 2020, Air France-KLM (the "**Company**") entered into the two following agreements involving, directly or indirectly, the French State, which is a shareholder currently holding 14.3% of the Company's share capital:

- a loan of EUR 4 billion, granted by a consortium of banks and guaranteed up to 90% by the French State (the "**State Guaranteed Loan**"); and

- a shareholder loan of EUR 3 billion, granted by the French State (the "**Shareholder Loan**" and, together with the State Guaranteed Loan, the "**Loan Agreements**").

1. Main terms of the Loan Agreements

a. State Guaranteed Loan

The State Guaranteed Loan is granted by a consortium of banks, for an amount of EUR 4 billion and is guaranteed up to 90% by the French State in accordance with the regime set forth by Law No. 2020-289 of March 23, 2020.

The State Guaranteed Loan is granted for a one-year period, renewable once for an additional one-year or two-year period. It bears interest at the rate of 3-month Euribor, 6-month Euribor or 12-month Euribor at the Company's option, plus a margin of 0.75%, excluding the cost of the French State guarantee, applicable to the first year, with a floor for Euribor at zero, which is increasable as follows:

- 1.50% in the event of a one-year extension of the maturity;

- 1.50% for the second year and 2.75% for the following year in the event of a two-year extension of the maturity.

The margins indicated above include neither customary commissions nor the cost of the guarantee granted by the French State. The cost of such guarantee takes the form of an annual commission equal to 0.5% of the total amount of the State Guaranteed Loan. It is payable at the end of the first year (the "**Initial Maturity Date**") and may be increased by an additional annual commission of 1% of the amount in principal and outstanding at the Initial Maturity Date for each of the second year and the third year, it being specified that this additional commission would be payable by the Company under the conditions set forth in the State Guaranteed Loan if the Company were to exercise its right to extend the maturity.

The State Guaranteed Loan shall be early repaid (in whole or in part) upon the occurrence of certain events such as a change of control of the Company or Air France orout of the net proceeds from bonds or medium or long-term bank loans, subject to certain exceptions.It includes customary events of defaults, including the payment of dividends by the Company to its shareholders. It benefits from a repayment priority over the Shareholder Loan.

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b. Shareholder Loan

The Shareholder Loan is granted by the French State for an amount of EUR 3 billion for a four-year period, extendable for an additional one-year period, renewable once. It may be drawn by the Company in several tranches.

It bears interest at the rate of 12-month Euribor plus a margin of 7% per annum, with a floor for Euribor at zero.

The margin mentioned above may be increased in several circumstances as follows:

- of 550 basis points increase, in the event:

  (i) of a share capital increase (y) proposed but not adopted by the Company's shareholders' meeting and providing the incorporation of all or part of the amount of the Shareholder Loan to the Company's share capital for a minimum amount equal to a portion of such share capital increase corresponding to the shareholding percentage of the French State or (z) implemented, without the agreement of the French State, without such incorporation being provided for in the share capital increase;

  (ii) a third party not acting in concert with the French State, alone or in concert, comes to hold 20% or more of the Company's share capital;

- of 50 basis points in the event of a first extension of the maturity; and

- of 25 basis points in the event of a second extension of the maturity.

The above mentioned margin increases may be cumulative.

The Company has the right to pay interest in cash or to capitalized them

The Shareholder Loan is subordinated to the State Guaranteed Loan as well as, in case of judicial restructuring or judicial liquidation, to bank loans or bond issuances other than subordinated or secured and shareholder loans.

The Shareholder Loan may have to be early repaid upon occurrence of certain events such as customary early repayment events along with the early repayment of the State Guaranteed Loan or the non-approval of the Shareholder Loan by the shareholders' meeting in accordance with Article L225-40 of the French Commercial Code.

In addition, the Company undertook not to pay any dividend to its shareholders until the Shareholder Loan is repaid in full.

2. <u>Interested persons</u>

As a result of the French State holding 14.3% of the Company's share capital, Mrs. Astrid Panosyan and Mr. Jean-Dominique Comolli, members of the board of directors of the Company (the "**Board**") appointed upon the proposal of the French State, could be deemed to be indirectly interested in the Shareholder Loan and in the State Guaranteed Loan.

As a result of the French State holding 14.3% of the Company's share capital, Mr. Martin Vial, member of the Board representing the French State, is deemed to be indirectly interested in the Shareholder Loan and could also be deemed to be indirectly interested in the State Guaranteed Loan.

3. Board approval

The Board has authorized the execution of the Loan Agreements at its meeting of April 24, 2020 in accordance with article L.225-38 of the French Commercial Code. Mrs. Astrid Panosyan, Mr. Jean-Dominique Comolli and Mr. Martin Vial did not take part in the deliberations and the votes with respect to the Loan Agreements.

4. Interests of the Loan Agreements for the Company

The Loan Agreements were entered into in response to the Company's urgent need of liquidity caused by the current crisis situation due to the propagation of Covid-19.

As this crisis considerably impacted the Company's activity, its current financial situation would not allow for a sustainable return to business as things stand. Therefore, the execution of the Loan Agreements appeared necessary to the Company's prosperity. By addressing the Company's general financial needs, it will allow an efficient return to business.

5. Materiality of the Loan Agreements' cost

The financial expenses borne by the Company over the first twelve (12) month period, assuming a simultaneous drawdown of all the funds made available under the Loan Agreements, would amount to:

- approximately EUR 50 million regarding the State Guaranteed Loan; and

- approximately EUR 210 million regarding the Shareholder Loan.

It is reminded that the group profit for the year ended 31 December 2919 amounted to EUR 290 million.