

AIR FRANCE-KLM GROUP

CONDENSED INTERIM
CONSOLIDATED
FINANCIAL
STATEMENTS
(UNAUDITED)

January 1st, 2025 – June 30, 2025

Prepared in accordance with International Financial Reporting
Standards ("IFRS") as adopted by the European Commission
for use in the European Union

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

Period from January 1 to June 30

(in € millions)

	Notes	2025	2024
Revenues from ordinary activities		15,608	14,603
External expenses	6	(9,608)	(9,385)
Salaries and related costs	7	(4,867)	(4,596)
Taxes other than income taxes		(102)	(96)
Other current operating income and expenses	8	835	819
Amortization, depreciation and provisions	9	(1,457)	(1,321)
Operating expenses		(15,199)	(14,579)
Income from current operations		409	24
Sales of aircraft equipment	10	(2)	15
Other non-current income and expenses	10	(10)	(118)
Income from operating activities		397	(79)
Interests expenses	11	(309)	(314)
Income from cash and cash equivalents	11	102	170
Net cost of financial debt	11	(207)	(144)
Other financial income and expenses	11	398	(213)
Income before tax of consolidated companies		588	(436)
Income taxes	12	(176)	119
Net income of consolidated companies		412	(317)
Share of profits (losses) of associates		(11)	3
Net income for the period		401	(314)
Net income – Non-controlling interests		87	86
Net income – Group part		314	(400)
Earnings per share – Equity holders of Air France-KLM (in euros)			
■ basic	13	1.09	(1.63)
■ diluted	13	1.04	(1.63)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of recognized income and expenses

Period from January 1 to June 30

(in € millions)

	Notes	2025	2024
Net income		401	(314)
Effective portion of changes in fair value hedge and cost of hedging recognized directly in other comprehensive income		99	207
Change in fair value and cost of hedging transferred to profit or loss		75	(64)
Exchange difference resulting from the translation		(25)	7
Deferred tax on items of comprehensive income that will be reclassified to profit or loss		(43)	(41)
Other comprehensive income that will be reclassified to profit or loss, equity shares, after tax		21	–
Total of other comprehensive income that will be reclassified to profit or loss		127	109
Remeasurements of defined benefit pension plans	19	40	81
Fair value of equity instruments revalued through OCI		1	(4)
Deferred tax on items of comprehensive income that will not be reclassified to profit or loss		3	(5)
Other comprehensive income that will not be reclassified to profit or loss, equity shares, after tax		(3)	–
Total of other comprehensive income that will not be reclassified to profit or loss		41	72
Total of other comprehensive income, after tax		168	181
RECOGNIZED INCOME AND EXPENSES		569	(133)
■ Equity holders of Air France-KLM		482	(219)
■ Non-controlling interests		87	86

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

ASSETS

(in € millions)

	Notes	June 30, 2025	December 31, 2024
Goodwill		223	226
Intangible assets		1,167	1,150
Flight equipment	14	13,392	12,347
Other property, plant and equipment	14	1,587	1,533
Right-of-use assets	16	8,479	7,592
Investments in equity associates		205	216
Pension assets	19	56	66
Other non-current financial assets		1,066	1,369
Non-current derivative financial assets		118	195
Deferred tax assets	12	518	662
Other non-current assets		448	214
Total non-current assets		27,259	25,570
Other current financial assets		1,464	1,190
Current derivative financial assets		57	249
Inventories		993	959
Trade receivables		2,404	2,051
Other current assets		1,271	1,260
Cash and cash equivalents	17	4,850	4,829
Assets held for sale		49	47
Total current assets		11,088	10,585
TOTAL ASSETS		38,347	36,155

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet (continuation)

LIABILITIES AND EQUITY

<i>(in € millions)</i>	Notes	June 30, 2025	December 31, 2024
Issued capital	18.1	263	263
Additional paid-in capital		7,560	7,560
Treasury shares		(27)	(27)
Perpetual	18.2	1,554	1,078
Reserves and retained earnings		(10,166)	(10,638)
Equity attributable to equity holders of Air France-KLM		(816)	(1,764)
Perpetual	18.2	2,088	2,530
Reserves and retained earnings		37	33
Equity attributable to non-controlling interests		2,125	2,563
TOTAL EQUITY		1,309	799
Pension provisions	19	1,681	1,686
Non-current return obligation liabilities and provisions for leased aircrafts and other provisions	20	4,513	4,493
Non-current financial liabilities	21	6,512	7,254
Non-current lease debt	16	4,864	4,714
Non-current derivative financial liabilities		292	32
Deferred tax liabilities	12	2	2
Other non-current liabilities	23	807	904
Total non-current liabilities		18,671	19,085
Current return obligation liabilities and provisions for leased aircrafts and other provisions	20	1,096	1,181
Current financial liabilities	21	1,952	1,692
Current lease debt	16	922	982
Current derivative financial liabilities		324	137
Trade payables		2,516	2,608
Deferred revenue on ticket sales		5,606	4,097
Frequent flyer programs		906	906
Other current liabilities	23	5,015	4,668
Bank overdrafts	17	30	–
Total current liabilities		18,367	16,271
TOTAL LIABILITIES		37,038	35,356
TOTAL EQUITY AND LIABILITIES		38,347	36,155

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in stockholders' equity

	Equity attributable to equity holders of Air France-KLM						Equity attributable to non-controlling interests			Total Equity	
	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Perpetual bonds	Reserves and retained earnings	Sub-Total	Perpetual bonds	Reserves and retained earnings		Sub-Total
<i>(in € millions)</i>											
December 31, 2023	262,769,869	263	7,560	(25)	1,076	(10,925)	(2,051)	2,524	27	2,551	500
Other comprehensive income	-	-	-	-	-	181	181	-	-	-	181
Net result for the period	-	-	-	-	-	(400)	(400)	-	86	86	(314)
Total of income and expenses recognized	-	-	-	-	-	(219)	(219)	-	86	86	(133)
Share-based payment	-	-	-	-	-	1	1	-	-	-	1
Coupons on perpetual	-	-	-	-	(25)	(37)	(62)	83	(83)	-	(62)
Tax on coupons on perpetual	-	-	-	-	-	31	31	-	-	-	31
June 30, 2024	262,769,869	263	7,560	(25)	1,051	(11,149)	(2,300)	2,607	30	2,637	337
December 31, 2024	262,769,869	263	7,560	(27)	1,078	(10,638)	(1,764)	2,530	33	2,563	799
Other comprehensive income	-	-	-	-	-	168	168	-	-	-	168
Net result for the period	-	-	-	-	-	314	314	-	87	87	401
Total of income and expenses recognized	-	-	-	-	-	482	482	-	87	87	569
Purchase of treasury shares	-	-	-	(1)	-	-	(1)	-	-	-	(1)
Share-based payment	-	-	-	1	-	1	2	-	-	-	2
Dividend paid	-	-	-	-	-	-	-	-	(1)	(1)	(1)
Perpetual	-	-	-	-	500	(6)	494	(524)	-	(524)	(30)
Coupons on perpetual	-	-	-	-	(24)	(41)	(65)	83	(83)	-	(65)
Tax on coupons on perpetual	-	-	-	-	-	38	38	-	-	-	38
Other	-	-	-	-	-	(2)	(2)	(1)	1	-	(2)
June 30, 2025	262,769,869	263	7,560	(27)	1,554	(10,166)	(816)	2,088	37	2,125	1,309

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

Period from January 1 to June 30

(in € millions)	Notes	2025	2024
Net income		401	(314)
Amortization, depreciation and operating provisions	9	1,457	1,321
Financial provisions	11	150	141
Cost of net debt	11	206	144
Loss (gain) on disposals of tangible and intangible assets		2	(21)
Loss (gain) on disposals of subsidiaries and associates	10	–	(2)
Derivatives – non monetary result		(2)	6
Unrealized foreign exchange gains and losses		(616)	28
Share of (profits) losses of associates		11	(3)
Deferred taxes	12	103	(153)
Other non-monetary items		18	17
Cash flow from operating activities before change in working capital		1,730	1,164
Change in working capital requirement	24	1,297	486
CASH-FLOW FROM OPERATING ACTIVITIES		3,027	1,650
Acquisition of subsidiaries, of shares in non-controlled entities		(11)	(3)
Purchase of property plant and equipment and intangible assets	15	(2,315)	(2,067)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities		–	8
Proceeds on disposal of property plant and equipment and intangible assets	10	573	373
Interest received		88	156
Dividends received		9	1
Decrease (increase) in net investments, more than 3 months		14	131
CASH-FLOW USED IN INVESTING ACTIVITIES		(1,642)	(1,401)
Payments to acquire treasury shares		(1)	–
Purchase of minority interest without change of control		–	(1)
Issuance of perpetual	18.2	494	–
Coupons on perpetual	18.2	(65)	(62)
Issuance of debt	21	314	936
Repayment on debt	21	(1,152)	(1,260)
Payments on lease debts	16	(487)	(442)
New loans		(146)	(11)
Repayment on loans		87	56
Interest paid		(407)	(386)
Dividends paid		(1)	–
CASH-FLOW FROM FINANCING ACTIVITIES		(1,364)	(1,170)
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)		(30)	18
Change in cash and cash equivalents and bank overdrafts		(9)	(903)
Cash and cash equivalents and bank overdrafts at beginning of period	17	4,829	6,181
Cash and cash equivalents and bank overdrafts at end of period	17	4,820	5,278

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1	Business description	9
Note 2	Significant events	9
Note 3	Accounting policies	11
Note 4	Change in the consolidation scope	11
Note 5	Information by activity and geographical area	12
Note 6	External expenses	15
Note 7	Salaries and number of employees	16
Note 8	Other current operating income and expenses	16
Note 9	Amortization, depreciation and provisions	17
Note 10	Sales of aircraft equipment and other non-current income and expenses	17
Note 11	Net cost of financial debt and other financial income and expenses	18
Note 12	Income taxes	18
Note 13	Earnings per share	20
Note 14	Tangible assets	21
Note 15	Capital expenditures	21
Note 16	Right-of-use assets and lease debt	21
Note 17	Cash, cash equivalents and bank overdrafts	22
Note 18	Equity attributable to equity holders of Air France-KLM SA	23
Note 19	Pension assets and retirement benefits	25
Note 20	Return obligation liability and provision for leased aircraft and other provisions	25
Note 21	Financial liabilities	29
Note 22	Alternative performance indicators	31
Note 23	Other liabilities	33
Note 24	Breakdown of the change in working capital	33
Note 25	Flight equipment orders	34
Note 26	Related parties	34

NOTE 1 BUSINESS DESCRIPTION

As used herein, the term “Air France-KLM” refers to Air France-KLM SA, a limited liability company organized under French law. The term “Group” is represented by the economic definition of Air France-KLM and its subsidiaries. The Group is headquartered in France and is one of the largest airlines in the world.

The Group’s core business is network activities which includes passenger transportation on scheduled flights and cargo activities. The Group’s activities also include aeronautics maintenance, leisure passenger

transportation (Transavia) and other air-transport-related activities.

The limited company Air France-KLM, domiciled at 7, rue du cirque 75008 Paris – France, is the parent company of the Air France-KLM Group. Air France-KLM is listed for trading in Paris (Euronext) and Amsterdam (Euronext).

The presentation currency used in the Group’s financial statements is the Euro, which is also Air France-KLM’s functional currency.

NOTE 2 SIGNIFICANT EVENTS

2.1 Significant events occurring during the period

Measures to strengthen operational and financial position at KLM

On January 29, 2025 KLM announced a reduction of 250 jobs in non-operational roles. All related domains have to prepare a specific plan, which will be discussed with the Works Council. KLM will try to avoid forced layoffs, although KLM cannot rule this out in advance.

This event does not have an impact on the 2024 and 2025 financial statements.

Strengthening of commercial partnership with WestJet and acquisition of minority equity stakes

Delta Air Lines and Korean Air (joint venture partners of Air France-KLM) will strengthen their respective partnerships with WestJet through the purchase of minority equity stakes in the Canadian airline from Onex Partners

Under the agreements, 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 approvals, so this event does not have an impact on the financial statements as June, 30 2025

Issue of €500 million of hybrid bonds

Air France-KLM has placed €500 million of hybrid bonds on 15 May 2025, with a fixed annual coupon of 5.75% (yield of 5.875%) until the first reset date.

They are recognised as equity in the consolidated financial statements (see Note 18.2 “Perpetual subordinated notes”).

Extension of revolving credit facilities (“RCF”) linked to ESG KPIs

Air France-KLM and Air France:

Air France-KLM and Air France, combined borrowers, signed in April 2023 a €1.2 billion Sustainability-Linked RCF. This facility included an accordion increase option executed during the first quarter of 2024 for an amount of €90 million bringing the amount available to around €1.3 billion.

The RCF also had an initial maturity in 2026 and two one-year extension options. In April 2024, Air France and Air France-KLM executed the extension option for one year, extending to a 2027 maturity.

Finally and as of July 18, 2024 a new amendment had been signed for Air France-KLM and Air France credit facility involving:

- an extension of the maturity to July 2028 associated with a one-year extension option;
- an increase of the facility from €1,290 million to €1,405 million.

This last extension option was exercised in June 2025, bringing the maturity date to 2029.

KLM:

In April 2023, KLM signed a €1.0 billion RCF including ESG Key Performance Indicators. This RCF had an initial 2027 maturity and included two one-year extension options. In April 2024, a first one-year extension option has been executed extending to a 2028 maturity. In April 2025, the second extension option has been executed extending to a 2029 maturity.

Notification of the redemption of the 2022 super-subordinated notes for a total amount of €497 million

On 20 June, Air France irrevocably notified Apollo Company of the redemption of €497 million of the 2022 super-subordinated notes on 28, July 2025.

Consequently the notes have been reclassified from Equity attributable to non-controlling interests to current financial liabilities as of June 30, 2025 for a total amount of €524 million (the nominal for €497 million and the accrued interests for €27 million). Please refer to Notes 18.2 “Perpetual” and 21 “Financial liabilities”.

2.2 Subsequent events

Process for acquiring a majority stake in SAS

Air France KLM Group will initiate proceedings to take a majority stake in SAS. The Group currently holds a 19,9% stake in the Scandinavian carrier and since the summer of 2024, it has implemented a commercial cooperation between SAS, Air France and KLM in the form of extended codeshare and interline agreements, further strengthened by SAS joining the SkyTeam alliance.

Provided all the necessary conditions are met, Air France-KLM would fully acquire the stakes held by Castlake and Lind Invest, bringing its own stake to 60.5%. The Danish State would retain its 26.4% stake in SAS and its seats on the Board of Directors.

Subject to the obtaining of all the necessary regulatory clearances and satisfaction of all conditions precedents, the ambition is to close in the second half of 2026.

The acquisition of this majority stake would give Air France-KLM control of SAS, which would become a subsidiary of the Air France-KLM Group. The Group would hold the majority of seats on the airline's Board of Directors.

Air France-KLM and SAS remain for now commercial competitors.

NOTE 3 ACCOUNTING POLICIES

Pursuant to the European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of December 31, 2024 were established in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union on the date these consolidated financial statements were established and which were mandatory at that date.

The condensed consolidated financial statements as of June 30, 2025 have been prepared in accordance with IAS 34 "Interim financial reporting".

The accounting policies applied for the condensed interim consolidated financial statements as at June 30, 2025 are in accordance with the accounting principles used by the Group for the consolidated financial statements 2024, except for standards and interpretations adopted by the European Union applicable as from January 1, 2025.

IFRS amendments or standards that are mandatory as from January 1, 2025 are considered as not applicable or as having no material impact on the Air France-KLM Group's financial statements.

The condensed interim consolidated financial statements as of June 30 2025 were approved by the Board of Directors on July 30, 2025.

Changes in accounting principles

IFRS 18, Presentation and Disclosures in Financial Statements

On April 9, 2025, the International Accounting Standards Board (IASB) published its new standard IFRS 18

"Presentation and Disclosures in Financial Statements" which aims to improve the usefulness of information disclosed in primary financial statements and notes, providing investors with more transparent and comparable information.

IFRS 18 replaces IAS 1 "Presentation of Financial Statements" and amends other standards, principally IAS 7 "Statement of Cash Flows".

The main changes concern:

- the improvement of the comparability of the income statement by introducing three distinct categories of income and expenses (operating, investing and financing) and imposing new subtotals including operating income;
- the improvement of the transparency of performance indicators defined by management;
- the introduction of rules and guidance on how to aggregate and disaggregate financial information both in the primary financial statements and in the notes.

IFRS 18 is effective as of January 1, 2027 with early adoption allowed from January 1, 2026. However, IFRS 18 is not yet adopted by the European Union.

The Group is currently assessing the impacts of the new standard, notably on the structure of the income statement; the cash flow statement and the performance measures defined by management and communicated externally.

At this stage, the Group is monitoring other planned changes in accounting standards without expecting significant impacts.

NOTE 4 CHANGE IN THE CONSOLIDATION SCOPE

On February 1st, 2024, KLM sold its 100%-owned subsidiary KLM Equipment Services B.V. to TCR International N.V. (TCR). No significant acquisitions took place in 2024.

No significant acquisitions or disposals took place during the period ended June 2025.

NOTE 5 INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

Business segments (Note 5.1)

The segment information is prepared on the basis of internal management data communicated to the Executive Committee, the Group's principal operational decision-making body.

The Group is organized around the following segments:

- **Network:** The revenues for this segment, which includes the Passenger and Cargo network, primarily come from passenger transportation services on scheduled flights with the Group's airline code (excluding Transavia), including flights operated by other airlines under code-share agreements. They also include code-share revenues, revenues from excess baggage and airport services supplied by the Group to third-party airlines and services linked to IT systems. Network revenues also include freight carried on flights operated under the codes of the airlines within the Group and flights operated by other partner airlines under code-share agreements. Other cargo revenues are derived principally from the sale of cargo capacity to third parties and the transportation of shipments on behalf of the Group by other airlines;
- **Maintenance:** Maintenance operating revenues are generated through maintenance services provided to other airlines and customers worldwide;
- **Transavia:** The revenues from this segment come from the "leisure" activity realized by Transavia;
- **Other:** The revenues from this segment come from various services provided by the Group and not covered by the three segments mentioned above.

The results of the business segments are those that are either directly attributable or that can be allocated on a reasonable basis to these business segments. Amounts allocated to business segments mainly correspond to the current EBITDA, current operating income and to the income from operating activities. Other elements of the income statement are presented in the "non-allocated" column.

Inter-segment transactions are evaluated based on normal market conditions.

Geographical segments (Note 5.2)

Activity by destination

Group Traffic sales by destination are broken down into seven geographical areas:

- Metropolitan France;
- Europe (excluding France) and North Africa;
- Caribbean, West Indies, French Guyana and Indian Ocean;
- Africa (excluding North Africa), Middle East;
- North America, Mexico and french Polynesia;
- South America (excluding Mexico);
- Asia and New Caledonia.

5.1 Information by business segment

Year ended June 30, 2025

<i>(in € millions)</i>	Notes	Network	Mainten ance	Transavia	Other	Non- allocated	Consolid ation adjustme nts	Total
Passenger traffic revenues	5.2	11,441	–	1,507	–	–	–	12,948
Cargo traffic revenues	5.2	994	–	–	–	–	–	994
Other revenues ⁽¹⁾		530	1,153	(35)	17	–	–	1,665
Intersegment revenues		13	1,636	1	132	–	(1,782)	–
Segment revenues		12,978	2,789	1,473	149	–	(1,782)	15,607
Other revenues		–	–	–	1	–	–	1
Revenues from ordinary activities		12,978	2,789	1,473	150	–	(1,782)	15,608
Aircraft fuel & SAF		(2,833)	(1)	(358)	–	–	–	(3,192)
Salaries and related costs		(3,431)	(638)	(404)	(403)	–	9	(4,867)
Others		(5,201)	(1,812)	(706)	263	–	1,773	(5,683)
Current EBITDA	22	1,513	338	5	10	–	–	1,866
Depreciation and amortization for the period		(1,041)	(203)	(199)	(14)	–	–	(1,457)
Income from current operations		473	135	(193)	(6)	–	–	409
Income from operating activities		463	134	(194)	(6)	–	–	397
Share of profits (losses) of associates		2	(8)	–	(5)	–	–	(11)
Net cost of financial debt and other financial income and expenses		–	–	–	–	191	–	191
Income taxes		–	–	–	–	(176)	–	(176)
NET INCOME		465	126	(194)	(11)	15	–	401

(1) This line includes compensation paid to clients in accordance with EU261.

Year ended June 30, 2024

<i>(in € millions)</i>	Notes	Network	Mainten ance	Transavia	Other	Non- allocated	Consolid ation adjustme nts	Total
Passenger traffic revenues	5.2	10,856	–	1,318	–	–	–	12,174
Cargo traffic revenues	5.2	903	–	–	–	–	–	903
Other revenues ⁽¹⁾		524	1,001	(17)	17	–	–	1,525
Intersegment revenues		12	1,424	4	126	–	(1,566)	–
Segment revenues		12,295	2,425	1,305	143	–	(1,566)	14,602
Other revenues		–	–	–	1	–	–	1
Revenues from ordinary activities		12,295	2,425	1,305	144	–	(1,566)	14,603
Aircraft fuel & SAF		(3,114)	(2)	(370)	–	–	–	(3,486)
Salaries and related costs		(3,278)	(591)	(345)	(390)	–	8	(4,596)
Others		(4,815)	(1,600)	(583)	268	–	1,557	(5,173)
Current EBITDA	22	1,088	232	6	19	–	–	1,345
Depreciation and amortization for the period		(998)	(166)	(145)	(12)	–	–	(1,321)
Income from current operations		90	66	(139)	7	–	–	24
Income from operating activities		(14)	65	(139)	9	–	–	(79)
Share of profits (losses) of associates		1	2	–	–	–	–	3
Net cost of financial debt and other financial income and expenses		–	–	–	–	(357)	–	(357)
Income taxes		–	–	–	–	119	–	119
NET INCOME		(13)	67	(139)	9	(238)	–	(314)

(1) This line includes compensation paid to clients in accordance with EU261.

5.2 Information by geographical area

Activity by destination

TRAFFIC SALES BY GEOGRAPHICAL AREA OF DESTINATION

Year ended June 30, 2025

<i>(in € millions)</i>	Notes	Metropolitan France	Europe (excl. France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (excl. North Africa) Middle East	North America, Mexico French Polynesia	South America, excl. Mexico	Asia, New Caledonia	Total
Passenger	5.1	545	2,735	899	1,365	3,001	1,185	1,711	11,441
Cargo	5.1	108	192	19	133	144	120	278	994
Transavia	5.1	61	1,336	–	110	–	–	–	1,507
TOTAL TRANSPORTATION		714	4,263	918	1,608	3,145	1,305	1,989	13,942

Year ended June 30, 2024

<i>(in € millions)</i>	Notes	Metropolitan France	Europe (excl. France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (excl. North Africa) Middle East	North America, Mexico French Polynesia	South America, excl. Mexico	Asia, New Caledonia	Total
Passenger	5.1	543	2,592	895	1,383	2,733	1,095	1,615	10,856
Cargo	5.1	101	144	14	152	128	144	220	903
Transavia	5.1	62	1,154	–	102	–	–	–	1,318
TOTAL TRANSPORTATION		706	3,890	909	1,637	2,861	1,239	1,835	13,077

NOTE 6 EXTERNAL EXPENSES

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
Aircraft fuel	(3,073)	(3,380)
SAF	(118)	(106)
CO ₂ quotas	(151)	(125)
Chartering costs	(232)	(247)
Landing fees and air route charges	(1,116)	(976)
Catering	(471)	(434)
Handling charges	(1,041)	(974)
Aircraft maintenance costs	(1,824)	(1,598)
Commercial and distribution costs	(568)	(553)
Other external expenses	(1,014)	(992)
TOTAL	(9,608)	(9,385)

A portion of external expenses, mainly aircraft fuel and maintenance, is sensitive to fluctuations in the US dollar exchange rate

The hedges covering this currency exposure are presented in Note 8 "Other current operating income and expenses".

NOTE 7 SALARIES AND NUMBER OF EMPLOYEES

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
Wages and salaries	(3,389)	(3,221)
Social contributions	(631)	(582)
Pension costs on defined contribution plans	(508)	(483)
Pension costs of defined benefit plans	(79)	(76)
Cost of temporary employees	(132)	(136)
Profit sharing	(64)	(21)
Payment linked with shares	(1)	(1)
Other expenses	(63)	(76)
TOTAL	(4,867)	(4,596)

Pension costs on defined contribution plans

The Group pays contributions to a multi-employer plan in France, the CRPN (public pension fund for crew). Since this multi-employer plan is assimilated with a French

State plan, it is accounted for as a defined contribution plan in "pension costs on defined contribution plans".

All major KLM pension plans in the Netherlands are qualified as defined contribution scheme.

FULL-TIME EQUIVALENT ⁽¹⁾

Period from January 1 to June 30	2025	2024
Flight deck crew	9,347	8,906
Cabin crew	22,755	22,187
Ground staff	46,924	46,403
Temporary employees	2,361	2,480
TOTAL	81,387	79,976

(1) Calculations are made using the double-weighting method (time present over the period and working time).

NOTE 8 OTHER CURRENT OPERATING INCOME AND EXPENSES

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
Capitalized production	755	728
Joint operation of routes	(19)	3
Operations-related currency hedges	5	25
Other	94	63
TOTAL	835	819

NOTE 9 AMORTIZATION, DEPRECIATION AND PROVISIONS

Period from January 1 to June 30

(in € millions)	2025	2024
AMORTIZATION		
Intangible assets	(89)	(82)
Flight equipment	(657)	(577)
Other property, plant and equipment	(94)	(90)
Right-of-use assets	(724)	(613)
Sub-Total	(1,564)	(1,362)
DEPRECIATION AND PROVISIONS		
Trade receivables	26	20
Risks and contingencies	81	21
Sub-Total	107	41
TOTAL	(1,457)	(1,321)

In 2024 and 2025, movements in provisions were mainly linked to restitution of aircraft.

The balance sheet movements in provisions for risks and charges are detailed in Note 20.

NOTE 10 SALES OF AIRCRAFT EQUIPMENT AND OTHER NON-CURRENT INCOME AND EXPENSES

Period from January 1 to June 30

(in € millions)	2025	2024
Sales and leaseback	2	(2)
Other aeronautical sales	(4)	17
Sales of aeronautical assets	(2)	15
Other non-current income and expenses	(10)	(118)

Six-month period ended June 30, 2025

Sales of aircraft equipment

The impact of aircraft sales and leasebacks resulted in a gain of €2 million in the income statement and a result on disposal of €558 million in the cash flow statement as of June 30, 2025.

Six-month period ended June 30, 2024

Sales of aircraft equipment

The impact of aircraft sales and leasebacks resulted in a loss of €(2) million in the income statement and a result on disposal of €328 million in the cash flow statement as of June 30, 2024.

Other aeronautical sales

The impact of other aeronautical sales mainly corresponded to a B777 refinancing for KLM and has led to a gain of €16 million as of June 30, 2024.

Other non-current income and expenses

The impact of other non-current income and expenses included a compensation of €(115) million to be paid by Air France-KLM to Virgin as part of the renegotiation of a contract.

NOTE 11 NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
Income from marketable securities	46	78
Other financial income	56	92
Income from cash and cash equivalents	102	170
Interest on financial liabilities	(151)	(163)
Interest on lease debt	(166)	(140)
Capitalized interests	32	25
Other non-monetary items	(6)	(13)
Other financial expenses	(18)	(23)
Interest charges	(309)	(314)
Net cost of financial debt	(207)	(144)
Foreign exchange gains (losses), net	555	(47)
Financial instruments	2	(6)
Net (charge)/release to provisions	(3)	(3)
Undiscounting of provision	(147)	(138)
Other	(9)	(19)
Other financial income and expenses	398	(213)
TOTAL	191	(357)

Net cost of financial debt

Income from cash and cash equivalents mainly comprises interest income from marketable securities and other financial assets, as well as net income on disposals of marketable securities.

Foreign exchange gains (losses)

As of June 30, 2025, the foreign exchange gain includes an unrealized currency gain of €601 million composed of:

- an unrealized gain of €483 million on return obligation liabilities and provisions on aircraft in US dollars;
- an unrealized gain, net of exchange rate derivatives, of €79 million on the net debt, mainly composed of a gain of €63 million on US Dollar and a gain of €19 million on Japanese Yen.
- a gain of €37 million on other assets and liabilities mainly due to US dollars on the working capital.

As of June 30, 2024, the foreign exchange loss included mainly an unrealized currency loss of €(28) million composed of:

- a loss of €(108) million on return obligation liabilities and provisions on aircraft in US dollars;
- a gain of €85 million on the financial liabilities, mainly composed of a loss of €12 million on US Dollar and a gain of €61 million on Japanese Yen and a gain of €16 million on Swiss Franc.

Undiscounting of provision

The rate used to undiscount the long term return obligation liability and provision for leased aircraft and other provisions non current is 6,8% in 2025 against 7,3% in 2024 (see Note 20.1.1 "Return obligation liability and provision on leased aircraft").

NOTE 12 INCOME TAXES

The tax income or expense at Group level is as follows :

Period from January 1 to June 30

(in € millions)

	2025	2024
Total income tax income/(expense)	(176)	119
Tax on items recognized in equity ⁽¹⁾	(2)	(15)

(1) Including €38 million of tax on coupons on perpetual as of June 30, 2025 (and €30 million as of June 30, 2024).

Period from January 1 to June 30

(in € millions)

	2025	2024
Income before tax of consolidated companies	588	(436)
Total income tax income/(expense)	(176)	119
Effective tax rate	(30)%	(27)%

Effective tax rate as of June 30, 2025

The effective tax rate for Air France KLM Group is 30 % as of June 30, 2025 taking into account the exceptional contribution on the profits of large companies for the French tax Group involving a theoretical effective tax rate of 30.2 % in this jurisdiction. The theoretical effective tax rate for the Dutch tax group remains at 25.8%

OECD Pillar Two model rules

The Air France-KLM Group is subject to the OECD's Pillar 2 rules, following their transposition into French law and enactment for fiscal years beginning on or after December 31, 2023. Under this legislation, the Group is required to pay an additional tax for the difference between its GloBE effective tax rate (TEI GloBE) in each jurisdiction and the minimum rate of 16% (for fiscal year 2025).

Temporary protection schemes have been introduced for a maximum of three financial years, enabling the rules to be deferred. These schemes consist of simplified tests against the Pillar Two rules, calculated by jurisdiction and at the end of each financial year.

As of December 31, 2024 the Group considered that it could benefited from the temporary protection schemes in almost all the jurisdictions in which it operates, except for France mainly due to recognition/derecognition of deferred taxes and in non- significant jurisdictions, which must therefore carry out a full calculation of TEI GloBE in accordance with the law in force and the available OECD recommendations.

The full calculation of the TEI GloBE for the French jurisdiction exceeded the minimum rate of 15%. Consequently, no additional tax expense had been recorded at December 31, 2024.

The Group has not identified any trigger that would reconsider the calculations made as of December 31, 2024 and does not anticipate any additional tax expense to be recognized for fiscal year 2025.

Consequently, the effective tax rate forecasted for full year 2025 is not affected by Pillar 2 legislation as of June 30, 2025.

NOTE 13 EARNINGS PER SHARE

RESULTS USED FOR THE CALCULATION OF BASIC EARNINGS PER SHARE

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
Net income for the period – Equity holders of Air France-KLM	314	(400)
Coupons on perpetual - net after tax	(28)	(27)
Basic net income for the period – Equity holders of Air France-KLM	286	(427)

RESULTS USED FOR THE CALCULATION OF DILUTED EARNINGS PER SHARE

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
Basic net income for the period – Equity holders of Air France-KLM	286	(427)
Consequence of potential ordinary shares on net income: interests paid on convertible bonds (after tax)	7	–
Net income for the period – Equity holders of Air France-KLM (taken for calculation of diluted earnings per share)	293	(427)

RECONCILIATION OF THE NUMBER OF SHARES USED TO CALCULATE EARNINGS PER SHARE

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
Weighted average number of:		
■ common shares issued	262,769,869	262,769,869
■ Treasury stock held regarding stock option plan and Other treasury stock	(157,547)	(137,068)
Number of shares used to calculate basic earnings per share	262,612,322	262,632,801
Number of potentially dilutive shares	19,996,070	22,421,076
Number of ordinary and potential ordinary shares used to calculate diluted earnings per share	282,608,392	285,053,877

As a reminder, following the repayment of €452 million of OCEANE bonds on 25 March 2024 the number of potential dilutive shares linked to the outstanding OCEANE 2026 has therefore been decreased from 4,966,518 shares to 472,580 shares.

The remaining €48 million of bonds due March 25, 2026 have been repaid in cash on May 10, 2024 under the conditions set out in the Terms and Conditions of the said OCEANE 2026 for cancellation in accordance with the applicable law. These remaining bonds were repaid in advance. This residual redemption amount is equivalent of 2,654,942 of bonds.

There is therefore no outstanding OCEANE 2026 bonds as of June 30, 2024.

The number of potential dilutive shares linked to the subordinated perpetual convertible bonds, convertible into new shares and/or exchangeable into existing shares is 19 996 070 shares as of June, 30 2025.

The potential conversion of these two instruments and their impact on earnings have been taken into consideration to determine diluted earning per share as of June 30, 2025.

As of June 30, 2025, taking into account the above items, the basic earnings per share amounts to €1.09 and the diluted earnings per share amounts to €1.04.

NOTE 14 TANGIBLE ASSETS

<i>(in € millions)</i>	Flight equipment				Other tangible assets					Total
	Owned aircraft	Assets in progress	Other	Total	Land and buildings	Equipment and machinery	Assets in progress	Other	Total	
GROSS VALUE										
December 31, 2024	18,450	1,918	2,902	23,270	2,877	1,092	297	1,088	5,354	28,624
June 30, 2025	18,566	2,857	3,063	24,486	2,920	1,101	327	1,102	5,450	29,936
DEPRECIATION										
December 31, 2024	(10,071)	–	(852)	(10,923)	(2,087)	(853)	–	(881)	(3,821)	(14,744)
June 30, 2025	(10,208)	–	(884)	(11,092)	(2,124)	(851)	–	(887)	(3,862)	(14,954)
NET VALUE										
December 31, 2024	8,379	1,918	2,050	12,347	790	239	297	207	1,533	13,880
June 30, 2025	8,358	2,857	2,179	13,392	796	250	327	215	1,587	14,982

NOTE 15 CAPITAL EXPENDITURES

The detail of capital expenditures on tangible and intangible assets presented in the consolidated cash flow statements is as follows:

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
Acquisition of flight equipment	2,059	1,801
Acquisition of other tangible assets	151	145
Acquisition of intangible assets	108	86
Change in fixed assets liabilities	(3)	35
TOTAL	2,315	2,067

NOTE 16 RIGHT-OF-USE ASSETS AND LEASE DEBT

The table below presents the right-of-use assets per category:

<i>(in € millions)</i>	Aircraft	Maintenance	Land & Real Estate	Others	Total
NET VALUE					
December 31, 2024	4,031	2,819	679	63	7,592
June 30, 2025	4,638	3,060	709	72	8,479

The table below presents the lease debt per category:

<i>(in € millions)</i>	As of June 30, 2025			As of December 31, 2024		
	Non- current	Current	Total	Non- current	Current	Total
Lease debt – Aircraft	3,963	726	4,689	3,834	780	4,614
Lease debt – Aircraft spare parts	104	54	158	115	61	176
Lease debt – Real estate	737	107	844	712	103	815
Lease debt – Other	60	13	73	53	15	68
Accrued interest	–	22	22	–	23	23
TOTAL – LEASE DEBT	4,864	922	5,786	4,714	982	5,696

NOTE 17 CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS

<i>(in € millions)</i>	As of June 30, 2025		As of December 31, 2024	
	Total	Of which: pledged or secured	Total	Of which: pledged or secured
Liquidity funds (SICAV) (assets – debt instruments)	1,790	7	1,442	7
Bank deposits (assets – debt instruments) and term accounts	1,645	–	1,543	–
Cash in hand	1,415	–	1,844	–
Cash and cash equivalents	4,850	7	4,829	7
Bank overdrafts	(30)	–	–	–
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS	4,820	7	4,829	7

NOTE 18 EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM SA

18.1 Issued capital

As of June 30, 2025, the issued capital of Air France-KLM comprised 262,769,869 fully paid-up shares with a par value of €1 and the share capital of the Air France-KLM group amounts to €263 million. Each share with a nominal value of one euro is entitled to one vote.

However, since April 3, 2016, shareholders who have owned their shares for at least two years have benefited from double voting rights.

The breakdown of the share capital and voting rights is as follows:

	% of capital		% of voting rights	
	As of June 30, 2025	As of December 31, 2024	As of June 30, 2025	As of December 31, 2024
French State	28.0	28.0	29.3	27.5
Dutch State	9.1	9.1	13.0	13.3
CMA CGM	8.8	8.8	12.5	12.8
China Eastern Airlines	4.6	4.6	6.5	6.7
Employees and former employees	3.0	3.1	2.9	3.0
Delta Air Lines	2.8	2.8	4.0	4.1
SPAAK ⁽¹⁾	0.9	0.9	1.2	1.2
Other	42.8	42.7	30.7	31.4
TOTAL	100	100	100	100

(1) Stichting Piloten Aandelen Air France-KLM.

The line "Employees and former employees" includes the shares held by employees and former employees identified in the "Fonds Communs de Placement d'Entreprise (FCPE)".

As of June 30, 2025, all securities have been issued and paid up.

18.2 Perpetual

<i>(in € millions)</i>		December 31, 2024	Repayment – Nominal	Issuance – Nominal	Monetary change – Coupons	Non-monetary change	June 30, 2025
2023 perpetual super-subordinated bonds	Nominal	727	–	–	–	–	727
	Coupons	44	–	–	(55)	27	16
Last-rank indefinite subordinated bond convertible into new shares and/or existing shares	Nominal	305	–	–	–	–	305
	Coupons	2	–	–	(10)	10	2
Last-rank indefinite subordinated bond	Nominal	–	–	494	–	6	500
	Coupons	–	–	–	–	4	4
TOTAL PERPETUAL – ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM		1,078	–	494	(65)	47	1,554
2022 perpetual super-subordinated bonds	Nominal	497	–	–	–	(497)	–
	Coupons	13	–	–	–	(13)	–
July 2023 perpetual super-subordinated bonds	Nominal	498	–	–	–	–	498
	Coupons	16	–	–	–	17	33
November 2023 perpetual super-subordinated bonds	Nominal	1,493	–	–	–	–	1,493
	Coupons	13	–	–	–	51	64
TOTAL PERPETUAL – NON-CONTROLLING INTERESTS		2,530	–	–	–	(442)	2,088
Total cash flows			–	494	(65)		

Notification of the redemption of the 2022 super-subordinated notes for a total amount of €497 million

On 20 June, Air France irrevocably notified Apollo Company of the redemption of €497 million of the 2022 super-subordinated notes on 28, July 2025.

Consequently the notes have been reclassified from Equity attributable to non-controlling interests to current financial liabilities as of June 30, 2025 for a total amount of €524 million (the nominal for €497 million and the accrued interests for €27 million). Please refer to Note 21 “Financial liabilities”.

Issue of €500 million of hybrid bonds

Air France-KLM has placed €500 million of hybrid bonds (€494 million net of emission fees) on 15 May 2025, with a fixed annual coupon of 5.75% (yield of 5.875%) until the first reset date.

NOTE 19 PENSION ASSETS AND RETIREMENT BENEFITS

As of June 30, 2025, the discount rates used by the companies to calculate the defined benefit obligations are the following:

	As of June 30, 2025	As of December 31, 2024
Euro zone - duration 10 to 15 years	3.58 %	3.30 %
UK - duration 20 years and more	5.55 %	5.45 %

The inflation rates used are the following:

	As of June 30, 2025	As of December 31, 2024
Euro zone - duration 10 to 15 years	2.00 %	2.00 %
UK - duration 20 years and more	2.90 %	3.25 %

The 10 to 15 years duration rate mainly concerns the plans located in France.

As of June 30, 2025, the remeasurement of defined benefit pension obligation is composed of (before tax):

As of June 30	2025	2024
Impact of the change in discount rate	46	98
Impact of the change in inflation rate	11	(15)
Difference between the expected and actual return on assets	(17)	(2)
TOTAL	40	81

Net of tax, the remeasurement of defined benefit pension obligation amounts to €43 million.

The impact of variations in discount rates on the defined benefit obligation has been calculated using the sensitivity analysis of the defined benefit pension obligation. The sensitivity analysis is outlined in the note 29.2 to the consolidated financial statements for the year ended December 31, 2024.

NOTE 20 RETURN OBLIGATION LIABILITY AND PROVISION FOR LEASED AIRCRAFT AND OTHER PROVISIONS

(in € millions)	Return obligation liability on leased aircraft	Maintenance on leased aircraft	Restructuring	Litigation	Provisions for CO ₂ quota surrenders	Others	Total
Amount as of January 1, 2024	3,802	161	82	516	213	110	4,884
Of which: Non-current	3,532	148	-	36	-	89	3,805
Current	270	13	82	480	213	21	1,079
Amount as of December 31, 2024	4,572	169	87	464	250	132	5,674
Of which: Non-current	4,163	153	-	69	-	108	4,493
Current	409	16	87	395	250	24	1,181
Amount as of June 30, 2025	4,378	172	76	464	385	134	5,609
Of which: Non-current	4,047	153	-	67	133	113	4,513
Current	331	19	76	397	252	21	1,096

The movements in provisions for litigation and other risks and charges with an impact on the income statement are booked in the lines of the income statement corresponding to the nature of the expenses

20.1 Provisions

20.1.1 Return obligation liability and provision on leased aircraft

The discount rate used to calculate these restitution liabilities and provisions is 6.8% as of June 30, 2025 against 7.3 % as of June 30, 2024 (see Note 11 "Net cost of financial debt and other financial income and expenses").

20.1.2 Restructuring provisions

The movements in restructuring provisions with a significant impact on the income statement are booked in "Other non-current income and expenses" (see Note 10 "Sales of aircraft equipment and other non-current income and expenses").

20.1.3 Litigation

In the normal course of its activities, the Air France-KLM Group, its subsidiaries Air France and KLM (and their subsidiaries) are involved in litigation cases, some of which may be significant.

An assessment of litigation risks with third parties has been carried out with the Group's attorneys and provisions have been recorded whenever circumstances require.

The provisions for disputes also include provisions for tax contingencies that are not covered by IAS 12. Such provisions are created when the Group estimates, in the context of tax audits, that the tax authorities may challenge a tax position taken by the Group or one of its subsidiaries

20.1.4 Litigation concerning anti-trust laws in the air-freight industry

Air France, KLM and Martinair, a wholly-owned subsidiary of KLM since January 1, 2009, have been involved, since February 2006, with up to twenty-five other airlines in investigations initiated by some antitrust authorities around the world, with respect to allegations of anti-competitive agreements or concerted actions in the air freight industry.

As of December 31, 2021, most of these investigations had been terminated following the entry into plea agreements between the three companies of the Group and the appropriate competition authorities, providing for the payment of settlement amounts or fines, with the exception of the proceeding initiated by the European Commission which is still pending.

In Europe, the decision of the European Commission of 2010 against eleven air cargo carriers, including the companies of the Group, Air France, KLM and Martinair, was annulled by the General Court of the European Union on December 16, 2015 because it contained a contradiction regarding the exact scope of the practices sanctioned. On March 17, 2017, the European Commission issued a new decision against the aforementioned cargo carriers, including Air France, KLM and Martinair. The total amount of fines imposed in respect of this decision at the Air France-KLM group level was €339 million. This amount was slightly reduced by €15.4 million as compared to the initial decision owing to a lower fine for Martinair due to technical reasons. On May 29 and 30, 2017, the Group companies filed an appeal against this decision before the

General Court of the European Union. The hearings before the General Court took place on June and July 2019.

The decision from the General Court in March 2022 confirmed the fines against Air France-KLM group companies. The Group companies lodged appeals in June 2022 to the European Union Court of Justice and hearings were held before the European Court of Justice on April 18 and 19, 2024. Opinion of the Advocate General is expected on September 5, 2024 and proposed to the Court to dismiss the appeals. Final judgment of the European Court of Justice is expected to be issued in 2025. As of June 30, 2025, the Group has maintained a provision of €366 million covering the total amount of these fines (and including interests).

20.1.5 Case brought against KLM by (former) Martinair pilots

In 2015, a case was brought against KLM by 152 (former) Martinair airline pilots, hereafter called "Vrachtliegers". In 2016 and 2018, the District Court and Court of Appeal ruled in favor of KLM and rejected all claims of plaintiffs. In November 2019, however, the Supreme Court ruled against KLM on the basis of lack of sufficient motivation and referred the case to another Court of appeal. On June 8, 2021, this Court of appeal rendered its judgment in favor of the plaintiffs, the former Martinair pilots, ruling that the transfer of the cargo department qualifies as a transfer of undertaking.

According to the ruling the rights and obligations under the employment contracts of 116 Martinair pilots automatically transfer to KLM as per January 1, 2014. The Court of Appeal rejected the plaintiffs' claim to also transfer the rights regarding seniority accrued at Martinair.

Vrachtliegers filed complaints on August 8, 2021 at the Supreme Court claiming that the rights regarding seniority accrued at Martinair should transfer to KLM. On June 24, 2022, the General Attorney has given the advice to the Supreme Court that the complaints should be rejected. On January 20, 2023, the Supreme Court ruled that this claim is denied.

The pilots also started a new court case about the implementation by KLM of the "transfer of undertaking". The hearing took place on November 15, 2023. The Court rendered a decision on January 11, 2024, in which all claims have been declined except that seniority built up within Martinair should be respected in case of dismissal (which is in line with current law).

As of June 30, 2025 the provision amounted to €22 million (unchanged compared with December 31, 2024).

20.1.6 Other provisions

Other provisions relate principally to provisions for onerous contracts and provisions for the dismantling of buildings on non-freehold land.

20.2 Contingent liabilities

The Group is involved in governmental, judicial and arbitration procedures for which in some cases provisions have not been recorded in the financial statements in accordance with the applicable accounting rules.

Indeed, at this stage in these procedures, the Group is not in a position to give a reliable financial estimate of the potential loss that could be incurred in connection with these disputes.

Moreover, the Group believes that any additional disclosed information could be harmful to legal position procedures.

20.2.1 Litigations concerning anti-trust laws in the air-freight industry

Following the initiation of various investigations by the competition authorities in February 2006 and the European Commission decision in 2010, several collective and individual actions were brought by forwarders and air-freight shippers in the civil courts against Air France, KLM and Martinair, and other cargo operators, in a number of civil jurisdictions.

Under these civil lawsuits, shippers and freight forwarders are claiming for damages to compensate alleged higher prices due to alleged competition law infringement.

For Air France, KLM and Martinair, certain civil claims are still pending in the Netherlands and in Norway. The Group companies and the other airlines involved in these lawsuits continue to vigorously oppose these civil claims.

20.2.2 Other litigations

Rio-Paris AF447 flight

On March 28, 2011, Air France and Airbus were indicted for manslaughter of the 228 victims who died in the crash of the AF447 Rio-Paris flight on June 1, 2009.

The investigating judges of the Court of First Instance ruled in favor of Air France and Airbus by issuing an order dismissing the case on September 4, 2019.

The Public Prosecutor's Office and most of the civil parties (including the Pilots' associations and unions) appealed this decision. The Paris Court of Appeals ruled on May 12, 2021, referring Airbus and Air France to the Criminal Court. The criminal trial took place from October 10 to December 8, 2022 at Paris Criminal Court. After an acquittal by the Public Prosecutor's Office, the Court issued a judgment of acquittal on April 17, 2023, based on the absence of a causal link between the faults found and the accident. On April 27, 2023, the Public Prosecutor's Office appeals against the acquittal of Airbus and Air France.

The appeal will be held before the Paris Court of Appeal from September 29, 2025 until November 27, 2025.

Litigations on State Aid

In 2020, the implementation of the measures to reinforce the Group's liquidity (i.e. (i) a loan guaranteed by the French State (PGE) in the amount of €4 billion and a €3 billion loan from the French State, as well as (ii) a revolving credit facility of €2.4 billion guaranteed by the Dutch State and a €1 billion loan from the Dutch State), were approved by the European Commission under the Covid-19 State Aid rules (decisions respectively of May 4, 2020 and July 13, 2020), this latter decision having been replaced, after annulment for failure to state reasons, by a decision dated July 16, 2021).

On April 6, 2021, the Group announced the first part of its overall recapitalization plan. Certain measures in this plan contained State Aid (so-called "Covid-19 recapitalization" program) which were accordingly notified by the French

authorities to the European Commission, the latter approving them in its decision of April 5, 2021. This decision made the approval of the measures subject to a number of commitments undertaken by the French State and leading notably to the allocation by Air France of landing and take-off slots to a designated third-party carrier at Orly airport.

Like most of the decisions with respect to airlines receiving State Aid in the context of the Covid-19 crisis, the European Commission's decisions granting support measures to Air France and KLM have been subject to annulment proceedings brought by Ryanair. On December 20, 2023 and February 7, 2024, the General Court of the European Union annulled the decisions of the European Commission mentioned above. These annulments were made solely on the grounds of an incorrect determination of the beneficiary of these aids, which, according to the Tribunal, should have been the Group itself. Air France-KLM, Air France, KLM, and the European Commission have lodged appeals for annulment before the Court of Justice of the European Union against the Tribunal's rulings. The Court of Justice of the European Union has yet to rule on these appeals.

Uncertainty remains as to the legal and financial consequences of cancelling the decisions approving state aid until a final ruling is obtained from the courts of the Union.

It shall be borne in mind that, in the course of 2022 and 2023 and pursuant to the applicable legal framework, the Group repaid in full the aforementioned Covid-19 liquidity and recapitalization State aid for, which were subject to the aforementioned commitments and constraints (commitments, behavioral measures, application of interest). As a result, the Air France-KLM holding company, Air France and KLM are therefore fully released from the aforementioned undertakings and constraints which had been linked to this Covid-19 recapitalization aid. The potential indirect consequences of the annulment of the approval of state aid (subject to the possible success of the aforementioned appeals) could include a request for the recovery of unreimbursed benefits by the French authorities, in some cases limited to illegality interest only.

The European Commission, re-approved on July 10, 2024, the Group's liquidity support measures in a single decision confirming their compatibility with Union law. This new decision has no impact on the aforementioned appeals. This decision was subject to a new action for annulment before the General Court of the European Union by Ryanair on April 14, 2025. Air France-KLM, Air France and KLM will intervene, alongside the French and Dutch governments, in support of the European Commission's defense.

Finally, as it has done in similar cases, the European Commission may also decide, if necessary, to initiate a formal examination procedure on the recapitalization measures, during which the Group will defend its interests to the best of its ability.

In January 2025, Air France-KLM was informed that Ryanair had filed an appeal before the Paris Administrative Court against the French State following the aforementioned annulment rulings of the General Court of the European Union. Ryanair's request seeks to compel the State to recover any advantage granted by the State that is alleged to have not yet been reimbursed, along with illegality interest. On July 3, 2025, Air France

KLM and Air France joined as parties to defend this action with the French State. The proceedings are ongoing.

In April 2025, Air France-KLM was also informed of similar proceedings (initially administrative) brought by Ryanair against the Dutch authorities concerning the decision on aid granted to KLM in 2020. The proceedings are ongoing.

In view of the aforementioned new approval in July 2024, these appeals could give rise to the payment of (i) so-called "illegality interest" for the period between the granting of this aid and its new approval in July 2024 (the nominal amount of liquidity aid no longer being subject to any recovery). In respect of recapitalization measures, a recovery of an amount to be determined could be added to the amounts already reimbursed.

If the Court of Justice of the European Union were to annul the aforementioned rulings of the General Court of the European Union, Ryanair's appeal would become moot.

Except as indicated in 20.1 and 20.2, the Company is not aware of any litigation, governmental, legal or arbitration proceedings (including any proceedings of which the issuer is aware, which are pending or which it is threatened with) which may have or have recently had a material effect on the Company's financial position, results of operations, assets or profitability, for a period covering at least the last twelve months.

NOTE 21 FINANCIAL LIABILITIES

(in € millions)	June 30, 2025			December 31, 2024		
	Non current	Current	Total	Non current	Current	Total
Perpetual subordinated loan in Yen	118	–	118	123	–	123
Perpetual subordinated loan in Swiss francs	401	–	401	398	–	398
Sustainability-linked bonds	500	500	1,000	1,000	–	1,000
Plain vanilla Bonds	1,056	497	1,553	1,078	515	1,593
Debt on leases with bargain option	3,300	612	3,912	3,527	642	4,169
Other financial liabilities	1,137	276	1,413	1,127	421	1,548
Accrued interest	–	67	67	1	114	115
TOTAL – FINANCIAL LIABILITIES	6,512	1,952	8,464	7,254	1,692	8,946

CHANGE IN FINANCIAL LIABILITY

(in € millions)	December 31, 2024	New financial debt	Reimbursement of financial debt	Currency translation adjustment	Other	June 30, 2025
Perpetual loan in Japanese Yen and Swiss Francs	521	–	–	(2)	–	519
Sustainability-linked bonds	1,000	–	–	–	–	1,000
Plain vanilla Bonds	1,593	–	(515)	(22)	497	1,553
Debt on leases with bargain option	4,169	188	(377)	(80)	12	3,912
Other financial liabilities	1,548	126	(260)	(6)	5	1,413
Accrued interest	115	–	–	–	(48)	67
TOTAL	8,946	314	(1,152)	(110)	466	8,464

21.1 Bonds

Repayment of the outstanding €515 million from a bond issued in 2020.

On January 16, 2025, Air France-KLM has repaid the outstanding €515 million from a bond issued in 2020.

Notification of the redemption of the 2022 super-subordinated notes for a total amount of €497 million

On 20 June, Air France irrevocably notified Apollo Company of the redemption for €497 million on 28, July 2025 of the July 2022 super-subordinated notes.

As a result, these securities were reclassified from subordinated securities with indefinite maturities to current financial liabilities as at 30 June 2025 for a total amount of €524 million (the nominal amount of €497 million and accrued interest not yet due of €27 million). (please refer to Note 18.2 “Perpetual”).

Maturity analysis

The financial liabilities maturities break down as follows:

<i>(in € millions)</i>	June 30, 2025	December 31, 2024
Maturities in		
End of Year Y	1,043	—
Y+1	1,528	1,692
Y+2	660	1,595
Y+3	1,046	611
Y+4	1,368	963
Over 4 years	2,819	4,085
TOTAL	8,464	8,946

As of June 30, 2025, the KLM perpetual subordinated notes are included in the line "Over 4 years".

Credit lines

On April 18, 2023 Air France-KLM, Air France and KLM have signed two ESG ("Environmental, Social and Governance") KPI-Linked Revolving Credit Facilities ("RCF") with a pool of international financial institutions, for a total amount of €2.2 billions.

For each facility, a set of ESG linked Key Performance Indicators are embedded in the financing cost. These indicators are in line with Air France-KLM and the two airlines' commitment to sustainable development and a gradual decarbonization of activities. The two RCF's include a financing cost margin adjustment mechanism (upward or downward) conditional to the independent achievement of these dedicated Indicators (reduction of the unit CO₂ emission, increase of the share of Sustainable Aviation Fuel, among others).

In addition some financial covenants are applicable to these Revolving Credit Facilities. As per June 30, 2025 these financial covenants are met.

The undrawn portion as of June 30, 2025 amounts to €2.5 billion for the Air France-KLM Group.

Air France-KLM and Air France

Air France-KLM and Air France as combined borrowers, signed a €1.2 billion Sustainability-Linked RCF. This facility included an accordion increase option executed during the first quarter of 2024 for an amount of €90 million bringing the amount available to around €1.3 billion.

The RCF also had an initial maturity in 2026 and two one-year extension options. In April 2024, Air France and Air France-KLM executed the extension option for one year, extending to a 2027 maturity.

On July 18, 2024, a new amendment has been signed for Air France-KLM and Air France credit facility involving an extension of the maturity to July 2028 associated with a one-year extension option and an increase of the facility from €1.3 to €1.4 billion.

On June 27, 2025, a new amendment has been signed for Air France-KLM and Air France credit facility involving an extension of the maturity to July 2029.

KLM

In 2023, KLM signed an ESG KPI-Linked Revolving Credit Facility for an amount of €1 billion.

This facility had an initial 2027 maturity and included two one-year extension options. In April 2025, a one-year extension option for one year was applied, extending the maturity to April 2029.

On top of this credit line, KLM has three other credit lines amounting to €0.1 billion.

NOTE 22 ALTERNATIVE PERFORMANCE INDICATORS

22.1 Current EBITDA

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
Revenues from ordinary activities	15,608	14,603
External expenses	(9,608)	(9,385)
Salaries and related costs	(4,867)	(4,596)
Taxes other than income taxes	(102)	(96)
Other current operating income and expenses	835	819
Current EBITDA	1,866	1,345

The breakdown by business segment is detailed in Note 5.1.

22.2 Operating free cash flow

The calculation of the free cash flow from operating activities, based on the cash flow statement, breaks down as follows :

Period from January 1 to June 30

<i>(in € millions)</i>	Notes	2025	2024
Net cash flow from operating activities		3,027	1,650
Purchase of property plant and equipment and intangible assets	15	(2,315)	(2,067)
Proceeds on disposal of property plant and equipment and intangible assets		573	373
Operating free cash flow		1,285	(44)
Interest (paid) and received		(319)	(230)
Payments on lease debts		(487)	(442)
Operating free cash flow adjusted		479	(716)
Exceptional payments made/(received) (1)		244	850
Recurring operating free cash flow adjusted		723	134

(1) Exceptional payments made/(received), restated from operating free cash flow for the calculation of recurring adjusted operating free cash flow, correspond to the repayment of deferred social charges, pensions contributions and wage taxes granted during the Covid period.

22.3 Net debt

<i>(in € millions)</i>	Notes	As of June 30, 2025	As of December 31, 2024
Current and non-current financial liabilities	21	8,464	8,946
Current and non-current lease debt	16	5,786	5,696
Accrued interest	21 & 16	(90)	(138)
Deposits related to financial liabilities		(90)	(97)
Deposits related to lease debt		(86)	(98)
Derivatives impact on debt		53	(45)
Gross financial liabilities (I)		14,037	14,264
Cash and cash equivalents	17	4,850	4,829
Marketable securities > 3 months		1,031	1,046
Bonds		1,052	1,057
Bank overdrafts	17	(30)	–
Net cash (II)		6,903	6,932
NET DEBT (I-II)		7,134	7,332

As of June 30, 2025, the net cash included €424 millions (compared to €428 millions on December 31, 2024) pledged or blocked.

In addition, the Group has to maintain a certain level of cash in certain operating entities. As of June 30, 2025, it amounts to €725 million (unchanged from December 31, 2024).

<i>(in € millions)</i>	Notes	As of June 30, 2025
Opening net debt		7,332
Operating free cash flow	22.2	(1,285)
Interest paid and received		319
Paid coupon on perpetual and on subordinated bonds convertible into new share and/or exchangeable for existing shares	18.2	65
Dividend received		(9)
Issuance of perpetual	18.2	(494)
Reclassification in financial debt of 2022 perpetual super-subordinated bonds	18.2	497
New lease debts (new and renewed contracts)		1,180
Unrealized exchange gains and losses on aircraft lease financial debts through OCI		(409)
Impact of derivatives on net debt		99
Currency translation adjustment in the income statement		(175)
Other non-monetary variations of the net debt		14
CLOSING NET DEBT		7,134

NOTE 23 OTHER LIABILITIES

<i>(in € millions)</i>	As of June 30, 2025			As of December 31, 2024		
	Current	Non-current	Total	Current	Non-current	Total
Tax liabilities	380	299	679	469	413	882
Airlines taxes	1,196	–	1,196	879	–	879
Employee-related liabilities	1,427	192	1,619	1,409	328	1,737
Liabilities on fixed assets	44	6	50	47	9	56
Deferred income	1,150	225	1,375	982	29	1,011
Prepayments received	536	–	536	576	–	576
Other debts	282	85	367	306	125	431
TOTAL	5,015	807	5,822	4,668	904	5,572

Non-current deferred income mainly relates to long-term contracts in the maintenance business.

The variation of the other liabilities as of June 30, 2025 is as follows:

<i>(in € millions)</i>	December 31, 2024	Change in working capital	Investing cash flow	Currency translation adjustment	Others	June, 30 2025
Tax liabilities	882	(165)	–	(1)	(38)	679
Airlines taxes	879	317	–	–	–	1,196
Employee-related liabilities	1,737	(118)	–	–	–	1,619
Liabilities on fixed assets	56	–	–	–	(6)	50
Deferred income	1,011	300	–	(1)	64	1,375
Prepayments received	576	54	–	(29)	(66)	536
Other debts	431	13	–	(36)	(39)	367
Total	5,572	401	–	(67)	(85)	5,822

NOTE 24 BREAKDOWN OF THE CHANGE IN WORKING CAPITAL

Period from January 1 to June 30

<i>(in € millions)</i>	2025	2024
(Increase) / decrease in inventories	(39)	(62)
(Increase) / decrease in trade receivables	(392)	(325)
Increase / (decrease) in trade payables	(26)	124
Increase / (decrease) in advanced ticket sales	1,496	1,672
Increase / (decrease) in Loyalty Program miles	–	(11)
Change in other assets	(272)	(294)
Change in other liabilities	401	(658)
Change in provision for CO2 quota surrenders	135	46
Change in receivables/payables on fuel hedging	(4)	(6)
Change in working capital requirement	1,297	486

NOTE 25 FLIGHT EQUIPMENT ORDERS

Due dates of firm orders commitments for the purchase of aircraft equipment are as follows:

<i>(in € millions)</i>	As of June 30, 2025	As of December 31, 2024
2nd semester year Y (6 months)	1,397	
Y+1	2,161	2,505
Y+2	3,437	2,398
Y+3	2,957	3,682
Y+4	2,660	3,087
After year Y+4	1,599	2,725
TOTAL	14,211	14,397

These commitments mainly relate to amounts in US dollars, converted into euros at the closing date exchange rate. All these amounts are hedged.

This change is explained by the delivery of 10 aircraft and the transfer of 30 options to firm orders.

The number of aircraft under firm order as of June 30, 2025 increase by 20 units compared with 31 December 2024 and stood at 211 aircraft.

Delivery calendar as of June 30, 2025

Aircraft type	2nd Semester (6 months)	To be delivered in					Beyond Y+4	Total
		Y+1	Y+2	Y+3	Y+4			
LONG-HAUL FLEET – PASSENGER								
A350	3	7	14	12	12	5		53
B787	3	–	–	–	–	–		3
LONG-HAUL FLEET – CARGO								
A350F	–	–	1	6	1	–		8
MEDIUM-HAUL FLEET								
A220	9	9	6	–	–	–		24
A320 Neo / A321 Neo	6	15	35	29	22	16		123
TOTAL	21	31	56	47	35	21		211

NOTE 26 RELATED PARTIES

There were no significant changes in the scope or amounts of related party transactions during the period.

An acquisition of equity minority stakes in Westjet is being considered as described in the Note 2.1 “Significant events occurring during the period”. This transaction would remain subject to certain approvals, so this event does not have an impact on the financial statements as June, 30 2025



airfranceklm.com

AIRFRANCE**KLM**
GROUP