# Air France-KLM Group

## UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

## January 1, 2020 – March 31, 2020

# Air France-KLM Group

## Table of contents

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

| *In € millions*<br>**Period from January 1 to March 31** | ***Notes*** | **2020** | **2019 Restated[1]** |
|---|---|---|---|
| **Sales** | ***6*** | **5,020** | **5,942** |
| Other revenues | | **-** | **-** |
| **Revenues** | | **5,020** | **5,942** |
| External expenses | ***7*** | (3,396) | (3,707) |
| Salaries and related costs | ***8*** | (1,916) | (1,972) |
| Taxes other than income taxes | | (56) | (52) |
| Other income and expenses | ***10*** | 287 | 232 |
| **EBITDA** | | **(61)** | **443** |
| Amortization, depreciation and provisions | ***9*** | (754) | (729) |
| **Income from current operations** | | **(815)** | **(286)** |
| Sales of aircraft equipment | | (1) | 13 |
| Other non-current income and expenses | ***11*** | (45) | 5 |
| **Income from operating activities** | | **(861)** | **(268)** |
| Cost of financial debt | | (102) | (106) |
| Income from cash and cash equivalents | | 7 | 12 |
| ***Net cost of financial debt*** | | ***(95)*** | ***(94)*** |
| Other financial income and expenses | ***12*** | (666) | (92) |
| **Income before tax** | | **(1,622)** | **(454)** |
| Income taxes | | (173) | 128 |
| **Net income of consolidated companies** | | **(1,795)** | **(326)** |
| Share of profits (losses) of associates | | (8) | 2 |
| **Net income for the period** | | **(1,803)** | **(324)** |
| *Non-controlling interests* | | *(2)* | - |
| *Net income - Group part* | | *(1,801)* | *(324)* |
| Earnings per share – Equity holders of Air France-KLM (in euros) | | | |
| - basic | | (4.22) | (0.77) |
| - diluted | | (4.22) | (0.77) |

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

[1]See note 2 in notes to the consolidated financial statements.

## CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES (UNAUDITED)

| *In € millions*<br>**Period from January 1 to March 31** | **2020** | **2019 Restated[(1)]** |
|---|---|---|
| **Net income for the period** | **(1,803)** | **(324)** |
| **Cash flow hedges and cost of hedging** | | |
| Effective portion of changes in fair value hedges and cost of hedging recognized directly in other comprehensive income | (1,506) | 468 |
| Change in fair value and cost of hedging transferred to profit or loss | 586 | (29) |
| **Deferred tax on items of comprehensive income that will be reclassified to profit or loss** | **185** | **(130)** |
| ***Total of other comprehensive income that will be reclassified to profit or loss*** | ***(735)*** | ***309*** |
| **Remeasurements of defined benefit pension plans[(2)]** | **495** | **108** |
| **Fair value of equity instruments revalued through OCI** | **(23)** | **(14)** |
| **Deferred tax on items of comprehensive income that will not be reclassified to profit or loss** | **(66)** | **(45)** |
| ***Total of other comprehensive income that will not be reclassified to profit or loss*** | ***406*** | ***49*** |
| **Total of other comprehensive income, after tax** | **(329)** | **358** |
| **Recognized income and expenses** | **(2,132)** | **34** |
| **- Equity holders of Air France-KLM** | **(2,130)** | **33** |
| - Non-controlling interests | (2) | 1 |

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

[(1)]See note 2 in notes to the consolidated financial statements.

[(2)]Remeasurement of defined benefit pension plans is composed of €(1 099) million related to the difference between the expected and actual return on assets (March 2019: €682 million) and €1 594 million related to the change in actuarial assumptions (March 2019: €(574) million (see note 16)

# Air France-KLM Group

## CONSOLIDATED BALANCE SHEET (UNAUDITED)

| **Assets**<br>*In € millions* | ***Notes*** | **March 31,**<br>**2020** | **December 31,**<br>**2019** |
|---|---|---|---|
| Goodwill | | 218 | 217 |
| Intangible assets | | 1,347 | 1,305 |
| Flight equipment | | 11,465 | 11,334 |
| Other property, plant and equipment | | 1,578 | 1,580 |
| Right-of-use assets | | 5,118 | 5,173 |
| Investments in equity associates | | 299 | 307 |
| Pension assets | ***16*** | 760 | 420 |
| Other financial assets | | 1,095 | 1,096 |
| Deferred tax assets | | 325 | 523 |
| Other non-current assets | | 277 | 241 |
| **Total non-current assets** | | **22,482** | **22,196** |
| Other short-term financial assets | | 433 | 800 |
| Inventories | | 691 | 737 |
| Trade receivables | | 1,565 | 2,164 |
| Other current assets | | 1,246 | 1,123 |
| Cash and cash equivalents | ***15*** | 5,362 | 3,715 |
| **Total current assets** | | **9,297** | **8,539** |
| **Total assets** | | **31,779** | **30,735** |

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

# CONSOLIDATED BALANCE SHEET (UNAUDITED) (continued)

| **Liabilities and equity**<br>*In € millions* | *Notes* | **March 31, 2020** | **December 31, 2019** |
|---|---|---|---|
| Issued capital | | 429 | 429 |
| Additional paid-in capital | | 4,139 | 4,139 |
| Treasury shares | | (67) | (67) |
| Perpetual | | 403 | 403 |
| Reserves and retained earnings | | (4,732) | (2,620) |
| **Equity attributable to equity holders of Air France-KLM** | | **172** | **2,284** |
| Non-controlling interests | | 13 | 15 |
| **Total equity** | | **185** | **2,299** |
| Pension provisions | *16* | 2,127 | 2,253 |
| Return obligation liability and other provisions | | 3,803 | 3,750 |
| Financial debt | *17* | 6,730 | 6,271 |
| Lease debt | *17* | 3,078 | 3,149 |
| Deferred tax liabilities | | 53 | 142 |
| Other non-current liabilities | | 498 | 222 |
| **Total non-current liabilities** | | **16,289** | **15,787** |
| Return obligation liability and other provisions | | 783 | 714 |
| Current portion of financial debt | *17* | 2,575 | 842 |
| Lease debt | *17* | 970 | 971 |
| Trade payables | | 2,056 | 2,379 |
| Deferred revenue on ticket sales | | 3,447 | 3,289 |
| Frequent flyer programs | | 867 | 848 |
| Other current liabilities | | 4,602 | 3,602 |
| Bank overdrafts | *15* | 5 | 4 |
| **Total current liabilities** | | **15,305** | **12,649** |
| **Total liabilities** | | **31,594** | **28,436** |
| **Total equity and liabilities** | | **31,779** | **30,735** |

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

# Air France-KLM Group

## CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

| *In € millions* | Number of shares | Issued capital | Additional paid-in capital | Treasury shares | Perpetual | Reserves and retained earnings | Equity attributable to holders of Air France-KLM | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **December 31, 2018 restated[1]** | **428,634,035** | **429** | **4,139** | **(67)** | **403** | **(3,118)** | **1,786** | **12** | **1,798** |
| Gain / (loss) on cash flow hedges | - | - | - | - | - | 308 | **308** | 1 | **309** |
| Fair value of equity instruments through OCI | - | - | - | - | - | (14) | **(14)** | - | **(14)** |
| Remeasurements of defined benefit pension plans | - | - | - | - | - | 63 | **63** | - | **63** |
| ***Other comprehensive income*** | - | - | - | - | - | ***357*** | ***357*** | ***1*** | ***358*** |
| Net result for the period | - | - | - | - | - | (324) | **(324)** | - | **(324)** |
| **Total of income and expenses recognized** | - | - | - | - | - | **33** | **33** | **1** | **34** |
| OCEANE | - | - | - | - | - | 35 | **35** | - | **35** |
| Other | - | - | - | - | - | (4) | **(4)** | - | **(4)** |
| **March 31, 2019 restated[1]** | **428,634,035** | **429** | **4,139** | **(67)** | **403** | **(3,054)** | **1,850** | **13** | **1,863** |
| | | | | | | | | | |
| **December 31, 2019** | **428,634,035** | **429** | **4,139** | **(67)** | **403** | **(2,620)** | **2,284** | **15** | **2,299** |
| Gain / (loss) on cash flow hedges | - | - | - | - | - | (735) | (735) | - | (735) |
| Fair value of equity instruments through OCI | - | - | - | - | - | (15) | (15) | - | (15) |
| Remeasurements of defined benefit pension plans | - | - | - | - | - | 421 | 421 | - | 421 |
| ***Other comprehensive income*** | - | - | - | - | - | ***(329)*** | ***(329)*** | - | ***(329)*** |
| Net result for the period | - | - | - | - | - | (1,801) | (1,801) | (2) | (1,803) |
| **Total of income and expenses recognized** | - | - | - | - | - | **(2,130)** | **(2,130)** | **(2)** | **(2,132)** |
| Other | - | - | - | - | - | 18 | 18 | - | 18 |
| **March 31, 2020** | **428,634,035** | **429** | **4,139** | **(67)** | **403** | **(4,732)** | **172** | **13** | **185** |

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

The amounts included in other comprehensive income are presented net of deferred tax

[1]See note 2 in notes to the consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

| **Period from January 1 to March 31**<br>*In € millions* | ***Notes*** | **2020** | **2019**<br>**Restated[1]** |
|---|---|---|---|
| Net income from continuing operations | | (1,803) | (324) |
| Amortization, depreciation and operating provisions | | 754 | 729 |
| Financial provisions | | 51 | 53 |
| Loss (gain) on disposals of tangible and intangible assets | | 1 | (20) |
| Derivatives – non monetary result | | 432 | 27 |
| Unrealized foreign exchange gains and losses, net | | 142 | 76 |
| Share of (profits) losses of associates | | 8 | (2) |
| Deferred taxes | | 166 | (135) |
| Impairment | | 21 | - |
| Other non-monetary items | | 48 | (21) |
| **Financial capacity** | | **(180)** | **383** |
| (Increase) / decrease in inventories | | 22 | (60) |
| (Increase) / decrease in trade receivables | | 596 | (399) |
| Increase / (decrease) in trade payables | | (309) | (34) |
| Change in other receivables and payables | | 153 | 1,299 |
| **Change in working capital requirement** | | **462** | **806** |
| **Net cash flow from operating activities (A)** | | **282** | **1,189** |
| Acquisition of subsidiaries, of shares in non-controlled entities | | (1) | - |
| Purchase of property plant and equipment and intangible assets (B) | | (869) | (737) |
| Proceeds on disposal of subsidiaries, of shares in non-controlled entities | **3.2** | 356 | 4 |
| Proceeds on disposal of property plant and equipment and intangible assets (C) | | 11 | 40 |
| Dividends received | | - | 3 |
| Decrease (increase) in net investments, more than 3 months | | - | 22 |
| **Net cash flow used in investing activities** | | **(503)** | **(668)** |
| Issuance of debt | **3.2** | 2,710 | 508 |
| Repayment on financial debt | **3.2** | (588) | (238) |
| Payments on lease debt (D) | | (249) | (251) |
| New loans | | (7) | (5) |
| Repayment on loans | | 4 | 4 |
| **Net cash flow from financing activities** | | **1,870** | **18** |
| Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold) | | (3) | 7 |
| **Change in cash and cash equivalents and bank overdrafts** | | **1,646** | **546** |
| Cash and cash equivalents and bank overdrafts at beginning of period | **16** | 3,711 | 3,580 |
| Cash and cash equivalents and bank overdrafts at end of period | **16** | 5,357 | 4,126 |

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

[1]See note 2 in notes to the consolidated financial statements.

## OPERATING FREE CASH-FLOW (UNAUDITED)

| **Period from January 1 to March 31**<br>*in € millions* | ***Notes*** | **2020** | **2019 Restated**[1] |
|---|---|---|---|
| Net cash flow from operating activities | ***A*** | 282 | 1,189 |
| Purchase of property plant and equipment and intangible assets | ***B*** | (869) | (737) |
| Proceeds on disposal of property plant and equipment and intangible assets | ***C*** | 11 | 40 |
| **Operating free cash flow** | ***17*** | **(576)** | **492** |
| Payments on lease debt | ***D*** | (249) | (251) |
| **Operating free cash flow adjusted** | | **(825)** | **241** |

The accompanying notes are an integral part of these consolidated financial statements.
[1]See note 2 in notes to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# Air France-KLM Group

## 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, “low cost” passenger transportation (Transavia) and other air-transport-related activities.

The limited company Air France-KLM, domiciled at 2, rue Robert Esnault-Pelterie 75007 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.

## 2. RESTATEMENT OF ACCOUNTS 2019

In the fourth quarter of 2019, the Air France-KLM Group implemented the following changes retrospectively:

- Customer compensations

On September 17, 2019 the IFRS Interpretations Committee published a clarification of IFRS 15 concerning customer compensation for delays or cancellations. Obligations to compensate customers for delayed or cancelled flights are required to be recognized as variable compensation components within the meaning of IFRS 15, thus reducing the amount of revenue. Previously the Group had recognized these payments as costs in the income statement and, pursuant to the IFRIC decision, retrospectively changed the accounting method in the consolidated financial statements as of January 1, 2019.

- Component approach for Life Limited Parts

A Life Limited Part (LLP) is defined as a major engine part whose failure would jeopardize the engine’s operation. Consequently, as a precaution, engine manufacturers define limited useful lives in cycles beyond which the LLPs must be replaced.
The cost of a complete set of LLPs is significant and their useful lives (depending on the parts) range from 3,000 to 40,000 cycles (a cycle corresponds to one take-off and one landing).

Internal IT developments and data analytics have enabled the Group to improve its ability to track LLP accounting management more precisely. As a result, as of January 1, 2019, the Group has been able to implement the component approach for these spare parts. This means that their maintenance costs must be capitalized and amortized over the useful lives of the LLPs which are expressed in cycles.

In accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, these changes in accounting policies have been applied retrospectively to each previous period for which financial information is presented.

For comparison purposes, the consolidated financial statements as of March 31, 2019 have been restated.

# Air France-KLM Group

**Impact on the consolidated income statement**

| In € million<br>**Period from January 1 to March 31, 2019** | Published accounts | LLP componentization | Customer compensation | Restated accounts |
|---|---|---|---|---|
| **Sales** | **5,986** | | **(44)** | **5,942** |
| External expenses | (3,751) | | 44 | (3,707) |
| Salaries and related costs | (1,972) | | | (1,972) |
| Taxes other than income taxes | (52) | | | (52) |
| Other income and expenses | 213 | 19 | | 232 |
| **EBITDA** | **424** | **19** | **-** | **443** |
| Amortization, depreciation and provisions | (727) | (2) | | (729) |
| **Income from current operations** | **(303)** | **17** | | **(286)** |
| **Income from operating activities** | **(285)** | **17** | | **(268)** |
| Net cost of financial debt | (94) | | | (94) |
| Other financial income and expenses | (71) | (21) | | (92) |
| **Income before tax** | **(450)** | **(4)** | | **(454)** |
| Income taxes | 128 | | | 128 |
| **Net income of consolidated companies** | **(322)** | **(4)** | | **(326)** |
| Net income in equity affiliates | 2 | | | 2 |
| **Net income** | **(320)** | **(4)** | | **(324)** |
| Earnings per share (basic) | (0.76) | (0.01) | | (0.77) |
| Earnings per share (diluted) | (0.76) | (0.01) | | (0.77) |

**Impact on the consolidated statement of cash flows**

| In € million<br>**Period from January 1 to March 31, 2019** | Published accounts | LLP componentization | Customer compensation | Restated accounts |
|---|---|---|---|---|
| Net income | (320) | (4) | | (324) |
| Other items of the financial capacity | 684 | 23 | | 707 |
| **Financial capacity** | **364** | **19** | | **383** |
| Change in working capital requirement | 806 | | | 806 |
| **Net cash flow from operating activities** | **1,170** | **19** | | **1,189** |
| **Net cash flow used in investing activities** | **(649)** | **(19)** | | **(668)** |
| **Net cash flow from financing activities** | **18** | | | **18** |
| Effect of exchange rate on cash and cash equivalents and bank overdrafts | 7 | | | 7 |
| **Change in cash and cash equivalents and bank overdrafts** | **546** | | | **546** |
| Cash and cash equivalents and bank overdrafts at beginning of period | 3,580 | | | 3,580 |
| Cash and cash equivalents and bank overdrafts at end of period | 4,126 | | | 4,126 |

# 3. SIGNIFICANT EVENTS

## 3.1. COVID-19

The worldwide spreading of COVID-19 in the first quarter of 2020 has had and continues to have a major impact on air traffic around the world. Many countries have taken increasingly stringent measures in an attempt to slow the expansion of the epidemic and have imposed constraints on the movement of travelers from Europe. Consequently, air traffic to most of Air France- KLM's destinations has been and will be significantly reduced, up to 95 per cent of normal traffic levels for an uncertain period of time.

The available seat kilometers for passenger network and leisure has been reduced by 35.5% in March 2020 compared to last year, resulting in a drop of 11.0% in the first quarter 2020 compared to last year. As a consequence, the Group revenues amount to €5,020 million, a decrease of 15.5% compared to last year, with Network business revenues decreasing by 16.7%, Maintenance by 11.0% and Transavia by 1.6%.
In parallel, the decrease of capacity of 11.0% related to COVID-19 consequences and some specific cost initiatives have resulted in a reduction of the Group's external expenses to an amount of €3.396 million, down 8.4% versus last year. External expenses excluding fuel price are down 11.8% compared to last year. Fuel costs are down 1.3% only due to some negative hedge results following the drop of the fuel price.
In addition, following the drastic reduction of fuel consumption, the Group had to terminate a part of the hedging relation on fuel, due to over-hedging, leading to a non-cash loss of €455 million accounted for in "Other financial income and expenses" as of March 31, 2020 (see note 12).

The Group has already taken a number of strong measures and continues to closely monitor and evaluate further developments. These actions include, amongst others, secure cash, save cost, reassessing capital expenditures, identifying additional financing opportunities, delaying payment of the employee's profit sharing scheme and of variable income and delaying internal projects in order to meet ongoing commitments during the COVID-19 crisis. The Group also decided to early phase-out B747 (see note 11) and A340 (see note 3.3).

To secure cash, in March 2020, Air France-KLM has announced the drawn down of its revolving credit facilities for a total amount of €1.8 billion (see note 3.2 Events that occurred in the period).

In addition, Air France implemented as of March 23, 2020, part-time activity and negotiated with the French government on payment delay of social charges. KLM will be provided, starting April 1, 2020, with the support of the Dutch state with the "Temporary Emergency Bridging Measure for Sustained Employment" (NOW).
Groups' cost savings are estimated at €350 million per month in the second quarter of 2020. The related impact will be accounted for on the "salaries and other related costs".

Despite these measures, Air France-KLM's financial performance for the coming period will continue to be affected severely by a loss of revenue, sales of tickets and significant negative cash flows to an extent and for a duration that are currently uncertain.
As a consequence, the Air France-KLM Group, Air France and KLM, have entered into in-depth discussions with their respective government and financial institutions in order to grant the resources that will enable the Group to secure and sustain adequate levels of liquidity by all means, notably within the framework of the European Commission's Temporary Framework on State Aid in force published on 19 March 2020.
On April 24, 2020, the Air France-KLM Group has announced that they will be provided with the support of the French state and banking institutions for an amount of €7 billion (see note 3.3 Subsequent events). The Dutch state has also stated its intention to support the KLM Group. Discussions to finalize the aspects and conditions of an additional aid are ongoing.
Further debt and/or equity funding may be required at a later stage and therefore the Group is in ongoing conversations with the French and Dutch government.

Within these circumstances, these financial statements have been prepared on the going concern assumption.

In the actual context, the Group paid also specific attention to the recoverability of its deferred tax assets (see note 13 Income tax) and its business segment assets (see note 14 Impairment).

## 3.2. Events that occurred in the period

**Sales of Amadeus shares**

On January 9, 2020, Air France-KLM sold its remaining shares in the Spanish company Amadeus IT Holding SA ("Amadeus"), for an amount of €356 million. Fair value of the shares stood at €360 million as of December 31, 2019. Since the entire 1.11 per cent Amadeus shareholding was covered by a hedge contract, the result of the transaction is nil in income statement as of March 31, 2020. The cash proceeds of €356 million is included in "Proceeds on disposal of subsidiaries, of shares in non-controlled entities" in the cash flow statement.

**Notes issue and tender offer on series of existing notes**

On January 10, 2020, Air France-KLM has announced the successful placement of an issue of €750 million senior notes with a 5- year maturity and bearing coupon at an annual rate of 1.875%.
A part of the net proceeds of this issuance has been used to fund, in whole or in part, the tender offer on existing notes launched by the Company on January 6, 2020 and finalized on January 14, 2020. On the existing notes brought to the tender offer, €350 million have been accepted of which €311.2 million of 2021 Notes and €38.8 million of 2022 Notes.

**Drawn down of revolving credit facility during the first quarter 2020**

On March 13, 2020, Air France-KLM has announced the drawn down of its revolving credit facility concluded on April 29, 2015 and amended on November 6, 2017 for a total amount of €1,1 billion divided into two tranches of €550 million each. These tranches are renewable successively at the request of Air France-KLM for periods of 1, 3 or 6 months until 6 November 2022.

Furthermore, on March 19, 2020, KLM has drawn down for an initial period of 6 months its revolving credit facility concluded on May 23, 2018 for the full amount of €665 million. It is renewable successively at the request of KLM for periods of 1, 3 or 6 months until May 2024.

The Group complies with the related covenants as of March 31, 2020.

These amounts have been included into the short-term financial debt as of March 31, 2020.

## 3.3. Subsequent events

**The aid of the French state**

On April 24, 2020, the French state and banking institutions, the Air France-KLM Group and Air France were able to finalize the various components of a support mechanism dedicated to Air France on which principle agreements are being finalized.

This support mechanism is comprised of:

- A French state-backed loan of €4 billion granted by a syndicate of nine banks to Air France-KLM and Air France. The French state is guaranteeing this loan up to 90%, and it has a maturity of 12 months, with one extension option of 1 year or 2 years, exercisable by Air France-KLM;
- A direct shareholder's loan of €3 billion from the French state to Air France-KLM with a maturity of four years, with two consecutive one-year extension options exercisable by Air France-KLM.

This aid mechanism, which has been approved by the European Commission on May 4, 2020, will enable the Air France-KLM Group to provide Air France with the means necessary to meet its obligations by continuing its transformation in order to adapt in a sector that the global crisis will severely disrupt.

**Early phase-out A340 aircraft**

On May 6, 2020, the AF-KLM Board decided to early phase-out the A340 aircraft from the fleet. The impact of this decision, at this stage, is estimated at € (70) million. The Group accounts for the impact in “other non-current income and expenses” in the second quarter of 2020.

# 4. ACCOUNTING POLICIES

## 4.1. Accounting principles

**Accounting principles used for the consolidated financial statements**

Pursuant to the European Regulation n° 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of December 31, 2019 were established in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Commission on the date these consolidated financial statements were established.

The interim consolidated financial statements as of March 31, 2020 must be read in connection with the annual consolidated financial statements for the year ended on December 31, 2019. The interim consolidated financial statements as of March 31, 2020 have been established in accordance with the accounting principles used by the Group for the consolidated financial statements 2019, except for standards and interpretations adopted by the European Union applicable as from January 1, 2020.

The consolidated financial statements were approved by the Board of Directors on May 6, 2020.

**Change in accounting principles**

- **IFRS standards which are applicable on a mandatory basis to the 2020 financial statements**

**Amendments to IAS 1“Presentation of financial statements” and IAS 8 “Accounting policies, changes in accounting estimates and errors”**
These amendments which define the term materiality, give guidance on the information to be disclosed in the financial statements, based on its importance.

**Amendments to IFRS 9 “Financial instruments” and IFRS 7 “Financial instruments: Disclosures”**
These amendments are designed to support the provision of useful financial information during the period of uncertainty arising from the phasing out of interest-rate benchmarks (IBORs). They modify certain hedge accounting requirements. In this context, the Group pays increased attention to the modalities defined within the framework of new financing.

IBORs continue to be used as reference rates for financial markets and the valuation of financial instruments with maturities that exceed the expected end date of these IBORs.

- **Other texts potentially applicable to the Group, published by the IASB but not yet adopted by the European Union**

**Amendment to IFRS 3 “Business Combinations”**
(Effective for the accounting periods as of January 1, 2020)
This amendment clarifies the definition of a business.

**Amendment to IAS 1 "Presentation of financial statements"**
(Effective for the accounting periods as of January 1, 2022)
These amendments clarify the classification of current or non-current liabilities and aim at promoting a consistent approach of this classification.

## 4.2. Preparation of unaudited interim consolidated financial statements

**Seasonality of the activity**

Revenues and income from current operations are characterized by their seasonal nature related to a high level of activity from April 1 to September 30. This phenomenon varies in magnitude depending on the year. In accordance with IFRS, revenues and the related expenses are recognized over the period in which they are realized and incurred respectively.

**Income taxes**

For the interim financial statements, the tax charge (current and deferred) is calculated by applying to the income before tax of the period the estimated annual average tax rate for the current year for each entity or fiscal group.

**Retirement benefits**

The net obligations concerning the defined-benefits schemes are revalued based on the discount rates and the fair-value of assets at interim closing dates. The net impact of these revaluations is recorded in other comprehensive income. Significant variation in discount rates can lead the Group to review other actuarial assumptions in order to keep a global consistency of the assumptions set.

## 4.3. Use of estimates

The preparation of the condensed consolidated financial statements in conformity with IFRS requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses. The significant areas of estimates described in the note 4 of the December 31, 2019 consolidated financial statements, concerned:
- Revenue recognition related to deferred revenue on ticket sales
- Flying Blue frequent flyer program
- Financial instruments
- Intangible assets
- Tangible assets
- Lease contracts
- Pension assets and provisions
- Return obligation liability and provision for leased aircraft
- Other provisions
- Current and deferred tax

The Group's management makes these estimates and assessments continuously on the basis of its past experience and various other factors considered to be reasonable that provide the basis for these assumptions.

The consolidated financial statements for the period have thus been established on the basis of financial parameters available at the closing date.

These accounting estimations are based upon the latest available, reliable information.

Actual results could differ from these estimates depending on changes in the assumptions used or different conditions.

# 5. CHANGE IN THE CONSOLIDATION SCOPE

- **Three-month period ended March 31, 2020**

No significant acquisition or disposal took place during the three-month period ended March 31, 2020

- **Three-month period ended March 31, 2019**

No significant acquisition or disposal took place during the three-month period ended March 31, 2019

# 6. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

## Business segments

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**: Passenger network and Cargo operating revenues 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-sharing agreements. They also include commissions paid by SkyTeam alliance partners, code-sharing revenues, revenues from excess baggage and airport services supplied by the Group to third-party airlines and services linked to IT systems.
The revenues also including income from freight transport on flights under the companies' codes, including flights operated by other partner airlines under code-sharing agreements. Other cargo revenues are derived principally from sales of cargo capacity to third parties and transportation of shipment 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 "low cost" activity realized by Transavia.

**Other**: The revenues from this segment come from various services provided by the Group and not covered by the four 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 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

- **Activity by origin of sales area**

Group activities by origin of sale are broken down into eight geographical areas:

- Metropolitan France
- Benelux
- Europe (excluding France and Benelux)
- Africa

- Middle East, Gulf, India (MEGI)
- Asia-Pacific
- North America
- Caribbean, West Indies, French Guyana, Indian Ocean, South America (CILA)

Only segment revenue is allocated by geographical sales area.

**• Activity by destination**

Group activities by destination are broken down into seven geographic 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
- South America (excluding Mexico)
- Asia and New Caledonia

## 6.1. Information by business segment

**• Three-month period ended March 31, 2020**

| *In € millions* | Network | Maintenance | Transavia | Other | Non-allocated | Total |
|---|---|---|---|---|---|---|
| Total sales | 4,285 | 1,138 | 242 | 53 | - | 5,718 |
| Intersegment sales | (7) | (645) | - | (46) | - | (698) |
| **External sales** | **4,278** | **493** | **242** | **7** | **-** | **5,020** |
| EBITDA | (143) | 98 | (20) | 4 | - | (61) |
| Income from current operations | (729) | (3) | (82) | (1) | - | (815) |
| Income from operating activities | (775) | (3) | (82) | (1) | - | (861) |
| Share of profits (losses) of associates | - | 1 | - | (9) | - | (8) |
| Net cost of financial debt and other financial income and expenses | - | - | - | - | (761) | (761) |
| Income taxes | - | - | - | - | (173) | (173) |
| **Net income from continuing operations** | **(775)** | **(2)** | **(82)** | **(10)** | **(934)** | **(1,803)** |

**• Three-month period ended March 31, 2019 (Restated)**[(1)]

| *In € millions* | Network | Maintenance | Transavia | Other | Non-allocated | Total |
|---|---|---|---|---|---|---|
| Total sales | 5,143 | 1,170 | 248 | 59 | - | 6,620 |
| Intersegment sales | (9) | (616) | (2) | (51) | - | (678) |
| **External sales** | **5,134** | **554** | **246** | **8** | **-** | **5,942** |
| EBITDA | 321 | 130 | (15) | 7 | - | 443 |
| Income from current operations | (261) | 45 | (70) | - | - | (286) |
| Income from operating activities | (248) | 45 | (70) | 5 | - | (268) |
| Share of profits (losses) of associates | - | - | - | 2 | - | 2 |
| Net cost of financial debt and other financial income and expenses | - | - | - | - | (186) | (186) |
| Income taxes | - | - | - | - | 128 | 128 |
| **Net income from continuing operations** | **(248)** | **45** | **(70)** | **7** | **(58)** | **(324)** |

[(1)]See note 2 in notes to the consolidated financial statements.

## 6.2. Information by geographical area

### External sales by geographical area

- **Three-month period ended March 31, 2020**

| *In € millions* | Metropolitan France | Benelux | Europe (except France and Benelux) | Africa | Middle-Eastern gulf India (MEGI) | Asia Pacific | North America | West Indies Caribbean Guyana Indian Ocean South America (CILA) | Total |
|---|---|---|---|---|---|---|---|---|---|
| Transportation | 1,220 | 491 | 933 | 210 | 119 | 311 | 543 | 243 | 4,070 |
| Other sales | 81 | 36 | 32 | 14 | 5 | 24 | 11 | 5 | 208 |
| **Total network** | **1,301** | **527** | **965** | **224** | **124** | **335** | **554** | **248** | **4,278** |
| Transavia | 57 | 141 | 26 | 2 | 1 | 1 | 1 | - | 229 |
| Other sales | - | - | (2) | - | - | 3 | 2 | 10 | 13 |
| **Total Transavia** | **57** | **141** | **24** | **2** | **1** | **4** | **3** | **10** | **242** |
| Maintenance | 236 | 227 | 5 | - | - | - | 25 | - | 493 |
| Others | 1 | 6 | - | - | - | - | - | - | 7 |
| **Total** | **1,595** | **901** | **994** | **226** | **125** | **339** | **582** | **258** | **5,020** |

- **Three-month period ended March 31, 2019 (Restated)[(1)]**

| *In € millions* | Metropolitan France | Benelux | Europe (except France and Benelux) | Africa | Middle-Eastern gulf India (MEGI) | Asia Pacific | North America | West Indies Caribbean Guyana Indian Ocean South America (CILA) | Total |
|---|---|---|---|---|---|---|---|---|---|
| Transportation | 1,510 | 558 | 1,127 | 227 | 125 | 443 | 625 | 279 | 4,894 |
| Other sales | 84 | 38 | 43 | 15 | 3 | 35 | 11 | 11 | 240 |
| **Total network** | **1,594** | **596** | **1,170** | **242** | **128** | **478** | **636** | **290** | **5,134** |
| Transavia | 63 | 144 | 26 | 3 | 2 | 1 | 1 | - | 240 |
| Other sales | 4 | (2) | - | - | - | - | 4 | - | 6 |
| **Total Transavia** | **67** | **142** | **26** | **3** | **2** | **1** | **5** | **-** | **246** |
| Maintenance | 325 | 198 | 4 | - | - | 1 | 26 | - | 554 |
| Others | 1 | 7 | - | - | - | - | - | - | 8 |
| **Total** | **1,987** | **943** | **1,200** | **245** | **130** | **480** | **667** | **290** | **5,942** |

[(1)]See note 2 in notes to the consolidated financial statements.

## Traffic sales by geographical area of destination

- **Year ended March 31, 2020**

| *In € millions* | Metropolitan France | Europe (except France) and North Africa | Caribbean, French Guyana, Indian Ocean | Africa (except North Africa) Middle East | North America, Mexico | South America, except Mexico | Asia, New Caledonia | Total |
|---|---|---|---|---|---|---|---|---|
| Network | 307 | 794 | 416 | 611 | 830 | 478 | 634 | 4,070 |
| Transavia | 3 | 204 | - | 22 | - | - | - | 229 |
| **Total Transportation** | **310** | **998** | **416** | **633** | **830** | **478** | **634** | **4,299** |

- **Year ended March 31, 2019**

| *In € millions* | Metropolitan France | Europe (except France) and North Africa | Caribbean, French Guyana, Indian Ocean | Africa (except North Africa) Middle East | North America, Mexico | South America, except Mexico | Asia, New Caledonia | Total |
|---|---|---|---|---|---|---|---|---|
| Network | 379 | 990 | 453 | 675 | 955 | 542 | 900 | 4,894 |
| Transavia | 3 | 212 | - | 25 | - | - | - | 240 |
| **Total Transportation** | **382** | **1,202** | **453** | **700** | **955** | **542** | **900** | **5,134** |

# 7. EXTERNAL EXPENSES

| *In € millions*<br>**Period from January 1 to March 31** | **2020** | **2019**<br>**Restated[(1)]** |
|---|---|---|
| Aircraft fuel | 1,185 | 1,201 |
| Chartering costs | 89 | 134 |
| Landing fees and air route charges | 387 | 434 |
| Catering | 164 | 187 |
| Handling charges and other operating costs | 359 | 410 |
| Aircraft maintenance costs | 614 | 652 |
| Commercial and distribution costs | 194 | 250 |
| Other external expenses | 404 | 439 |
| **Total** | **3,396** | **3,707** |
| *Excluding aircraft fuel* | *2,211* | *2,506* |

(1) See note 2 in notes to the consolidated financial statements.

## 8. SALARIES AND NUMBER OF EMPLOYEES

### Salaries and related costs

| *In € millions*<br>**Period from January 1 to March 31** | **2020** | **2019** |
|---|---|---|
| Wages and salaries | 1,343 | 1,352 |
| Social contributions | 257 | 270 |
| Pensions costs on defined contribution plans | 170 | 157 |
| Pensions costs on defined benefit plan | 76 | 66 |
| Cost of temporary employees | 55 | 62 |
| Profit sharing | - | 37 |
| Other expenses | 15 | 28 |
| **Total** | **1,916** | **1,972** |

The Group pays contributions to a multi-employers plan in France, the CRPN (public pension fund for crew). Since this multi-employers plan is assimilated to a French State plan, it is accounted for as a defined contribution plan in “pension costs on defined contribution plans”.

Following the health crisis related to COVID-19, Air France and its main subsidiaries implemented part-time activity for its employees. This impact, amounting to €49 million, has been recognized in the line “wages and salaries” as of March, 31 2020.

### Average number of employees

| **Period from January 1 to March 31** | **2020** | **2019** |
|---|---|---|
| Flight deck crew | 8,732 | 8,271 |
| Cabin crew | 22,149 | 21,712 |
| Ground staff | 52,115 | 51,828 |
| Temporary employees | 2,398 | 2,980 |
| **Total** | **85,394** | **84,791** |

## 9. AMORTIZATION, DEPRECIATION AND PROVISIONS

| *In € millions*<br>**Period from January 1 to March 31** | **2020** | **2019**<br>**Restated(1)** |
|---|---|---|
| **Amortization** | | |
| Intangible assets | 47 | 45 |
| Flight equipment | 319 | 299 |
| Other property, plant and equipment | 48 | 50 |
| Right-of-Use assets | 329 | 324 |
| | **743** | **718** |
| **Depreciation and provisions** | | |
| Inventories | 9 | 7 |
| Trade receivables | 1 | - |
| Risks and contingencies | 1 | 4 |
| | **11** | **11** |
| **Total** | **754** | **729** |

(1)See note 2 in notes to the consolidated financial statements.

## 10. OTHER INCOME AND EXPENSES

| *In € millions*<br>**Period from January 1 to March 31** | **2020** | **2019**<br>**Restated**[1] |
|---|---|---|
| Capitalized production | 245 | 252 |
| Joint operation of routes | (2) | (12) |
| Operations-related currency hedges | 42 | 5 |
| European carbon emission allowances (ETS) | (13) | (13) |
| Other | 15 | - |
| **Other income and expenses** | **287** | **232** |

[1]See note 2 in notes to the consolidated financial statements.

## 11. OTHER NON-CURRENT INCOME AND EXPENSES

| *In € millions*<br>**Period from January 1 to March 31** | **2020** | **2019** |
|---|---|---|
| Restructuring costs | 1 | (3) |
| Other disposals of assets | - | 6 |
| Phase-out of A380 aircraft | (25) | - |
| Phase-out of B747 aircraft | (21) | - |
| Other | - | 2 |
| **Other non-current income and expenses** | **(45)** | **5** |

- **Three-month period ended March 31, 2020**

**Phase-out of A380 aircraft**

This line corresponds to the impact of the early phase-out of the A380 aircraft of Air France fleet, announced in 2019. It includes the acceleration of the depreciation of these aircraft for €25 million (see note 2.1 of annual financial statements as of December 31, 2019).

**Phase-out of B747 aircraft**

Due to the COVID-19 and the drastic reduction of flight activities, KLM decided to phase-out its eight B747 aircraft. A 21 M€ impairment was recorded to revalue them at their estimated market value.

- **Three-month period ended March 31, 2019**

**Other disposal of assets**

This line mainly includes the sale of Vilgénis school real estate in the Paris area.

## 12. NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

| *In € millions*<br>**Period from January 1 to March 31** | **2020** | **2019**<br>**Restated[1]** |
|---|---|---|
| Income from marketable securities | (1) | 2 |
| Other financial income | 7 | 10 |
| **Financial income** | **7** | **12** |
| Interest on financial debt | (30) | (35) |
| Interest on lease debt | (65) | (66) |
| Capitalized interests | 6 | 6 |
| Other non-monetary items | (13) | (9) |
| Other financial expenses | - | (2) |
| **Gross cost of financial debt** | **(102)** | **(106)** |
| **Net cost of financial debt** | **(95)** | **(94)** |
| Foreign exchange gains (losses), net | (148) | (63) |
| Financial instruments and change in fair value of hedged shares | (450) | 25 |
| Net (charge)/release to provisions | (2) | (1) |
| Undiscounting of provision | (42) | (52) |
| Other | (24) | (1) |
| **Other financial income and expenses** | **(666)** | **(92)** |
| **TOTAL** | **(761)** | **(186)** |

[1]See note 2 in notes to the consolidated financial statements.

***Financial income***

Financial income mainly consists of interest income on financial assets accounted at the effective interest rate and of the result of disposal of financial assets at fair value recorded through the income statement.

***Foreign exchange gains (losses)***

As of March 31, 2020, the foreign exchange losses mainly include an unrealized currency loss of €147 million of which €79 million loss on return obligation liabilities and provisions on aircraft in US dollars and an unrealized €54 million currency loss on debt in US Dollar (€32 million), in Swiss francs (€23 million) and in Japanese Yen (€9 million).

As of March 31, 2019, the foreign exchange losses mainly include an unrealized currency loss of €82 million of which €55 million on return obligation liabilities and provisions on aircraft in US dollars and an unrealized €33 million currency loss on debt in US Dollar (€19 million) and in Japanese Yen (€11 million).

***Financial instruments and change in fair value of hedged shares***

Following the reduction of activity related to the health crisis of COVID-19, this line includes, as of March 31, 2020, a €455 million non-cash loss resulting from the over-hedging of the fuel hedges for the rest of 2020.

As of March 31, 2019, it mainly includes a gain on the hedged Amadeus shares of €24 million and on the non-aligned time value of dissymmetrical options with barriers for an amount of €1 million.

***Other***

As of March 31, 2020, this line mainly includes premiums paid on early reimbursement on part of the bonds with maturity dates in 2021 and 2022. The total premiums amount is €21 million (see note 3.2 Events that occurred in the period).

# 13. INCOME TAXES

## 13.1 Income tax charge

The current income tax charge relates to the amounts paid or payable in the short term to the tax authorities for the period, in accordance with the regulations prevailing in various countries and any applicable treaties.

- **French fiscal group**

In France, the tax rate is 32.02 per cent and the French Finance act 2018 provides for a gradual reduction in the French corporate tax rate to 25.83 per cent in 2022. The tax losses can be carried forward for an unlimited period. However, the amount of fiscal loss recoverable each year is limited to 50 per cent of the profit for the period beyond the first million euros. The Group limits its recoverability horizon on the deferred tax losses of the French fiscal group to a period of seven years, consistent with its operating visibility.

Following the current COVID-19 crisis, the perspectives of recoverability within the seven years horizon have been downward revised leading to a write-off of €311 million of deferred tax assets for tax losses compared to the opening position of the fiscal year. Moreover, €308 million of deferred tax assets have not been recognized for the period relating to the first quarter of 2020.

- **Dutch fiscal group**

In The Netherlands, the tax rate is 25 per cent and in 2019 and will be lowered to 21.7 per cent in 2021. Tax losses can be carried forward over a period of nine years without limitation in the amount of recovery allowed each year.

As of March 31, 2020, the Dutch fiscal group has deferred taxes assets on fiscal losses amounting to €52 million, relating to the Dutch fiscal Group against €97 million as of March 31, 2019.

## 13.2. Effective tax rate

The difference between the standard and effective tax rate applied in France is detailed as follows:

| *In € millions* | **2020** | **2019** |
|---|---|---|
| **Period from January 1 to March 31** | | **Restated** |
| Income before tax | (1,622) | (454) |
| Standard tax rate in France | 32.02% | 34.43% |
| Theoretical tax calculated based on the standard tax rate in France | 519 | 156 |
| Differences in French / foreign tax rates | (47) | (12) |
| Non-deductible expenses or non-taxable income | (16) | 13 |
| Impact of Effective Income Tax Rate | (308) | (34) |
| Variation in unrecognized deferred tax assets | (311) | - |
| Impact of change in income-tax rate | (5) | - |
| CAVE impact | (4) | (5) |
| Other | (1) | 10 |
| **Income tax expenses** | **(173)** | **128** |
| Effective tax rate | -10.6% | 28.0% |

# 14. IMPAIRMENT

- **Year ended March 31, 2020**

In accordance with IAS 36 Impairment of assets, at the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired. If there is such an indication, then the asset's recoverable amount must be calculated. The health crisis related to COVID-19 and its economic impact on the Airline industry is such a trigger event and therefore, the Group has conducted the test as of March 31, 2020.
The recoverable value of the CGU assets has been determined by reference to their value in use as of March 31, 2020. The tests were realized for all the CGUs on the basis of a five-year Group plan, compiled by the management. This plan is subject to uncertainties related to the current situation.

The discount rate used for the test corresponds to the Group’s weighted average cost of capital (WACC). This stood at 6.8 per cent as at March 31, 2020 versus 5.9 per cent as at December 31, 2019.

After the aforementioned test, no impairment was recognized on the Group’s CGUs.

A 50-basis point increase in the WACC would have no impact on the tests results per Group’s CGUs as of March 31, 2020. A 50-basis point decrease in the long-term growth rate would also have no impact on the value of the CGUs as of the same date. The same holds true for a 50-basis point decrease in the target operating margin.

- **Year ended December 31, 2019**

As of December 31, 2019, no impairment was recognized on the Group's CGUs.

## 15. CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS

| *In € millions* | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| Liquidity funds (SICAV) (assets - debt instruments) | 2,332 | 1,268 |
| Bank deposits and term accounts (assets - debt instruments) | 1,730 | 1,599 |
| Cash in hand | 1,300 | 848 |
| **Total cash and cash equivalents** | **5,362** | **3,715** |
| Bank overdrafts | (5) | (4) |
| **Cash, cash equivalents and bank overdrafts** | **5,357** | **3,711** |

## 16. PENSION ASSETS AND PROVISIONS

As of March 31, 2020, the discount rates used by companies to calculate the defined benefit obligations are the following:

| | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| Euro zone – duration 10 to 15 years | 1.47% | 0.70 to 0.75 % |
| Euro zone – duration 15 years and more | 1.92% | 1.15% |

The inflation rates used are the following:

| | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| Euro zone – duration 10 to 15 years | 1.30% | 1.30% |
| Euro zone – duration 15 years and more | 1.40% | 1.40% |

The duration of between 10 and 15 years mainly concerns the plans located in France while the duration of 15 years and beyond mainly concerns the KLM ground staff located in the Netherlands.

The impact in variations of discount rates on the defined benefit obligation has been calculated using sensitivity analysis of the pension defined benefit obligation. The sensitivity analysis is mentioned in note 29.2 of the annual financial statements as of December 31, 2019.

Over the same period, the fair value of the plan assets of the pension funds decreased.

All these items have a cumulative impact resulting in:

- An increase of €355 million of the "pension assets" on the balance sheet (schemes with a net asset position) and
- A decrease of €140 million of the "pension provisions" on the balance sheet (schemes with a net liability position).

## 17. NET DEBT

| *In € millions* | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| Current and non-current financial debt | 9,305 | 7,113 |
| Current and non-current lease debt | 4,048 | 4,120 |
| Accrued interest | (64) | (62) |
| Deposits related to financial debt | (229) | (227) |
| Deposits related to lease debt | (94) | (91) |
| Derivatives impact on debt | (11) | 4 |
| **Gross financial debt (I)** | **12,955** | **10,857** |
| Cash and cash equivalents | 5,362 | 3,715 |
| Marketable securities(1) | 108 | 111 |
| Cash secured (1) | 304 | 300 |
| Triple A bonds(1) | 599 | 585 |
| Others | 3 | 3 |
| Bank overdrafts | (5) | (4) |
| **Net cash (II)** | **6,371** | **4,710** |
| **Net cash (I-II)** | **6,584** | **6,147** |

*(1) Included in "others financial assets"*

| *In € millions* | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| **Opening net debt** | **6,147** | **6,164** |
| Operating free cash, cash flow excluding discontinued activities | 576 | (623) |
| Coupons on perpetual paid | - | 26 |
| Disposal of subsidiaries, of shares in non-controlled entities | (356) | (13) |
| Acquisition of subsidiaries, of shares in non-controlled entities | 1 | 1 |
| Lease debts (new and renewed contracts) | 114 | 589 |
| Unrealised exchange gains and losses on lease financial debts through OCI | 43 | 13 |
| Currency translation adjustment | 59 | 48 |
| OCEANE optional part | 3 | (46) |
| Other | (3) | (12) |
| **Closing net debt** | **6,584** | **6,147** |