

**SECOND QUARTER 2021**  
**Operating result at -752 million euros, EBITDA at -248 million euros**  
**Adjusted operating free cash flow positive at 210 million euros**  
**thanks to strong ticket sales**

The Group's results improved compared to last year; although still impacted by travel restrictions:

- Revenue at 2,750 million euros, up 1,568 million compared to last year
- Operating result at -752 million euros, up 801 million euros compared to last year
- EBITDA loss reduced to -248 million euros
- Net income at -1,489 million euros, including negative impact of the derecognition of the KLM ground pension fund
- Restructuring programs showing improved results and structural benefits increased to 2.1 billion euros
- The group increased its capital by 1 billion euros, converted the direct French State loan of 3 billion euros into perpetual hybrid instruments and issued a Senior bond of 800 million euros of which the cash will be received in the Third quarter
- Net debt at 8.3 billion euros, down by 2.7 billion euros compared to end of 2020 thanks to the first set of capital strengthening measures

## OUTLOOK

Since June, first signs of recovery are visible in the booking trend thanks to waived or eased travel restrictions in Europe due to the rise of vaccination rate across all countries. The reopening of the North Atlantic for americans citizens to visit Europe also resulted in an improved booking trend.

In this context, the Group expects capacity in Available Seat Kilometers for Air France-KLM Network passenger activity at index in the range of 60% to 70% in the Third quarter 2021 compared to 2019.

Due to the uncertainty of the reopening of the North Atlantic for European citizens and uncertainty concerning travel restrictions waiving, no capacity guidance will be provided for the Fourth quarter 2021.

The Air France-KLM Group continues to focus on its transformation projects in order to reduce its costs and on cash and equity. During the Annual General Meeting in May 2021, extraordinary resolutions were approved by the shareholders, providing the Board of Directors large flexibility to restore equity. These resolutions could include instruments such as rights issuance, vanilla quasi-equity and equity-linked instruments in order to restore balance sheet and re-profile debt redemptions.

Early July, Air France-KLM signed and executed an EMTN Program for a total issuance size of 4.5 billion euros.

Air France-KLM Group	Second quarter		Half year	
	2021	Change <sup>1</sup>	2021	Change
Passengers (thousands)	7,028	+477.1%	11,847	-38.7%
Passenger Unit revenue per ASK <sup>2</sup> (€ cts)	3.83	+0.8%	3.39	-37.6%
Operating result (€m)	-752	+801	-1,931	+437
Net income – Group part (€m)	-1,489	+1,123	-2,970	+1,443
Adj. operating free cash flow (€m)	210	+1,711	-1,134	+1,193
Net debt at end of period <sup>3</sup> (€m)			8,344	-2,705

<sup>1</sup> The second quarter 2020 was highly impacted by worldwide lockdown

<sup>2</sup> Passenger unit revenue is the aggregate of Passenger network and Transavia unit revenues, change at constant currency

<sup>3</sup> See appendix for the calculation of the net debt

The Board of Directors of Air France-KLM, chaired by Anne-Marie Couderc, met on July 29, 2021 to approve the financial statements for the First Half 2021. Group CEO Mr. Benjamin Smith said:

*“Thanks to the easing of travel restrictions in several key regions, the Second quarter of 2021 saw the first signs of the long-awaited recovery. Travelers were able to take the skies again and Air France-KLM’s voluntarist approach in terms of capacities - combined with the Group’s balanced network and efficient hubs - proved conclusive. Reciprocity of borders reopening and the acceleration of the vaccination roll-out worldwide, especially in the context of the rise of the Delta variant, will play a key role in maintaining this momentum.”* said Benjamin Smith, CEO of Air France-KLM. *“To make the most of the recovery and prepare for the future, Air France-KLM continued its transformation across all businesses and notably reinforced its sustainability efforts to lead the way to sustainable aviation.”*

## Business review

### Network: Recovery visible only in June while Cargo continued to perform strongly

Network	Second quarter			Half year		
	2021	Change	Change constant currency	2021	Change	Change constant currency
Total revenues (€m)	2,363	+151.8%	+158.3%	4,221	-19.1%	-17.1%
Scheduled revenues (€m)	2,187	+164.5%	+171.6%	3,899	-20.4%	-18.2%
Operating result (€m)	-654	+469	+477	-1,715	+137	+127

Second quarter 2021 revenues increased by 158.3% at constant currency to 2.363 million euros. The operating result amounted to -654 million euros, a 477 million euros increase at constant currency compared to last year.

### Passenger network: Caribbean & Indian Ocean, Africa & Middle East, Europe and French Domestic as the most resilient areas

Passenger network	Second quarter			Half year		
	2021	Change	Change constant currency	2021	Change	Change constant currency
Passengers (thousands)	5,853	+418.9%		10,321	-38.9%	
Capacity (ASK m)	36,417	+315.5%		70,003	-1.6%	
Traffic (RPK m)	15,930	+388.5%		29,363	-44.7%	
Load factor	43.7%	+6.5 pt		41.9%	-32.7 pt	
Total passenger revenues (€m)	1,468	+294.5%	+301.7%	2,487	-40.5%	-39.3%
Scheduled passenger revenues (€m)	1,392	+315.2%	+324.3%	2,356	-41.2%	-39.7%
Unit revenue per ASK (€ cts)	3.82	-0.1%	+2.1%	3.37	-40.2%	-38.7%

Last year Second quarter, the passenger network activity was heavily impacted by the Covid-19 crisis and came almost to a standstill. This year, the capacity in Available Seat Kilometers in the Second quarter was 315.5% higher than last year, however at 48% of 2019 Second quarter levels. Thanks to the Group’s balanced network and strong Cargo performance, the passenger network was in line with the Group’s guidance provided during First quarter 2021 results presentation.

Antilles, Greece and French domestic were amongst the best performing routes. Again, this quarter the Group operated more capacity than its main European competitors did.

During the Second quarter, Air France added three Airbus 350-900 to the fleet and KLM Cityhopper welcomed two Embraer 195 E2 into its fleet. With these investments, the Group continues to build an efficient fleet and shows its sustainable commitment.

## Continuation of strong performance by Cargo

Cargo business	Second quarter			Half year		
	2021	Change	Change constant currency	2021	Change	Change constant currency
Tons (thousands)	273	+83.4%		541	+38.2%	
Capacity (ATK m)	2,623	+66.0%		5,311	+11.3%	
Traffic (RTK m)	2,092	+77.5%		4,166	+38.4%	
Load factor	79.8%	+5.2 pt		78.4%	+15.3 pt	
Total Cargo revenues (€m)	894	+58.1%	+63.0%	1,733	+67.9%	+74.0%
Scheduled cargo revenues (€m)	795	+62.0%	+66.9%	1,543	+73.4%	+79.5%
Unit revenue per ATK (€ cts )	30.31	-2.4%	+0.5%	29.06	+55.8%	+61.3%

Compared to the Second quarter in 2020, capacity increased by 66% in Available Ton Kilometers. Despite this increase in capacity, the Load factor gained 5.2 points and the unit revenue per ATK at constant currency improved by 0.5%. Compared to 2019, a still limited cargo capacity is available while the demand remains high resulting in high Revenue Ton Kilometers and Revenues.

At the moment, the Group transports more than 100 shipments of Covid-19 vaccines per month. The distribution of vaccines continues to gradually increase and the Group expects further growth in the Third quarter, notably to Africa and South America.

During the First half year of 2021, the Sustainable Aviation Fuel (SAF) Cargo program welcomed 22 partners, showing the sustainable commitment of Air France-KLM Cargo and its partners.

## Transavia operating loss in the Second quarter 2021 at -98 million euros

Transavia	Second quarter		Half year	
	2021	Change	2021	Change
Passengers (thousands)	1,175	+1,208.9%	1,527	-37.4%
Capacity (ASK m)	3,240	+1,069.2%	4,251	-17.8%
Traffic (RPK m)	1,939	+972.0%	2,522	-45.6%
Load factor	59.9%	-5.4 pt	59.3%	-30.4 pt
Total passenger revenues (€m)	126	+655.4%	163	-37.1%
Unit revenue per ASK (€ cts)	3.88	-29.0%	3.83	-19.1%
Unit cost per ASK (€ cts)	6.90	-84.8%	8.96	+5.9%
Operating result (€m)	-98	+13	-218	-25

The Second quarter operating result ended at an operational loss of -98 million euros, because of the ongoing travel restrictions in Europe and North Africa. As the production levels in the Second quarter of last year were close to zero due to an almost full production freeze, the activity level in the Second quarter 2021 was around ten times higher than last year. On this increased capacity, the load factor lost 5.4 point compared to last year at a level of 59.9%.

In the first half of 2021, the number of aircraft of Transavia increased by nine as part of the growth strategy for Transavia France. Transavia is well positioned to capture the leisure traffic recovery, seen since June, being a major opportunity for the Group's competitiveness gain.

## Maintenance business operating result for Second quarter 2021 around breakeven

Maintenance	Second quarter			Half year		
	2021	Change	Change constant currency	2021	Change	Change constant currency
Total revenues (€m)	679	+35.5%		1,302	-20.6%	
Third-party revenues (€m)	255	+14.9%	+31.0%	514	-28.3%	-18.5%
Operating result (€m)	-3	315	319	-10	311	329
Operating margin (%)	-0.4%	+63.0 pt	+68.0 pt	-0.8%	+18.8 pt	+21.1 pt

The Second quarter operating result stood at -3 million euros, an increase of 319 million euros against a constant currency versus the Second quarter 2020.

In the Second quarter of 2020, the maintenance business recorded one offs linked to the Covid-19 crisis amounting to 203 million euros; excluding one offs effect, the operating result increase in the Second quarter this year is mainly explained by operational improvement and cost savings.

Total revenues increased by 35.5% in the Second quarter while third party revenues rose by 14.9% and internal revenues increased by 51.9%. This increase in internal revenues is mainly related to an increase in flight hours compared to the very low flight hours during the Second quarter 2020. The rise in external revenues is mainly driven by the components business.

## Air France-KLM Group: EBITDA loss reduced to -0.2 billion euros

	Second quarter			Half year		
	2021	Change	Change constant currency	2021	Change	Change constant currency
Capacity (ASK m)	39,657	+338.6%		74,254	-2.7%	
Traffic (RPK m)	17,869	+419.2%		31,884	-44.8%	
Passenger unit revenue per ASK (€ cts)	3.83	-1.2%	+0.8%	3.39	-39.1%	-37.6%
Group unit revenue per ASK (€ cts)	5.83	-37.4%	-35.7%	5.47	-18.8%	-16.7%
Group unit cost per ASK (€ cts) at constant fuel	7.73	-70.8%	-70.8%	8.07	-17.9%	-14.2%
Revenues (€m)	2,750	+132.7%	+143.1%	4,910	-20.8%	-18.0%
EBITDA (€m)	-248	+532	+539	-874	-34	-26
Operating result (€m)	-752	+801	+808	-1,931	+437	+442
Operating margin (%)	-27.3%	+104.0 pt	+109.4 pt	-39.3%	-1.1 pt	+0.1 pt
Net income - Group part (€m)	-1,489	+1,123		-2,970	+1,443	

In the Second quarter 2021, the Air France-KLM Group posted an operating result of -752 million euros, up by 801 million euros compared to last year.

Net income amounted to -1,489 million euros in the Second quarter 2021, an increase of 1,123 million euros compared to last year. Last year Second quarter was heavily impacted by the recording of exceptional accounting items due to Covid-19 (impairment for acceleration phase-out Airbus 380s and Airbus 340s, fuel "over hedge" and a restructuring costs provision for the Air France and KLM voluntary departure plans).

Following the conversion of KLM defined benefit pension schemes into collective defined contribution schemes for Cockpit and Cabin staff in 2017, now also the KLM ground staff pension fund moved to a defined contribution scheme. This lead to more predictable annual contributions and less volatility on the Group's Balance Sheet. Mainly due to the derecognition of the KLM ground staff pension fund the other non-current income and expenses showed in Q2 a negative amount of 849 million euros.

## The Second quarter 2021 unit cost decreased by 71%, primarily caused by an increase of capacity

On a constant currency and fuel price basis, unit costs were down 71% in the Second quarter 2021.

All cost items, except other external expenses, increased in the Second quarter 2021 compared to last year due to an increase in capacity of 338.6%.

Group net employee cost were up 21.8% mainly due to less government support. The FTE reduction did not compensate fully this gap as indicated during the fourth quarter 2020 results presentation.

## Second quarter: Adjusted Operating Free cash flow positive. Change in Working Capital Requirement driven by improved advanced ticket sales

In € million	Second quarter		Half year	
	2021	Change	2021	Change
Cash flow before change in WCR and Voluntary Departure Plans, continuing operations (€m)	-417	+744	-1,162	+169
Cash out related to Voluntary Departure Plans (€m)	-80	-74	-125	-110
Change in Working Capital Requirement (WCR) (€m)	1,211	+1,129	1,120	+577
<b>Net cash flow from operating activities (€m)</b>	<b>714</b>	<b>+1,799</b>	<b>-167</b>	<b>+636</b>
Net investments* (€m)	-287	-33	-534	+578
<b>Operating free cash flow (€m)</b>	<b>427</b>	<b>+1,766</b>	<b>-701</b>	<b>+1,214</b>
Repayment of lease debt	-217	-55	-433	-21
<b>Adjusted operating free cash flow**</b>	<b>210</b>	<b>+1,711</b>	<b>-1,134</b>	<b>+1,193</b>

\* Sum of 'Purchase of property, plant and equipment and intangible assets' and 'Proceeds on disposal of property, plant and equipment and intangible assets' as presented in the consolidated cash flow statement.

\*\* The "Adjusted operating free cash flow" is operating free cash flow after deducting the repayment of lease debt.

The Group generated adjusted operating free cash flow in the Second quarter 2021 of 210 million euros, an increase of 1,711 million euros compared to last year, mainly driven by improved advanced tickets sales.

In € million	30 Jun 2021	31 Dec 2020
Net debt	8,344	11,049
EBITDA <i>trailing 12 months</i>	-1,723	-1,689
<b>Net debt/EBITDA <i>trailing 12 months</i></b>	<b>na</b>	<b>na</b>

## Q2: Performance improved versus last year although still negatively impacted by travel restrictions

	Second quarter		Half year	
	2021	Change	2021	Change
<b>Air France Group Operating result (€m)</b>	-566	+492	-1,406	+188
<i>Operating margin (%)</i>	-34.4%	+155.1 pt	-47.1%	-2.5 pt
<b>KLM Group Operating result (€m)</b>	-185	+308	-522	+246
<i>Operating margin (%)</i>	-15.3%	+55.0 pt	-24.4%	+2.6 pt

## OUTLOOK

Since June, first signs of recovery are visible in the booking trend thanks to waived or eased travel restrictions in Europe due to the rise of vaccination rate across all countries. The reopening of the North Atlantic for American citizens to visit Europe also resulted in an improved booking trend.

In this context, the Group expects capacity in Available Seat kilometers for Air France-KLM Network passenger activity at index in the range of 60% to 70% in the Third quarter 2021 compared to 2019.

Due to the uncertainty of the reopening of the North Atlantic for European citizens and uncertainty concerning travel restrictions waiving, no capacity guidance will be provided for the Fourth quarter 2021.

As of June 30, 2021, the Group has 9.4 billion euros of liquidity and credit lines at disposal, the Senior bond of 800 million euros issued by the end of June is not included in this amount yet. This level can be considered comfortable, given the first signs of recovery and the cash requirements for 2021, which include:

- Third quarter 2021 EBITDA expected to be positive
- Net Capex spending expected below 2.0 billion euros in 2021, and largely funded for fleet investments
- Restructuring cash out below 500 million euros in 2021, part of which is compensated by the associated reduction in the salary cost

The Air France-KLM Group continues to focus on its transformation projects in order to reduce its costs and on cash and equity. During the Annual General Meeting in May 2021, extraordinary resolutions were approved by the shareholders, providing the Board of Directors large flexibility to restore equity. These resolutions could include instruments such as rights issuance, vanilla quasi-equity and equity-linked instruments in order to restore balance sheet and re-profile debt redemptions.

### **Guidance: Air France-KLM Group medium term operating margin objective unchanged**

The Group accelerates its transformation initiatives and confirms its medium-term financial ambition. Air France-KLM continues to balance its medium-term focus on managing liquidity with the long-term focus on achieving increased competitiveness. To do this, the Group continues to optimize fleet, workforce, network, costs and reinforce his sustainability efforts.

Air France-KLM estimates the number of aircraft in 2022 to be 7% below the number of aircraft in 2019. The Group expects capacity in Available Seat Kilometers back to the 2019 levels in 2024.

By the end of June 2021, KLM managed to decrease the number of FTE by 5,700 compared to December 2019. In Air France (excluding Transavia France subsidiary), the number of FTE decreased by 5,300 end of June 2021 compared to December 2019. The voluntary departure plan continues at Air France (excluding Transavia France), and an additional 3,200 FTE will leave the company by end 2022. Operating costs will be reduced in 2021 and beyond, with 800 million euros structural benefits for KLM end 2021 and 1.3 billion euros end 2022 for Air France versus 2019.

The reduction in FTE, amongst other key transformation initiatives, will drive the unit cost down 8% to 10% (Unit cost including fuel and currency change assumptions) once capacity is back to 2019 level.

The Group's medium-term financial ambition is maintained with an Adjusted Operating Free Cash Flow expected to be positive in 2023. The Operating Margin mid-cycle objective is still estimated at 7% to 8%.

The Net debt/EBITDA target ratio of circa 3x in 2023 will be lowered to circa 2x after the expected second step of recapitalization.

Early July, Air France-KLM signed and executed an EMTN Program for a total issuance size of 4.5 billion euros, to fully support and optimize its overall financing strategy, and opportunistically make use of debt capital market windows through private and public bond issuances. Société Générale is acting as Arranger to the Programme alongside five dealers: CACIB, Deutsche Bank, HSBC, Natixis and Santander. Gide Loyrette Nouel acted as Legal Advisor to Air France-KLM and Allen & Overy as Legal Advisor to the group of dealers.

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The external auditors carried out limited review procedures. Their limited review report was issued following the Board meeting.

The results presentation is available at [www.airfranceklm.com](http://www.airfranceklm.com) on July 30, 2021 from 7:15 am CET.

A conference call hosted by Mr. Smith (CEO) and Mr. Zaat (CFO) will be held on July 30, 2021 at 08.30 CET.

To connect to the conference call, please dial:

France: Local +33 (0)1 70 72 25 50

Netherlands: Local +31 (0) 20 721 9251

UK: Local +44 (0)330 336 9126

US: Local +1 323-794-2597

Confirmation code: 4260430

**Investor Relations**

**Olivier Gall**

+33 1 49 89 52 59

[olgall@airfranceklm.com](mailto:olgall@airfranceklm.com)

**Michiel Klinkers**

+33 1 49 89 52 60

[Michiel.klinkers@airfranceklm.com](mailto:Michiel.klinkers@airfranceklm.com)

**Press**

+33 1 41 56 56 00



## Income Statement

€m	Second quarter			Half year		
	2021	2020	Change	2021	2020	Change
<b>Sales</b>	<b>2,750</b>	<b>1,182</b>	<b>+132.5%</b>	<b>4,910</b>	<b>6,201</b>	<b>-20.8%</b>
Other revenues	0	0	<i>nm</i>	0	0	<i>nm</i>
<b>Revenues</b>	<b>2,750</b>	<b>1,182</b>	<b>+132.5%</b>	<b>4,910</b>	<b>6,201</b>	<b>-20.8%</b>
Aircraft fuel	-520	-213	+144.1%	-982	-1,397	-29.7%
Chartering costs	-78	-24	+225.0%	-147	-114	+28.9%
Landing fees and route charges	-245	-91	+169.2%	-460	-478	-3.8%
Catering	-68	-14	+385.7%	-126	-178	-29.2%
Handling charges and other operating costs	-211	-82	+157.3%	-402	-441	-8.8%
Aircraft maintenance costs	-447	-298	+50.0%	-792	-912	-13.2%
Commercial and distribution costs	-72	-36	+100.0%	-131	-230	-43.0%
Other external expenses	-254	-270	-5.9%	-552	-673	-18.0%
Salaries and related costs	-1,237	-1,016	+21.8%	-2,403	-2,931	-18.0%
Taxes other than income taxes	-29	-24	+20.8%	-69	-80	-13.8%
Other income and expenses	163	106	+53.8%	280	393	-28.8%
<b>EBITDA</b>	<b>-248</b>	<b>-780</b>	<b>-68.2%</b>	<b>-874</b>	<b>-840</b>	<b>+4.0%</b>
Amortization, depreciation and provisions	-504	-773	-34.8%	-1,057	-1,528	-30.8%
<b>Income from current operations</b>	<b>-752</b>	<b>-1,553</b>	<b>-51.6%</b>	<b>-1,931</b>	<b>-2,368</b>	<b>-18.5%</b>
Sales of aircraft equipment	-11	25	<i>nm</i>	-14	24	<i>nm</i>
Other non-current income and expenses	-849	-809	+4.9%	-853	-854	-0%
<b>Income from operating activities</b>	<b>-1,612</b>	<b>-2,337</b>	<b>-31.0%</b>	<b>-2,798</b>	<b>-3,198</b>	<b>-12.5%</b>
Cost of financial debt	-149	-113	+31.9%	-339	-215	+57.7%
Income from cash and cash equivalent	2	6	-66.7%	3	12	-75.0%
<b>Net cost of financial debt</b>	<b>-147</b>	<b>-107</b>	<b>+37.4%</b>	<b>-336</b>	<b>-203</b>	<b>+65.9%</b>
Other financial income and expenses	5	-68	<i>nm</i>	-85	-733	-88.4%
<b>Income before tax</b>	<b>-1,754</b>	<b>-2,512</b>	<b>-30.2%</b>	<b>-3,219</b>	<b>-4,134</b>	<b>-22.1%</b>
Income taxes	271	-81	<i>nm</i>	262	-254	<i>nm</i>
<b>Net income of consolidated companies</b>	<b>-1,483</b>	<b>-2,593</b>	<b>-42.8%</b>	<b>-2,957</b>	<b>-4,388</b>	<b>-32.6%</b>
Share of profits (losses) of associates	-9	-21	-57.1%	-16	-29	-44.8%
<b>Net income for the period</b>	<b>-1,492</b>	<b>-2,614</b>	<b>-42.9%</b>	<b>-2,973</b>	<b>-4,417</b>	<b>-32.7%</b>
Minority interest	-3	-2	+50.0%	-3	-4	-25.0%
<b>Net income for the period – Group part</b>	<b>-1,489</b>	<b>-2,612</b>	<b>-43.0%</b>	<b>-2,970</b>	<b>-4,413</b>	<b>-32.7%</b>



## Consolidated Balance Sheet

<b>Assets</b>		
<i>€m</i>	<b>30 Jun 2021</b>	<b>31 Dec 2020</b>
Goodwill	221	215
Intangible assets	1,243	1,230
Flight equipment	10,645	11,031
Other property, plant and equipment	1,453	1,548
Right-of-use assets	5,033	4,678
Investments in equity associates	166	230
Derivatives assets long term	105	92
Pension assets	0	211
Other financial assets	795	795
Deferred tax assets	269	282
Other non-current assets	1	4
<b>Total non-current assets</b>	<b>19,931</b>	<b>20,316</b>
Other short-term financial assets	540	607
Derivatives assets short term	408	160
Inventories	519	543
Trade receivables	1,530	1,248
Other current assets	1,047	914
Cash and cash equivalents	6,035	6,423
<b>Total current assets</b>	<b>10,079</b>	<b>9,895</b>
<b>Total assets</b>	<b>30,010</b>	<b>30,211</b>

<b>Liabilities and equity</b>		
<i>In million euros</i>	<b>30 Jun 2021</b>	<b>31 Dec 2020</b>
Issued capital	643	429
Additional paid-in capital	4,949	4,139
Treasury shares	-25	-25
Perpetual	3,042	0
Reserves and retained earnings	-12,221	-9,970
<b>Equity attributable to equity holders of Air France-KLM</b>	<b>-3,612</b>	<b>-5,427</b>
Non-controlling interests	8	9
<b>Total Equity</b>	<b>-3,604</b>	<b>-5,418</b>
Pension provisions	2,119	2,147
Other provisions	3,977	3,670
Long-term debt	11,240	14,171
Lease financial debt	2,697	2,425
Derivatives liabilities long term	58	122
Deferred tax liabilities	4	22
Other non-current liabilities	2,501	1,294
<b>Total non-current liabilities</b>	<b>22,596</b>	<b>23,851</b>
Provisions	956	1,337
Current portion of long-term debt	842	1,318
Current portion of lease financial debt	809	839
Derivatives liabilities short term	67	363
Trade payables	1,604	1,435
Deferred revenue on ticket sales	2,889	2,394
Frequent flyer programs	904	916
Other current liabilities	2,945	3,175
Bank overdrafts	2	1
<b>Total current liabilities</b>	<b>11,018</b>	<b>11,778</b>
<b>Total equity and liabilities</b>	<b>30,010</b>	<b>30,211</b>

## Statement of Consolidated Cash Flows from 1<sup>st</sup> January until 30 June 2021

€m	30 Jun 2021	30 Jun 2020
Net income from continuing operations	-2,973	-4,417
Amortization, depreciation and operating provisions	1,057	1,527
Financial provisions	58	88
Loss (gain) on disposals of tangible and intangible assets	14	-36
Loss (gain) on disposals of subsidiaries and associates	-26	0
Derivatives – non monetary result	-29	224
Unrealized foreign exchange gains and losses, net	86	74
Impairment	15	639
Other non-monetary items	759	282
Share of (profits) losses of associates	16	29
Deferred taxes	-264	244
<b>Financial Capacity</b>	<b>-1,287</b>	<b>-1,346</b>
(Increase) / decrease in inventories	12	59
(Increase) / decrease in trade receivables	-268	703
Increase / (decrease) in trade payables	138	-875
Increase / (decrease) in advanced ticket sales	489	378
Change in other receivables and payables	749	278
<b>Change in working capital requirements</b>	<b>1,120</b>	<b>543</b>
<b>Net cash flow from operating activities</b>	<b>-167</b>	<b>-803</b>
Purchase of property, plant and equipment and intangible assets	-1,099	-1,284
Proceeds on disposal of property, plant and equipment and intangible assets	565	172
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	71	357
Acquisition of subsidiaries, of shares in non-controlled entities	2	-1
Dividends received	0	0
Decrease (increase) in net investments, more than 3 months	85	-3
<b>Net cash flow used in investing activities</b>	<b>-376</b>	<b>-759</b>
Capital increase	1,024	0
Perpetual (including premium)	0	0
Issuance of debt	690	5,014
Repayment on financial debt	-1,135	-1,993
Payments on lease debt	-433	-412
Decrease (increase) in loans, net	7	52
Dividends and coupons on perpetual paid	0	0
<b>Net cash flow from financing activities</b>	<b>153</b>	<b>2,661</b>
Effect of exchange rate on cash and cash equivalents and bank overdrafts	1	-17
<b>Change in cash and cash equivalents and bank overdrafts</b>	<b>-389</b>	<b>1,082</b>
Cash and cash equivalents and bank overdrafts at beginning of period	6,422	3,711
Cash and cash equivalents and bank overdrafts at end of period	6,033	4,793
<i>Change in treasury of discontinued operations</i>	0	0

## Return on capital employed (ROCE)

<i>In million euros</i>	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019
Goodwill and intangible assets	1,464	1,479	1,445	1,470	1,500	1,564	1,522	1,481
Flight equipment	10,645	10,800	11,031	11,009	10,919	11,465	11,334	10,905
Other property, plant and equipment	1,453	1,476	1,548	1,535	1,551	1,579	1,580	1,554
Right of use assets	5,033	4,795	4,678	4,789	4,938	5,119	5,173	5,212
Investments in equity associates	166	223	230	224	267	299	307	310
Financial assets excluding marketable securities and financial deposits	147	146	146	135	133	142	140	131
Provisions, excluding pension, cargo litigation and restructuring	-4,033	-4,083	-3,922	-4,001	-4,130	-4,190	-4,058	-4,105
WCR, excluding market value of derivatives	-7,745	-6,410	-6,505	-6,894	-6,779	-6,650	-6,310	-6,285
<b>Capital employed</b>	<b>7,130</b>	<b>8,426</b>	<b>8,651</b>	<b>8,267</b>	<b>8,399</b>	<b>9,328</b>	<b>9,688</b>	<b>9,203</b>
<b>Average capital employed (A)</b>		<b>8,199</b>				<b>9,155</b>		
Adjusted results from current operations		-4,112				-1,364		
- Dividends received		0				-1		
- Share of profits (losses) of associates		-45				-15		
- Normative income tax		1,209				447		
<b>Adjusted result from current operations after tax (B)</b>		<b>-2,948</b>				<b>-933</b>		
<b>ROCE, trailing 12 months (B/A)</b>		<b>-36.3%</b>				<b>-10.2%</b>		

## Net debt

€m	Balance sheet at	
	30 Jun 2021	31 Dec 2020
Financial debt	11,985	15,388
Repo on triple A bonds	-48	-84
Lease debt	3,424	3,184
Currency hedge on financial debt	13	27
Accrued interest	-90	-107
<b>Gross financial debt (A)</b>	<b>15,284</b>	<b>18,408</b>
Cash and cash equivalents	6,035	6,423
Marketable securities	144	193
Cash securities	274	309
Bonds AAA	537	518
Bank overdrafts	-2	-1
Others	0	1
Repo on triple A bonds	-48	-84
<b>Net cash (B)</b>	<b>6,940</b>	<b>7,359</b>
<b>Net debt (A) – (B)</b>	<b>8,344</b>	<b>11,049</b>

## Adjusted operating free cash flow

€m	Second quarter		Half year	
	2021	2020	2021	2020
Net cash flow from operating activities, continued operations	714	-1,085	-167	-803
Investment in property, plant, equipment and intangible assets	-632	-415	-1,099	-1,284
Proceeds on disposal of property, plant, equipment and intangible assets	345	161	565	172
<b>Operating free cash flow</b>	<b>427</b>	<b>-1,339</b>	<b>-701</b>	<b>-1,915</b>
Payments on lease debt	-217	-162	-433	-412
<b>Adjusted operating free cash flow</b>	<b>210</b>	<b>-1,501</b>	<b>-1,134</b>	<b>-2,327</b>

## Operating cash burn

	Second quarter		First Half	
	2021	2020	2021	2020
<b>EBITDA</b>	<b>-248</b>	<b>-780</b>	<b>-874</b>	<b>-840</b>
Provisions (CO2 and other)	-70	-39	-28	-33
Correction of spare parts inventory	2	-1	3	0
Addition to pension provisions	59	77	134	154
Reversal to pension provisions (cash-out)	-40	-47	-83	-95
Payment linked with shares	0	0	0	-2
Sales of tangible and intangible assets (excluding aeronautical)	70	43	31	41
<b>Income from operation activities - cash impact</b>	<b>-226</b>	<b>-746</b>	<b>-817</b>	<b>-775</b>
Restructuring costs	-80	-6	-125	-15
Other non-current income and expenses	-63	0	-63	-1
Cost of financial debt	-134	-105	-302	-200
Financial income	-3	0	-7	2
Realized foreign exchanges gain/loss	20	6	47	-1
Termination of trading hedges - cash	-2	-310	-8	-322
Current income tax	1	-3	-2	-10
Other financial charges & expenses - cash	-8	-3	-8	-26
Other elements	-2	1	-2	2
<b>Financial capacity</b>	<b>-497</b>	<b>-1,166</b>	<b>-1,287</b>	<b>-1,346</b>

## Unit cost: net cost per ASK

	Second quarter		Half year	
	2021	2020	2021	2020
Revenues (in €m)	2,750	1,182	4,910	6,201
Income/(loss) from current operations (in €m) -/-	752	1,553	1,931	2,368
Total operating expense (in €m)	3,502	2,735	6,841	8,569
Passenger network business – other revenues (in €m)	-77	-37	-131	-177
Cargo network business – other revenues (in €m)	-99	-75	-190	-142
Third-party revenues in the maintenance business (in €m)	-254	-222	-512	-716
Transavia - other revenues (in €m)	0	-1	0	-14
Third-party revenues of other businesses (in €m)	-6	-5	-13	-11
<b>Net cost (in €m)</b>	<b>3,064</b>	<b>2,395</b>	<b>5,996</b>	<b>7,508</b>
Capacity produced, reported in ASK*	39,657	9,042	74,254	76,337
<b>Net cost per ASK (in € cents per ASK)</b>	<b>7.73</b>	<b>26.48</b>	<b>8.07</b>	<b>9.84</b>
<i>Gross change</i>		-70.8%		-17.9%
Currency effect on net costs (in €m)		-15		-124
<i>Change at constant currency</i>		-70.6%		-16.6%
Fuel price effect (in €m)		16		-206
<b>Net cost per ASK on a constant currency and fuel price basis (in € cents per ASK)</b>	<b>7.73</b>	<b>26.50</b>	<b>8.07</b>	<b>9.40</b>
<b>Change at constant currency and fuel price basis</b>		<b>-70.8%</b>		<b>-14.2%</b>

\* The capacity produced by the transportation activities is combined by adding the capacity of the Passenger network (in ASK) to that of Transavia (in ASK).

## Group results Air France Group

	Second quarter		Half year	
	2021	Change	2021	Change
Revenue (in €m)	1,646	+194.5%	2,987	-16.4%
EBITDA (in €m)	-280	+286	-792	-158
Operating result (in m€)	-566	+492	-1,406	+188
<i>Operating margin (%)</i>	-34.4%	+155.1 pt	-47.1%	-2.5 pt
Operating cash flow before WCR and restructuring cash out (in €m)	-398	+389	-1,020	-109
<i>Operating cash flow (before WCR and restructuring) margin</i>	-24.2%	+116.7 pt	-34.1%	-8.6 pt

## KLM Group

	Second quarter		Half year	
	2021	Change	2021	Change
Revenue (in €m)	1,207	+72.3%	2,137	-24.8%
EBITDA (in €m)	33	+244	-78	+122
Operating result (in m€)	-185	+308	-522	+246
<i>Operating margin (%)</i>	-15.3%	+55.0 pt	-24.4%	+2.6 pt
Operating cash flow before WCR and restructuring cash out (in €m)	-56	+302	-169	+203
<i>Operating cash flow (before WCR and restructuring) margin</i>	-4.7%	+46.4 pt	-7.9%	+5.2 pt

NB: Sum of individual airline results does not add up to Air France-KLM total due to intercompany eliminations at Group level

## Group fleet at 30 June 2021

Aircraft type	AF (incl. HOP)	KL (incl. KLC & MP)	Transavia	Owned	Finance lease	Operating lease	Total	In operation	Change / 31/12/20
B747-400									
B777-300	43	16		20	15	24	59	59	2
B777-200	21	15		26		10	36	36	-4
B787-9	10	13		5	6	12	23	23	
B787-10		6		3	3		6	5	
A380-800	8			4	1	3	8		
A350-900	10			2	5	3	10	10	4
A340-300									
A330-300		5				5	5	5	
A330-200	15	8		11		12	23	21	
<b>Total Long-Haul</b>	<b>107</b>	<b>63</b>	<b>0</b>	<b>71</b>	<b>30</b>	<b>69</b>	<b>170</b>	<b>159</b>	<b>2</b>
B737-900		5		5			5	5	
B737-800		31	85	31	8	77	116	116	10
B737-700		13	4	3	4	10	17	17	-3
A321	19			11		8	19	19	-1
A320	44			4	4	36	44	44	
A319	31			13		18	31	30	-3
A318	18			8		10	18	18	
<b>Total Medium-Haul</b>	<b>112</b>	<b>49</b>	<b>89</b>	<b>75</b>	<b>16</b>	<b>159</b>	<b>250</b>	<b>249</b>	<b>3</b>
ATR72-600									
ATR72-500									
ATR42-500									
Canadair Jet 1000	14			14			14	13	-1
Canadair Jet 700	6			6			6	5	-4
Embraer 195 E2		4				4	4	4	4
Embraer 190	17	32		11	10	28	49	49	
Embraer 175		17		3	14		17	17	
Embraer 170	15			10		5	15	15	
Embraer 145	11			11			11		
<b>Total Regional</b>	<b>63</b>	<b>53</b>	<b>0</b>	<b>55</b>	<b>24</b>	<b>37</b>	<b>116</b>	<b>103</b>	<b>-1</b>
B747-400ERF		3		3			3	3	
B747-400BCF		1		1			1	1	
B777-F	2					2	2	2	
<b>Total Cargo</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>Total</b>	<b>284</b>	<b>169</b>	<b>89</b>	<b>205</b>	<b>70</b>	<b>267</b>	<b>542</b>	<b>517</b>	<b>4</b>



## SECOND QUARTER 2021 TRAFFIC

### Passenger network activity\*

Total Passenger network*	Q2			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	5,853	1,128	418.9%	10,321	16,894	(38.9%)
Revenue pax-kilometers (m RPK)	15,930	3,261	388.5%	29,363	53,111	(44.7%)
Available seat-kilometers (m ASK)	36,417	8,765	315.5%	70,005	71,168	(1.6%)
Load factor (%)	43.7%	37.2%	6.5	41.9%	74.6%	(32.6)
<b>Long-haul</b>						
Passengers carried ('000s)	1,769	339	421.2%	3,338	5,857	(43.0%)
Revenue pax-kilometers (m RPK)	12,199	2,592	370.6%	23,164	44,080	(47.5%)
Available seat-kilometers (m ASK)	30,625	7,615	302.2%	59,953	58,853	1.9%
Load factor (%)	39.8%	34.0%	5.8	38.6%	74.9%	(36.3)
<b>North America</b>						
Passengers carried ('000s)	423	106	298.7%	698	1,590	(56.1%)
Revenue pax-kilometers (m RPK)	3,113	759	310.1%	5,144	11,335	(54.6%)
Available seat-kilometers (m ASK)	9,009	2,495	261.1%	16,070	15,821	1.6%
Load factor (%)	34.6%	30.4%	4.1	32.0%	71.6%	(39.6)
<b>Latin America</b>						
Passengers carried ('000s)	171	42	307.8%	366	873	(58.1%)
Revenue pax-kilometers (m RPK)	1,649	411	301.0%	3,513	8,235	(57.3%)
Available seat-kilometers (m ASK)	5,165	1,043	395.2%	10,457	10,347	1.1%
Load factor (%)	31.9%	39.4%	(7.5)	33.6%	79.6%	(46.0)
<b>Asia / Pacific</b>						
Passengers carried ('000s)	178	74	140.0%	338	1,188	(71.5%)
Revenue pax-kilometers (m RPK)	1,546	656	135.5%	2,878	10,278	(72.0%)
Available seat-kilometers (m ASK)	5,885	2,556	130.2%	11,963	14,666	(18.4%)
Load factor (%)	26.3%	25.7%	0.6	24.1%	70.1%	(46.0)
<b>Africa / Middle East</b>						
Passengers carried ('000s)	686	47	1351.6%	1,217	1,235	(1.5%)
Revenue pax-kilometers (m RPK)	3,593	271	1227.9%	6,375	7,151	(10.9%)
Available seat-kilometers (m ASK)	6,505	480	1255.3%	12,472	9,143	36.4%
Load factor (%)	55.2%	56.4%	(1.1)	51.1%	78.2%	(27.0)
<b>Caribbean / Indian Ocean</b>						
Passengers carried ('000s)	310	70	345.1%	719	972	(26.0%)
Revenue pax-kilometers (m RPK)	2,298	495	364.5%	5,255	7,080	(25.8%)
Available seat-kilometers (m ASK)	4,062	1,041	290.4%	8,987	8,876	1.2%
Load factor (%)	56.6%	47.5%	9.0	58.5%	79.8%	(21.3)
<b>Short and Medium-haul</b>						
Passengers carried ('000s)	4,084	789	417.9%	6,983	11,037	(36.7%)
Revenue pax-kilometers (m RPK)	3,731	669	457.8%	6,199	9,031	(31.4%)
Available seat-kilometers (m ASK)	5,792	1,150	403.5%	10,052	12,316	(18.4%)
Load factor (%)	64.4%	58.2%	6.3	61.7%	73.3%	(11.5)

\* Air France and KLM

### Transavia activity

Transavia	Q2			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	1,175	90	1208.9%	1,527	2,439	(37.4%)
Revenue pax-kilometers (m RPK)	1,939	181	971.9%	2,522	4,636	(45.6%)
Available seat-kilometers (m ASK)	3,240	277	1069.2%	4,251	5,169	(17.8%)
Load factor (%)	59.9%	65.3%	(5.4)	59.3%	89.7%	(30.4)

### Total group passenger activity\*\*

Total group**	Q2			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	7,028	1,218	477.1%	11,847	19,333	(38.7%)
Revenue pax-kilometers (m RPK)	17,869	3,438	419.7%	31,884	57,748	(44.8%)
Available seat-kilometers (m ASK)	39,656	9,042	338.6%	74,256	76,377	(2.8%)
Load factor (%)	45.1%	38.0%	7.0	42.9%	75.6%	(32.7)

\*\* Air France, KLM and Transavia

### Cargo activity

Total Group	Q2			Year to date		
	2021	2020	Variation	2021	2020	Variation
Revenue tonne-km (m RTK)	2,093	1,178	77.7%	4,165	3,012	38.3%
Available tonne-km (m ATK)	2,624	1,458	79.9%	5,311	4,656	14.1%
Load factor (%)	79.8%	80.8%	(1.0)	78.4%	64.7%	13.7

## Air France activity

Total Passenger network activity	Q2			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	3,606	663	444.0%	6,652	10,153	(34.5%)
Revenue pax-kilometers (m RPK)	9,154	1,661	451.1%	17,724	30,857	(42.6%)
Available seat-kilometers (m ASK)	17,637	3,637	384.9%	34,052	40,321	(15.5%)
Load factor (%)	51.9%	45.7%	6.2	52.0%	76.5%	(24.4)
<b>Long-haul</b>						
Passengers carried ('000s)	1,093	179	509.9%	2,142	3,465	(38.2%)
Revenue pax-kilometers (m RPK)	7,016	1,255	459.1%	14,011	25,428	(44.9%)
Available seat-kilometers (m ASK)	14,336	2,986	380.1%	28,252	32,907	(14.1%)
Load factor (%)	48.9%	42.0%	6.9	49.6%	77.2%	(27.7)
<b>Short and Medium-haul</b>						
Passengers carried ('000s)	2,513	484	419.6%	4,510	6,689	(32.6%)
Revenue pax-kilometers (m RPK)	2,138	406	426.9%	3,713	5,430	(31.6%)
Available seat-kilometers (m ASK)	3,300	651	406.9%	5,800	7,413	(21.8%)
Load factor (%)	64.8%	62.3%	2.5	64.0%	72.9%	(8.9)

Cargo activity	Q2			Year to date		
	2021	2020	Variation	2021	2020	Variation
Revenue tonne-km (m RTK)	912	379	140.3%	1,817	1,197	51.8%
Available tonne-km (m ATK)	1,268	508	149.8%	2,601	2,135	21.8%
Load factor (%)	71.9%	74.7%	(2.8)	69.8%	56.0%	13.8

## KLM activity

Total Passenger network activity	Q2			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	2,247	465	383.0%	3,669	6,741	(45.6%)
Revenue pax-kilometers (m RPK)	6,776	1,600	323.4%	11,639	22,254	(47.7%)
Available seat-kilometers (m ASK)	18,780	5,127	266.3%	35,951	30,848	16.5%
Load factor (%)	36.1%	31.2%	4.9	32.4%	72.1%	(39.8)
<b>Long-haul</b>						
Passengers carried ('000s)	676	160	321.9%	1,196	2,392	(50.0%)
Revenue pax-kilometers (m RPK)	5,183	1,337	287.6%	9,153	18,652	(50.9%)
Available seat-kilometers (m ASK)	16,289	4,629	251.9%	31,700	25,945	22.2%
Load factor (%)	31.8%	28.9%	2.9	28.9%	71.9%	(43.0)
<b>Short and Medium-haul</b>						
Passengers carried ('000s)	1,572	305	415.1%	2,473	4,348	(43.1%)
Revenue pax-kilometers (m RPK)	1,593	263	505.4%	2,486	3,602	(31.0%)
Available seat-kilometers (m ASK)	2,491	499	399.8%	4,251	4,902	(13.3%)
Load factor (%)	63.9%	52.8%	11.2	58.5%	73.5%	(15.0)

Cargo activity	Q2			Year to date		
	2021	2020	Variation	2021	2020	Variation
Revenue tonne-km (m RTK)	1,181	798	48.0%	2,349	1,816	29.4%
Available tonne-km (m ATK)	1,355	950	42.6%	2,710	2,521	7.5%
Load factor (%)	87.2%	84.0%	3.2	86.7%	72.0%	14.7