

**UNAUDITED INTERIM CONSOLIDATED FINANCIAL  
INFORMATION**

Prepared under International Financial Reporting Standards (“IFRS”) as adopted by the European Commission  
for use in the European Union

**January 1, 2021 – June 30, 2021**

# Air France-KLM Group

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# Air France-KLM Group

## CONSOLIDATED INCOME STATEMENT (unaudited)

<i>In € millions</i>			
<b>Period from January 1 to June 30</b>	<i>Notes</i>	<b>2021</b>	<b>2020</b>
<b>Sales</b>	<i>5</i>	<b>4,910</b>	<b>6,201</b>
<b>Revenues</b>		<b>4,910</b>	<b>6,201</b>
External expenses	<i>6</i>	(3,592)	(4,423)
Salaries and related costs	<i>7</i>	(2,403)	(2,931)
Taxes other than income taxes		(69)	(80)
Other income and expenses	<i>9</i>	280	393
<b>EBITDA</b>		<b>(874)</b>	<b>(840)</b>
Amortization, depreciation and provisions	<i>8</i>	(1,057)	(1,528)
<b>Income from current operations</b>		<b>(1,931)</b>	<b>(2,368)</b>
Sales of aircraft equipment		(14)	24
Other non-current income and expenses	<i>10</i>	(853)	(854)
<b>Income from operating activities</b>		<b>(2,798)</b>	<b>(3,198)</b>
Cost of financial debt	<i>11</i>	(339)	(215)
Income from cash and cash equivalents	<i>11</i>	3	12
<i>Net cost of financial debt</i>		<b>(336)</b>	<b>(203)</b>
Other financial income and expenses	<i>11</i>	(85)	(733)
<b>Income before tax</b>		<b>(3,219)</b>	<b>(4,134)</b>
Income taxes	<i>12</i>	262	(254)
<b>Net income of consolidated companies</b>		<b>(2,957)</b>	<b>(4,388)</b>
Share of profits (losses) of associates		(16)	(29)
<b>Net income from continuing operations</b>		<b>(2,973)</b>	<b>(4,417)</b>
<b>Net income for the period</b>		<b>(2,973)</b>	<b>(4,417)</b>
<i>Non-controlling interests</i>		(3)	(4)
<i>Net income - Group part</i>		(2,970)	(4,413)
Earnings per share – Equity holders of Air France-KLM (in euros)			
- basic	<i>13</i>	(5.86)	(10.35)
- diluted		(5.86)	(10.35)

The accompanying notes are an integral part of this interim consolidated financial information.

# Air France-KLM Group

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

<i>In € millions</i>			
<b>Period from January 1 to June 30</b>	<i>Notes</i>	<b>2021</b>	<b>2020</b>
<b>Net income for the period</b>		<b>(2,973)</b>	<b>(4,417)</b>
<b>Cash flow hedges and cost of hedging</b>			
Effective portion of changes in fair value hedge and cost of hedging recognized directly in other comprehensive income		389	(1,255)
Change in fair value and cost of hedging transferred to profit or loss		(53)	707
Currency translation adjustment		-	1
Deferred tax on items of comprehensive income that will be reclassified to profit or loss	<b>12</b>	(91)	153
<b>Total of other comprehensive income that will be reclassified to profit or loss</b>		<b>245</b>	<b>(394)</b>
Remeasurements of defined benefit pension plans	<b>17</b>	693	(77)
Fair value of equity instruments revalued through OCI		1	(28)
Deferred tax on items of comprehensive income that will not be reclassified to profit or loss	<b>12</b>	(170)	39
<b>Total of other comprehensive income that will not be reclassified to profit or loss</b>		<b>524</b>	<b>(66)</b>
<b>Total of other comprehensive income, after tax</b>		<b>769</b>	<b>(460)</b>
<b>Recognized income and expenses</b>		<b>(2,204)</b>	<b>(4,877)</b>
- Equity holders of Air France-KLM		(2,203)	(4,872)
- Non-controlling interests		(1)	(5)

The accompanying notes are an integral part of this interim consolidated financial information.

# Air France-KLM Group

## CONSOLIDATED BALANCE SHEET (unaudited)

Assets		June 30,	December 31,
<i>In € millions</i>	<i>Notes</i>	2021	2020
Goodwill		221	215
Intangible assets		1,243	1,230
Flight equipment	<b>14</b>	10,645	11,031
Other property, plant and equipment	<b>14</b>	1,453	1,548
Right-of-use assets	<b>14</b>	5,033	4,678
Investments in equity associates		166	230
Pension assets	<b>17</b>	-	211
Other financial assets		795	795
Derivatives		105	92
Deferred tax assets	<b>12</b>	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		408	160
Inventories		519	543
Trade receivables		1,530	1,248
Other current assets		1,047	914
Cash and cash equivalents	<b>16</b>	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>

The accompanying notes are an integral part of this interim consolidated financial information.

# Air France-KLM Group

## CONSOLIDATED BALANCE SHEET (unaudited) (continued)

Liabilities and equity		June 30, 2021	December 31, 2020
<i>In € millions</i>	<i>Notes</i>		
Issued capital	18.1	643	429
Additional paid-in capital	18.1	4,949	4,139
Treasury shares		(25)	(25)
Perpetual bonds	18.3	3,042	-
Reserves and retained earnings	18.4	(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	17	2,119	2,147
Return obligation liability and other provisions	19	3,977	3,670
Financial debt	20	11,240	14,171
Lease debt	21	2,697	2,425
Derivatives		58	122
Deferred tax liabilities	12	4	22
Other non-current liabilities	24	2,501	1,294
<b>Total non-current liabilities</b>		<b>22,596</b>	<b>23,851</b>
Return obligation liability and other provisions	19	956	1,337
Current portion of financial debt	20	842	1,318
Lease debt	21	809	839
Derivatives		67	363
Trade payables		1,604	1,435
Deferred revenue on ticket sales	23	2,889	2,394
Frequent flyer programs		904	916
Other current liabilities	24	2,945	3,175
Bank overdrafts	16	2	1
<b>Total current liabilities</b>		<b>11,018</b>	<b>11,778</b>
<b>Total liabilities</b>		<b>33,614</b>	<b>35,629</b>
<b>Total equity and liabilities</b>		<b>30,010</b>	<b>30,211</b>

The accompanying notes are an integral part of this interim consolidated financial information

# Air France-KLM Group

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

<i>In € millions</i>	<i>Notes</i>	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
<b>December 31, 2019</b>		<b>428,634,035</b>	<b>429</b>	<b>4,139</b>	<b>(67)</b>	<b>403</b>	<b>(2,620)</b>	<b>2,284</b>	<b>15</b>	<b>2,299</b>
<i>Other comprehensive income</i>			-	-	-	-	(459)	(459)	(1)	(460)
Net result for the period			-	-	-	-	(4,413)	(4,413)	(4)	(4,417)
<b>Total of income and expenses recognized</b>			-	-	-	-	<b>(4,872)</b>	<b>(4,872)</b>	<b>(5)</b>	<b>(4,877)</b>
Other			-	-	-	-	29	29	-	29
<b>June 30, 2020</b>		<b>428,634,035</b>	<b>429</b>	<b>4,139</b>	<b>(67)</b>	<b>403</b>	<b>(7,463)</b>	<b>(2,559)</b>	<b>10</b>	<b>(2,549)</b>
<b>December 31, 2020</b>		<b>428,634,035</b>	<b>429</b>	<b>4,139</b>	<b>(25)</b>	<b>-</b>	<b>(9,970)</b>	<b>(5,427)</b>	<b>9</b>	<b>(5,418)</b>
<i>Other comprehensive income</i>			-	-	-	-	767	767	2	769
Net result for the period			-	-	-	-	(2,970)	(2,970)	(3)	(2,973)
<b>Total of income and expenses recognized</b>			-	-	-	-	<b>(2,203)</b>	<b>(2,203)</b>	<b>(1)</b>	<b>(2,204)</b>
Capital increase	2.2	213,999,999	214	810	-	-	-	1,024	-	1,024
Perpetual bonds			-	-	-	3,000	(4)	2,996	-	2,996
Coupons on perpetual			-	-	-	42	(42)	-	-	-
Other			-	-	-	-	(2)	(2)	-	(2)
<b>June 30, 2021</b>		<b>642,634,034</b>	<b>643</b>	<b>4,949</b>	<b>(25)</b>	<b>3,042</b>	<b>(12,221)</b>	<b>(3,612)</b>	<b>8</b>	<b>(3,604)</b>

The accompanying notes are an integral part of this interim consolidated financial information.

# Air France-KLM Group

## CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

Period from January 1 to June 30	Notes	2021	2020
<i>In € millions</i>			
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)	-
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 requirement</b>		<b>1,120</b>	<b>543</b>
<b>Net cash flow from operating activities (A)</b>		<b>(167)</b>	<b>(803)</b>
Acquisition of subsidiaries, of shares in non-controlled entities		2	(1)
Purchase of property plant and equipment and intangible assets (B)	15	(1,099)	(1,284)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	2.2	71	357
Proceeds on disposal of property plant and equipment and intangible assets (C)		565	172
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	-
Issuance of debt	20	690	5,014
Repayment on debt	20	(1,135)	(1,993)
Payments on lease debts (D)		(433)	(412)
New loans		(37)	(20)
Repayment on loans		44	72
Dividends and coupons on perpetual paid		-	-
<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 (net of cash acquired or sold)		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	16	6,422	3,711
Cash and cash equivalents and bank overdrafts at end of period	16	6,033	4,793
Income tax (paid) / reimbursed (flow included in operating activities)		57	(9)
Interest paid (flow included in operating activities)		(320)	(180)
Interest received (flow included in operating activities)		(5)	3

The accompanying notes are an integral part of this interim consolidated financial information.

# Air France-KLM Group

## OPERATING FREE CASH-FLOW (UNAUDITED)

<b>Period from January 1 to June 30</b>	<i>Notes</i>	<b>2021</b>	<b>2020</b>
<i>in € millions</i>			
Net cash flow from operating activities	<i>A</i>	(167)	(803)
Purchase of property plant and equipment and intangible assets	<i>B</i>	(1,099)	(1,284)
Proceeds on disposal of property plant and equipment and intangible assets	<i>C</i>	565	172
<b>Operating free cash flow</b>	<i>22</i>	<b>(701)</b>	<b>(1,915)</b>
<b>Payments on lease debts</b>	<i>D</i>	<b>(433)</b>	<b>(412)</b>
<b>Operating free cash flow adjusted</b>		<b>(1,134)</b>	<b>(2,327)</b>

The accompanying notes are an integral part of this interim consolidated financial information.

**NOTES TO THE INTERIM CONSOLIDATED  
FINANCIAL INFORMATION**

# **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, leisure 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.

# Air France-KLM Group

## 2. SIGNIFICANT EVENTS

### 2.1. Covid-19 and going concern

The worldwide spread of Covid-19 since the beginning of 2020 has had and continues to have a major impact on air traffic around the world. The very strict conditions on worldwide travel adopted by many countries from March 2020 resulted in a drastic air traffic reduction in 2020. In the first half 2021, further measures were implemented by the French and Dutch governments to slow the spread of the virus and restrictions on travel have been reinforced at global level following the emergence of new variants of the virus, again limiting the airline traffic.

The Group has already taken a number of strong measures to mitigate the effect of Covid-19 on its business and continues to closely monitor and evaluate further developments. These actions include, amongst others, a substantial reduction in network capacity, structural changes to the fleet, salary moderation, staff reductions and cash preservation.

#### *Reduction in capacity and costs*

Available seat-kilometers for Passenger network and Transavia were down by 2.7% compared to the first half of 2020, with a two-step evolution: a sharp fall in capacity (-48.6%) in the first quarter of 2021 compared to the first quarter of 2020, which was little affected by the Covid-19 crisis, and then a very strong rebound (+338.6%) in the second quarter compared to the second half of 2020, which was marked by the lockdowns in France and the Netherlands. However, due to weak demand, traffic in passenger revenue per kilometer declined by 44.8% compared to 2020.

As a result, even though available cargo ton-kilometers increased by 11.3% compared to the first half of 2020, revenues declined by 20.8% compared to the previous year and amount to €4,910 million.

At the same time, specific cost initiatives and the decline in traffic led to a decrease of the Group's external expenses to €3,592 million, down 18.8% compared to the first half of 2020.

Within external expenses, fuel costs amounted to €982 million, down 29.7% compared to 2020, following a lower jet fuel price and lower capacity.

In addition, the ongoing partial activity measures (“Activité Partielle”) in France, implemented as of March, 23 2020 and the “Temporary Emergency Bridging Measures for Sustained Employment” (NOW), in the Netherlands, applicable from March 1, 2020 together with restructuring and staff reduction plans, structural changes to the fleet (see Note 2.2. Events occurring during the period in the Note to the consolidated financial statements for the financial year ended December 31, 2020), continued to contribute to a decline in salaries and related costs. The latter amounted to €2,403 million in the first half of 2021, a decrease of 18% compared to last year.

The Dutch government has also announced the implementation of an extension of the “Temporary Emergency Bridging Measures for Sustained Employment” (NOW) program until September 30, 2021.

#### *Liquidity position*

As of June 30, 2021, the Group's liquidity position consisted of total cash of €9.4 billion, of which €6.94 billion in liquidity, net of undrawn credit lines (see Note 22. Net debt) and €2.46 billion in undrawn credit lines (Note 20.2 State loans and 20.5 Credit lines).

In April 2021 and July 2021 respectively, the Group's liquidity position was reinforced by €1 billion thanks to the Air France-KLM Group's capital increase (see note 2.2. Events that occurred in the period) and by €800 million thanks to the bond issue (see note 2.3. Subsequent events).

In addition, the Group is pursuing the measures initiated in 2020 to defer non-essential capital expenditures and internal projects, and defer payment of employee profit sharing and variable compensation, of the wage tax and social contributions.

Despite these measures and a gradual resumption of activity, Air France KLM's financial performance for the coming period will continue to be affected by a significant fall in revenue, lost ticket sales and substantially negative adjusted operating free cash flows in a proportion and for a duration that currently remain uncertain.

# Air France-KLM Group

## *Going concern*

In determining the appropriate basis for preparing the interim consolidated financial statements for the first half ended June 30, 2021, the Board of Directors considered the Group as a going concern by evaluating the financial forecasts over a time horizon of at least one year and by analyzing, in particular, the trading position of the Group in the context of the current Covid-19 pandemic and taking into account the following elements.

As indicated above, the Group had total liquidity of €9.4 billion at June 30, 2021.

The vaccination rollout is enabling the gradual lifting of traffic restrictions. Activity forecasts are steadily increasing to reach 65% of 2019 capacity in the third quarter of 2021 (versus the third quarter of 2019) thanks to the dynamism of leisure traffic on the Overseas Territories domestic networks, Europe and Africa.

Combined with the capital increase (see note 2.2. Events that occurred in the period), the €800 million bond issue and the launch of the EMTN program (see note 2.3. 2.3. Subsequent events), the cash flow projections over a horizon of more than 12 months ensure a sufficient level of liquidity.

They notably include:

- The adjustment of the flight schedule and capacity to the expected demand in order to operate only flights having a positive incremental impact in terms of operating cash flow;
- The maintenance of the specific mechanisms from the French and Dutch governments to partially cover staff costs through the “NOW” program in the Netherlands which has been extended until the end of September 2021 and the Long-Term Partial Activity (“APLD”) scheme in France until the end of 2022;
- Deferral of part of the social charges and payroll taxes;
- A high level of variable costs linked to a reduction in capacity;
- The reduction in the capital expenditure plans;
- The systematic refinancing of new aircraft delivered during the period.

Based on these financial forecasts, the banking covenants applicable in 2021, including the €2.46 billion Revolving Credit Facility at the level of KLM (see note 20.2 State loans and 20.5 Credit lines) will be respected.

The Group is pursuing its plans for additional financing which will reinforce equity or quasi-equity and provide new liquidity, within the framework of the extraordinary resolutions adopted by the Annual General Shareholders' Meeting of May 26, 2021.

The group is actively monitoring its debt structure and has entered into negotiations with its banks to extend the maturity of the loan guaranteed by the French State beyond 2023.

In the context linked to the Covid-19 crisis, the Board of Directors considers that there are risks that could delay the recovery of the Group's activities and jeopardize the ability to continue its activities. In particular, the uncontrolled development of new variants, resistant to vaccines, might lead to a further decline in air traffic, a slow reopening of American and Asian borders, and a later resumption of business traffic.

In the event that these factors of uncertainty were to materialize, management has considered additional mitigation measures, including the:

- Optimization and reduction of capacity and network
- Asset disposals
- Additional workforce restructuring
- Others cost saving measures
- Deferral of capital expenditures and expenses

In this deteriorated context, the Group might not be able to realize its assets and repay its debts within the normal framework of its activity while the application of the IFRS accounting rules and principles in a normal context of a going concern, concerning notably the assessment of the assets and liabilities, could prove inappropriate. This situation creates a situation of significant uncertainty with regard to operating as a going concern.

Notwithstanding, the Board of Directors does not consider those pessimistic scenarios to be likely or that they are likely to have an impact sufficient to call into question the business as a going concern. It thus considers it appropriate to prepare the interim financial information on the basis of going concern principle.

# Air France-KLM Group

## 2.2. Events that occurred in the period

### Long-term Partial Activity agreement

During the first half of 2021, Air France and some of its affiliates finalized the agreements with the representative trade unions allowing the use of the Long-term Partial Activity (*Activité partielle de Longue Durée* - APLD) scheme for a maximum period of 24 months.

### Approval of Hop ! departure plan

As part of its restructuring, HOP! has launched a departure plan (see note 2.2 Events occurring during the period in the notes to the consolidated financial statements for the financial year ended December 31, 2020). On February 16, 2021, HOP! received a request from the French Labor Ministry (DREETS and formerly DIRECCTE) to amend some measures of the plan concerning flight crew. The amended voluntary departure plan was finally approved on June 16, 2021. The amount of the provision remained unchanged compared to December 31, 2020.

### Air France-KLM Group capital-strengthening measures

On April 5, 2021, the Air France-KLM Group announced a plan of measures concerning Air France, which was approved by the European Commission in its decision to authorize the €4 billion transaction by the French State to recapitalize Air France and Air France-KLM. Following this authorization, the following transactions were carried out:

- **€1,036 million capital increase:**

On April 19, 2021, the Group has completed its capital increase without shareholders' preferential subscription rights, by way of a public offering and with a priority subscription period on an irreducible and reducible basis granted to existing shareholders, for an amount of €1,036 million (after exercise in full of the increase option), i.e. €1,024 million net of issuance fees.

This operation improves the Group's shareholders' equity, and brings the same amount of new money to the Group for the benefit of Air France.

The capital increase resulted in the issuance of 213,999,999 new shares (the "New Shares") at a price per share of €4.84, representing approximately 50% of the Company's existing share capital. Following the completion of the capital increase, the Company's share capital has increased to €642,634,034 divided into 642,634,034 shares, each with a nominal value of €1.

As per their subscription commitments, and given the allotment scale of the reducible orders, the French State and China Eastern Airlines subscribed within the context of the priority period to respectively 122,560,251 New Shares (i.e. 57% of the total amount of the Capital Increase) and 23,944,689 New Shares (i.e. 11% of the total amount of the Capital Increase). The Dutch State did not subscribe to this capital increase. Neither did Delta Airlines due to the current framework of the CARES Act in force in the United States.

- **Conversion of the fully drawn €3 billion French State loan into perpetual hybrid bonds instrument ("Super Subordinated Notes"):**

On April 20, 2021, the €3 billion direct loan granted by the French State to Air France via Air France-KLM late in May 2020 was converted into Super-Subordinated Notes in the same nominal amount, improving the Group's equity by €3 billion with no cash impact, while increasing the flexibility of the Group's debt redemption profile. This issue is composed of three tranches with a perpetual maturity and each with a nominal amount of €1 billion, with respective first redemption options (Call) at 4, 5 and 6 years.

# Air France-KLM Group

- ***Extension of the maturity date of the €4 billion loan guaranteed by the French State to 2023:***

Additionally, the French State-backed loan of €4 billion has been extended with a final maturity date in 2023.

These elements enable the smoothing of the debt redemption profile of the Group and its airlines, with a progressive extension of the debt maturity profile.

The Dutch State also approved this series of actions and indicated that it was continuing discussions with the European Commission on potential capital-strengthening measures for KLM.

## **Sale of Servair shares**

In early 2021, the terms under which Air France KLM could a 30% shareholding in Servair to Gategroup (see note 38.2 “Commitments received”, in the notes to the consolidated financial statements for the year ended December 31, 2020) were re-negotiated. This resulted in the sale by Air France Finance, on May 31, 2021, of 15% of the Servair for €71 million. A second instalment for a further 15% shareholding should be paid in December 2022.

This sale led to the recognition of a disposal gain of €26 million, net of the value of the put option, in “Other non-current income and expenses” in the consolidated income statement. The proceeds from the sale are included in the line item “Income from loss of control of subsidiaries or disposal of shares in non-controlled companies” in the consolidated statement of cash flows.

## **Agreement on the KLM Ground Staff pension plan**

On June 14, 2021, KLM and the five Dutch Ground Staff unions signed an agreement enabling a change in the Ground Staff pension plan effective from January 2021. As provided for by this agreement, the KLM Ground Staff pension fund now qualifies as a defined contribution plan under IFRS rules. The pension assets, based on the actuarial assumptions as of May 31, 2021, amounted to €875 million (before tax). Under this agreement, KLM has paid an additional pension premium covering the period January-May 2021, as well as a one-off contribution representing the savings realized since 2014 following changes in the Dutch law. These contributions amount to €63 million.

The total impact of the de-recognition of the pension assets together with the additional contributions has been booked in “Other non-current income and expenses” in the amount of €938 million (€704 million net of tax).

## **Additional restructuring plan at KLM**

An additional restructuring plan had been announced on January 21, 2021 for between 800 and 1 000 employees. Following agreements signed with the KLM unions to avoid additional departures and the expected scale-up of activity, KLM decided to withdraw this additional restructuring plan.

## **2.3. Subsequent events**

### **€800 million bond issue**

On June 24, 2021, the Group announced the successful realization of a senior bond issue for a total of €800 million in two tranches:

- A first tranche of bonds for €300 million, with a maturity of 3 years and a coupon of 3% per year.
- A second tranche of bonds for €500 million, with a maturity of 5 years and a coupon of 3.875% per year.

Settlement and delivery of the Bonds took place on July 1, 2021. The debt has been accounted for in the balance sheet as of that date under “Non-current financial debts”.

### **Launch of an EMTN (“European Medium-Term Note”) program**

On July 2, 2021, the Group launched an EMTN program with an initial term of 12 months to maximize the use of potential market windows for bond issuance.

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## 3. ACCOUNTING PRINCIPLES

Pursuant to the European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of December 31, 2020 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 condensed consolidated financial statements as of June 30, 2021 have been prepared in accordance with IAS 34 "Interim financial reporting".

The accounting policies applied for the interim condensed consolidated financial statements as at June 30, 2021 are consistent with those applied for the financial statements as at December 31, 2020, with the exception of the standards and interpretations adopted by the European Union that are applicable as of January 1, 2021.

From January 1, 2021, the Group has applied the amendments to IFRS 9, IFRS 7 and IFRS 16 in connection with "Phase 2" of the interest rate benchmark. These amendments stipulate in particular the accounting treatment to be applied when an old benchmark interest rate is replaced by a new benchmark in a given contract, as well as the impact of this change on hedging relationships affected by the IBOR reform. The Group has little exposure to the indices affected by the reform. The application of these amendments has no impact on the Group's accounts as of June 30, 2021. The application of these amendments has no impact on the Group's financial statements as of June 30, 2021.

With regard to the IFRIC decision on the attribution of a post-employment benefit to periods of service, local analyses are underway. The impacts of this decision will be determined by the end of the year.

The preparation of the interim 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 main areas of estimates relate to the:

- revenue recognition linked to deferred revenue on ticket sales;
- Flying Blue frequent flyer program;
- financial instruments;
- intangible and tangible assets;
- lease contracts;
- employee benefits;
- return obligation liability and provision for leased aircraft;
- other provisions; and
- 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 constitute the basis for these assumptions. The interim financial consolidated data for the period have thus been established taking into consideration the current context of public health linked to Covid-19 and on the basis of financial parameters available at the closing date.

The interim consolidated financial information as of June 30, 2021 were approved by the Board of Directors on July 29, 2021.

## 4. CHANGE IN THE CONSOLIDATION SCOPE

### • Six-month period ended June 30, 2021

No significant acquisitions or disposals took place during the six-month period ended June 30, 2021

### • Six-month period ended June 30, 2020

No significant acquisitions or disposals took place during the six-month period ended June 30, 2020

# Air France-KLM Group

## 5. 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:** The revenues for this segment, which includes the Passenger and Cargo network primarily come from passenger transportation services on scheduled flights with the Group's airline code (excluding Transavia), including flights operated by other airlines under code-sharing agreements. They also include code-sharing revenues, revenues from excess baggage and airport services supplied by the Group to third-party airlines and services linked to IT systems.

Network revenues also include freight carried on flights operated under the codes of the airlines within the Group and flights operated by other partner airlines under code-sharing agreements. Other cargo revenues are derived principally from the sales of cargo capacity to third parties and the transportation of shipments on behalf of the Group by other airlines.

**Maintenance:** Maintenance operating revenues are generated through maintenance services provided to other airlines and customers worldwide.

**Transavia:** The revenues from this segment come from the "leisure" activity realized by Transavia.

**Other:** The revenues from this segment come from various services provided by the Group and not covered by the three segments mentioned above.

The results of the business segments are those that are either directly attributable or that can be allocated on a reasonable basis to these business segments. Amounts allocated to business segments mainly correspond to EBITDA, current operating income and 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.

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## • Activity by destination

The Group's activities by destination are broken down into seven geographical segments:

- 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

## 5.1. Information by business segment

### • Six-month period ended June 30, 2021

<i>In € millions</i>	Network	Maintenance	Transavia	Other	Non allocated	Total
Total sales	4,232	1,302	163	72	-	5,769
Intersegment sales	(11)	(788)	-	(60)	-	(859)
<b>External sales</b>	<b>4,221</b>	<b>514</b>	<b>163</b>	<b>12</b>	<b>-</b>	<b>4,910</b>
EBITDA	(896)	121	(122)	23	-	(874)
Income from current operations	(1,715)	(10)	(218)	12	-	(1,931)
Income from operating activities	(2,338)	(278)	(218)	36	-	(2,798)
Share of profits (losses) of associates	-	3	-	(19)	-	(16)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(421)	(421)
Income taxes	-	-	-	-	262	262
<b>Net income</b>	<b>(2,338)</b>	<b>(275)</b>	<b>(218)</b>	<b>17</b>	<b>(159)</b>	<b>(2,973)</b>

### • Six-month period ended June 30, 2020

<i>In € millions</i>	Network	Maintenance	Transavia	Other	Non allocated	Total
Total sales	5,227	1,640	259	78	-	7,204
Intersegment sales	(11)	(924)	-	(68)	-	(1,003)
<b>External sales</b>	<b>5,216</b>	<b>716</b>	<b>259</b>	<b>10</b>	<b>-</b>	<b>6,201</b>
EBITDA	(790)	9	(67)	8	-	(840)
Income from current operations	(1,852)	(321)	(193)	(2)	-	(2,368)
Income from operating activities	(2,558)	(442)	(196)	(2)	-	(3,198)
Share of profits (losses) of associates	-	-	-	(29)	-	(29)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(936)	(936)
Income taxes	-	-	-	-	(254)	(254)
<b>Net income</b>	<b>(2,558)</b>	<b>(442)</b>	<b>(196)</b>	<b>(31)</b>	<b>(1,190)</b>	<b>(4,417)</b>

# Air France-KLM Group

## 5.2. Information by geographical area

### External sales by geographical area

- Six-month period ended June 30, 2021

<i>In € millions</i>	Metropo- litan 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	938	461	983	269	150	431	416	251	3,899
Other sales	57	77	84	15	10	28	26	25	322
<b>Total network</b>	<b>995</b>	<b>538</b>	<b>1,067</b>	<b>284</b>	<b>160</b>	<b>459</b>	<b>442</b>	<b>276</b>	<b>4,221</b>
Transportation	61	88	13	1	-	-	-	-	163
Other sales	-	-	-	-	-	-	-	-	-
<b>Total Transavia</b>	<b>61</b>	<b>88</b>	<b>13</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163</b>
Maintenance	294	171	14	-	-	2	33	-	514
Others	3	10	(1)	-	-	-	-	-	12
<b>Total</b>	<b>1,353</b>	<b>807</b>	<b>1,093</b>	<b>285</b>	<b>160</b>	<b>461</b>	<b>475</b>	<b>276</b>	<b>4,910</b>

- Six-month period ended June 30, 2020

<i>In € millions</i>	Metropo- litan 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	1,370	620	1,073	268	144	417	701	304	4,897
Other sales	101	46	57	23	9	41	24	18	319
<b>Total network</b>	<b>1,471</b>	<b>666</b>	<b>1,130</b>	<b>291</b>	<b>153</b>	<b>458</b>	<b>725</b>	<b>322</b>	<b>5,216</b>
Transportation	59	152	28	2	1	1	1	1	245
Other sales	(1)	-	(2)	-	-	3	3	11	14
<b>Total Transavia</b>	<b>58</b>	<b>152</b>	<b>26</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>12</b>	<b>259</b>
Maintenance	315	356	11	-	-	1	33	-	716
Others	2	8	-	-	-	-	-	-	10
<b>Total</b>	<b>1,846</b>	<b>1,182</b>	<b>1,167</b>	<b>293</b>	<b>154</b>	<b>463</b>	<b>762</b>	<b>334</b>	<b>6,201</b>

# Air France-KLM Group

## Traffic sales by geographical area of destination

- Six-month period ended June 30, 2021

<i>In € millions</i>	Metropolitan France	Europe (except France) 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	300	551	384	772	800	480	612	3,899
Transavia	17	142	-	4	-	-	-	163
<b>Total</b>	<b>317</b>	<b>693</b>	<b>384</b>	<b>776</b>	<b>800</b>	<b>480</b>	<b>612</b>	<b>4,062</b>

- Three-month period ended June 30, 2020

<i>In € millions</i>	Metropolitan France	Europe (except France) 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	351	881	485	713	1,021	612	834	4,897
Transavia	3	219	-	23	-	-	-	245
<b>Total</b>	<b>354</b>	<b>1,100</b>	<b>485</b>	<b>736</b>	<b>1,021</b>	<b>612</b>	<b>834</b>	<b>5,142</b>

## 6. EXTERNAL EXPENSES

<i>In € millions</i>	2021	2020
<b>Period from January 1 to June 30</b>		
Aircraft fuel	982	1,397
Chartering costs	147	114
Landing fees and air route charges	460	478
Catering	126	178
Handling charges and other operating costs	402	441
Aircraft maintenance costs	792	912
Commercial and distribution costs	131	230
Other external expenses	552	673
<b>Total</b>	<b>3,592</b>	<b>4,423</b>
<i>Excluding aircraft fuel</i>	<i>2,610</i>	<i>3,026</i>

A portion of external expenses (notably aircraft fuel costs, purchases and aircraft maintenance costs) is subject to fluctuation in the US dollar.

# Air France-KLM Group

## 7. SALARIES AND NUMBER OF EMPLOYEES

### Salaries and related costs

<i>In € millions</i>	2021	2020
<b>Period from January 1 to June 30</b>		
Wages and salaries	2,131	2,312
Social contributions	404	435
Pensions costs on defined contribution plans	264	283
Pensions costs of defined benefit plan	133	154
Cost of temporary employees	27	66
Temporary Emergency Bridging Measure for Sustained Employment	(570)	(336)
Other	39	17
<b>Total</b>	<b>2,403</b>	<b>2,931</b>

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

Following the impact of the Covid-19 public health crisis, as of March 23, 2020 Air France and its main French subsidiaries implemented part-time activity for their employees.

In the first half of 2021, Air France and some of its affiliates finalized agreements with the representative trade unions allowing the use of the long-term partial activity (“APLD”) scheme for a maximum of 24 months.

As of June 30, 2021, the impact of these measures amounts to €456 million (€500 million as of June 30, 2020).

The line “Temporary Emergency Bridging Measure for Sustained Employment (NOW)” includes the compensation received from the Dutch State for the KLM Group’s labor expenses during the period from January 1 until June 30, 2021. This compensation amounts to €570 million (versus €336 million for the period from April 1 until June 30, 2020).

### Average number of employees

<b>Period from January 1 to June 30</b>	2021	2020
Flight deck crew	8,223	8,719
Cabin crew	19,980	22,185
Ground staff	46,972	51,628
Temporary employees	625	1,364
<b>Total*</b>	<b>75,800</b>	<b>83,896</b>

*\*Excluding partial activity impact*

The decrease in average headcount is mainly due to the implementation of restructuring plans in 2020 and 2021 (see note 10. Other non-current income and expenses).

# Air France-KLM Group

## 8. AMORTIZATION, DEPRECIATION AND PROVISIONS

<i>In € millions</i>	2021	2020
<b>Period from January 1 to June 30</b>		
<b>Amortization</b>		
Intangible assets	96	93
Flight equipment	480	604
Other property, plant and equipment	91	99
Right-of-Use assets	524	618
	<b>1,191</b>	<b>1,414</b>
<b>Depreciation and provisions</b>		
Inventories	12	14
Trade receivables	13	89
Risks and contingencies	(159)	11
	<b>(134)</b>	<b>114</b>
<b>Total</b>	<b>1,057</b>	<b>1,528</b>

The changes in provisions are mainly due to reversals related to aircraft restitutions.

## 9. OTHER INCOME AND EXPENSES

<i>In € millions</i>	2021	2020
<b>Period from January 1 to June 30</b>		
Capitalized production	290	349
Joint operation of routes	(2)	(5)
Operations-related currency hedges	3	65
Emission trade schemes (ETS)	(15)	(20)
Other	4	4
<b>Other income and expenses</b>	<b>280</b>	<b>393</b>

## 10. OTHER NON-CURRENT INCOME AND EXPENSES

<i>In € millions</i>	2021	2020
<b>Period from January 1 to June 30</b>		
Restructuring costs	86	(226)
Accelerated depreciation of fleet	(15)	(639)
Modification on pension plans	(938)	-
Disposal of subsidiaries and affiliates	26	-
Disposals of other assets	-	12
Other	(12)	(1)
<b>Other non-current income and expenses</b>	<b>(853)</b>	<b>(854)</b>

- **Six-month period ended June 30, 2021**

### Restructuring costs

This line mainly includes a reversal of the voluntary departure plan provision for Air France ground staff, amounting to €86 million following an adjustment based on a nominal roll and departure allowances.

# Air France-KLM Group

## Modifications to pension plans

Following the modification of KLM's Ground Staff pension plan (see note 2.2. Events that occurred in the period), the total impact of the de-recognition of the pension assets together with the additional contributions has been booked in "Other non-current income and expenses" and amounts to a charge of €938 million.

## Result on the disposal of subsidiaries and affiliates

This line corresponds to the capital gain on the disposal of a 15% shareholding in Servair on May 31, 2021 (see note 2.2. Events that occurred in the period).

- **Six-month period ended June 30, 2020**

## Restructuring costs

As of June 30, 2020, this line mainly includes the voluntary departure plan provision for KLM staff, amounting to € (178) million and a cost related to the project of collective mutual agreement on termination of contract ("Rupture Conventionnelle Collective") for Air France pilots, amounting to € (37) million.

## Impairment of fleet

As of June 30, 2020, this line relates to the impact of the phase-out from the fleet of the A380, A340 and B747 by Air France-KLM Group, following the drastic reduction in air traffic in relation with Covid-19.

### ➤ **Phase-out of A380 aircraft**

The final phase-out of the nine aircraft in the A380 fleet of which 5 owned and 4 leased aircraft, announced on May 20, 2020, and initially planned for the end of 2022, has been brought forward to 2020. The related impact amounts to € (545) million as of June 30, 2020.

### ➤ **Phase-out of B747 aircraft**

A €21 million impairment has been recorded at the end of March 2020 to revalue the eight KLM B747s at their estimated market value.

### ➤ **Phase-out of Air France's A340 aircraft**

A €72 million impairment has been recorded to revalue the four Air France A340 aircraft at their estimated market value following the phase-out decision on May 6, 2020.

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

<i>In € millions</i>	<b>2021</b>	<b>2020</b>
<b>Period from January 1 to June 30</b>		
Income from marketable securities	(9)	(2)
Other financial income	12	14
<b>Financial income</b>	<b>3</b>	<b>12</b>
Interest on financial debt	(177)	(68)
Interest on lease debt	(120)	(131)
Capitalized interests	13	11
Other non-monetary items	(49)	(25)
Other financial expenses	(6)	(2)
<b>Gross cost of financial debt</b>	<b>(339)</b>	<b>(215)</b>
<b>Net cost of financial debt</b>	<b>(336)</b>	<b>(203)</b>
Foreign exchange gains (losses), net	(41)	(72)
Financial instruments and change in fair value of hedged shares	22	(546)
Net (charge)/release to provisions	(2)	(2)
Undiscounting of provisions	(56)	(84)
Other	(8)	(29)
<b>Other financial income and expenses</b>	<b>(85)</b>	<b>(733)</b>
<b>Total</b>	<b>(421)</b>	<b>(936)</b>

### *Financial income*

Financial income mainly consists in interest income on financial assets accounted at the effective interest rate.

### *Foreign exchange gain (losses)*

As of June 30, 2021, , the foreign exchange result mainly includes an unrealized currency loss of €(97) million, composed of a € (96) million loss on return obligation liabilities and provisions for the restitution of leased aircraft in US dollars.

As of June 30, 2020, , the foreign exchange losses mainly include an unrealized currency loss of €(73) million of which an €(8) million loss on return obligation liabilities and provisions on aircraft in US dollars and an unrealized €(49) million currency loss on financial debt in US Dollar €(32) million, in Swiss francs €(7) million and in Japanese Yen €(14) million.

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

As of June 30, 2020, following the expected significant drop in fuel consumption this line includes the impact of over-hedging, amounting to €(590) million recycled to the income statement.

The fuel hedging strategy has been reviewed in the first half of 2021 to limit future over-hedging position.

### *Undiscounting of provision*

The rate used to undiscount the long term return obligation liability and provision for leased aircraft and other provisions is 3.4% in 2021 against 4.5% in 2020.

### *Other*

As of June 30, 2020, this line mainly included the premiums paid on early the reimbursement of a portion of the bonds with maturity dates in 2021 and 2022. The total amount of premiums was €22 million.

# Air France-KLM Group

## 12. INCOME TAXES

### 12.1. Income tax charge

<i>In € millions</i>	2021	2020
<b>Period from January 1 to June 30</b>		
<b>Current tax (expense) / income</b>	<b>(2)</b>	<b>72</b>
Change in temporary differences	264	21
(Use / de-recognition) / recognition of tax loss carry forwards	-	(347)
<b>Deferred tax income / (expense)</b>	<b>264</b>	<b>(326)</b>
<b>Total</b>	<b>262</b>	<b>(254)</b>

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 28.41 per cent for 2021. The French Finance Act 2018 provides for a gradual reduction in the French corporate tax rate to 25.83 per cent in 2022. 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 five years, consistent with its strategic plan.

The deferred tax assets position on tax losses remains stable versus December 31, 2020 at €285 million resulting from the uncertainty induced by the current health context leading the Group to keep its deferred tax asset recognition policy unchanged.

Subsequently, an amount of €392 million of deferred tax assets related to tax losses and temporary differences has not been recognized for the six-month period ended June 30, 2021.

- **Dutch fiscal group**

In the Netherlands, the tax rate is 25 per cent in 2021. It would have been lowered to 21.7 per cent in 2021. Following the current COVID-19 crisis, the Dutch Government announced that the tax rate remains 25 per cent going forward and that tax losses could be carried forward indefinitely. Under income tax law in the Netherlands, the maximum future period for utilising tax losses carried forward is currently six years. As from January 1, 2022, this period is likely to become indefinite for tax losses.

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 Dutch Parliament has not formalized these changes in the Dutch tax law yet.

As of June 30, 2021, the Dutch fiscal group has deferred taxes assets on fiscal losses amounting to €46 million, relating to an interest deduction allowance which can be carried forward indefinitely (€10 million as of December 31, 2020).

In addition, an amount of €234 million of deferred tax assets has been derecognized following the changes in the ground staff pension plan into a defined contributions plan (see note 12.2. Deferred tax recorded in equity (equity holders of Air France-KLM)).

In view of the uncertainty surrounding the business outlook due to the health situation, the Group has limited the recognition of deferred tax assets for additional tax losses in the first half year. Subsequently, an amount of €135 million of deferred tax assets has not been recognized for the six-month period ended June 30, 2021.

# Air France-KLM Group

## 12.2. Deferred tax recorded in equity (equity holders of Air France-KLM)

<i>In € millions</i>	2021	2020
<b>Period from January 1 to June 30</b>		
<b>Other comprehensive income that will be reclassified to profit and loss</b>	<b>(91)</b>	<b>153</b>
Gain and loss on cash flow hedge	(91)	153
<b>Other comprehensive income that will not be reclassified to profit and loss</b>	<b>(170)</b>	<b>39</b>
Equity instruments	-	6
Pensions	(170)	33
<b>Total</b>	<b>(261)</b>	<b>192</b>

## 12.3. Effective tax rate

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

<i>In € millions</i>	2021	2020
<b>Period from January 1 to June 30</b>		
Income before tax	(3,219)	(4,134)
Standard tax rate in France	28.41%	32.02%
Theoretical tax calculated based on the standard tax rate in France	915	1,324
Differences in French / foreign tax rates	(61)	(101)
Non-deductible expenses or non-taxable income	(47)	(19)
Write-off of deferred tax assets	(527)	(1,410)
Impact of change in income-tax rate	-	(34)
CVAE impact	-	(7)
Other	(18)	(7)
<b>Income tax expenses</b>	<b>262</b>	<b>(254)</b>
Effective tax rate	8.1%	-6.2%

## 13. EARNINGS PER SHARE

### 13.1 Income for the period – Equity holders of Air France-KLM per share

#### Reconciliation of income used to calculate earnings per share

The results used to calculate earnings per share are as follows:

- **Results used for the calculation of basic earnings per share:**

<i>In € millions</i>	2021	2020
Net income for the period – Equity holders of Air France-KLM	(2,970)	(4,413)
Coupons on perpetual	(42)	(9)
Basic net income for the period – Equity holders of Air France-KLM	(3,012)	(4,422)

Since the perpetual subordinated loan is considered to be preferred shares, the coupons are included in basic earnings per share.

# Air France-KLM Group

## Reconciliation of the number of shares used to calculate earnings per share

As of June 30	2021	2020
<b>Weighted average number of:</b>		
- Ordinary shares issued	514,712,247	428,634,035
- Treasury stock held regarding stock option plan	(1,116,420)	(1,116,420)
- Other treasury stock	(91,585)	(85,151)
<b>Number of shares used to calculate basic earnings per share</b>	<b>513,504,242</b>	<b>427,432,464</b>
OCEANE conversion	-	27,901,785
<b>Number of ordinary and potential ordinary shares used to calculate diluted earnings per share</b>	<b>513,504,242</b>	<b>455,334,249</b>

### 13.2 Non-dilutive instruments

The Air France-KLM Group held no non-dilutive instruments as of June 30, 2021.

### 13.3 Instruments issued after the closing date

No instruments were issued subsequent to the closing date.

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## 14. TANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

<i>In € millions</i>	<b>As of June 30, 2021</b>			<b>As of December 31, 2020</b>		
	<b>Gross value</b>	<b>Depreciation</b>	<b>Net Value</b>	<b>Gross value</b>	<b>Depreciation</b>	<b>Net Value</b>
Owned aircraft	16,647	(8,796)	7,851	17,158	(9,105)	8,053
Assets in progress	1,292	-	1,292	1,506	-	1,506
Other	2,531	(1,029)	1,502	2,518	(1,046)	1,472
<b>Flight equipment</b>	<b>20,470</b>	<b>(9,825)</b>	<b>10,645</b>	<b>21,181</b>	<b>(10,151)</b>	<b>11,031</b>
Land and buildings	2,691	(1,882)	809	2,758	(1,893)	865
Equipment and machinery	1,050	(813)	237	1,070	(822)	248
Assets in progress	169	-	169	191	-	191
Other	1,096	(858)	238	1,102	(858)	244
<b>Other tangible assets</b>	<b>5,006</b>	<b>(3,553)</b>	<b>1,453</b>	<b>5,121</b>	<b>(3,573)</b>	<b>1,548</b>
<b>Total</b>	<b>25,476</b>	<b>(13,378)</b>	<b>12,098</b>	<b>26,302</b>	<b>(13,724)</b>	<b>12,579</b>
Aircraft			2,414			2,191
Maintenance			1,900			1,739
Land and real estate			543			541
Other			176			207
<b>Total right-of-use assets</b>			<b>5,033</b>			<b>4,678</b>

## 15. CAPITAL EXPENDITURES

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

<i>In € millions</i>	<b>2021</b>	<b>2020</b>
<b>As of June 30,</b>		
Acquisition of flight equipment	871	1,022
Acquisition of other tangible assets	50	89
Acquisition of intangible assets	133	146
Accounts payable on intangible, aeronauticals and tangible assets	45	27
<b>Total</b>	<b>1,099</b>	<b>1,284</b>

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## 16. CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS

<i>In € millions</i>	As of June 30, 2021	As of December 31, 2020
Liquidity funds (SICAV) (assets at fair value through profit and loss)	3,525	4,267
Bank deposits and term accounts (assets at fair value through profit and loss)	821	654
Cash in hand	1,689	1,502
<b>Total cash and cash equivalents</b>	<b>6,035</b>	<b>6,423</b>
Bank overdrafts	(2)	(1)
<b>Cash, cash equivalents and bank overdrafts</b>	<b>6,033</b>	<b>6,422</b>

## 17. PENSION ASSETS AND PROVISIONS

As of June 30, 2021, the discount rates used by the companies to calculate the defined benefit obligations are the following:

	June 30, 2021	December 31, 2020
Euro zone – duration 10 to 15 years	0.72%	0.45%
Euro zone – duration 15 years and beyond	N/A	0.75%

The inflation rates used are the following:

	June 30, 2021	December 31, 2020
Euro zone – duration 10 to 15 years	1.65%	1.25%
Euro zone – duration 15 years and beyond	N/A	1.35%

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

On June 14, 2021, KLM and the five Dutch ground staff labor councils signed an agreement allowing the change of the ground staff pension plan as from January 2021. As provided for by this agreement, KLM Ground staff pension fund now qualifies as a defined contribution plan under IFRS rules. Pension assets, based on the actuarial assumptions as of May 31, 2021, amounted to €875 million (before tax) including an increase of € 671 million since December 31, 2020, linked to the increase in discount rates and a return on funds exceeding expectations. This asset has been derecognized in “Other non-current income and expenses” in the consolidated income statement.

As of June 30, 2021, the remeasurement of defined benefit pension obligation is composed of:

	June 30, 2021	June 30, 2020
Derecognition of the KLM Ground Staff	671	-
Impact of the change in discount rate	119	(267)
Impact of the change in inflation rate	(137)	594
Difference between the expected and actual return on assets	40	(404)
<b>Total</b>	<b>693</b>	<b>(77)</b>

Increase in the net Defined Benefit Obligation / (Decrease of the net Defined Benefit Obligation).

The impact of variations in discount rates on the defined benefit obligation has been calculated using the sensitivity analysis of the defined benefit pension obligation. The sensitivity analysis is outlined in note 28.2 of the financial statements for the financial year ended December 31, 2020.

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## 18. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM SA

### 18.1 Capital increase

Following the realization of the capital increase on April 19, 2021, the Company's share capital has increased to €642,634,034 divided into 642,634,034 shares, each with a nominal value of €1 (see 2.2. Events that occurred in the period).

### 18.2 Breakdown of stock and voting rights

As of June 30, 2021, the issued capital of Air France-KLM is thus composed of 642,634,034 fully paid-up shares with a nominal value of €1. Each share is entitled to one vote. However since April 3, 2016, shareholders who have held their shares in registered form for at least two years benefit from double voting rights.

The breakdown of stock and voting rights is as follows:

<i>In percentage(%)</i>	<b>June 30, 2021</b>		<b>December 31, 2020</b>	
	Capital	Voting rights	Capital	Voting rights
French State	28.6	28.5	14.3	20.9
China Eastern Airlines	9.6	11.5	8.8	12.8
Dutch State	9.3	13.9	14.0	10.2
Delta Airlines	5.8	8.7	8.8	12.8
Employees and former employees	2.5	3.7	3.7	5.4
Treasury shares	0.2	0.3	0.3	0.4
Other	44.0	33.4	50.1	37.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The item "Employees and former employees" includes the shares held by employees and former employees identified in company mutual funds (FCPE).

### 18.3 Super-Subordinated Notes

On April 20, 2021, the Group issued €3 billion of Super-subordinated bond subscribed by the French State, to offset its direct loan of the same nominal amount (see note 2.2. Events that occurred in the period).

This non-monetary transaction is booked in the Group's consolidated balance sheet as a reclassification to equity of €3 billion from the line "financial debt" (see note 20.2 State loans).

As of June 30, 2021, the accrued coupon amounts to €42 million.

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## 18.4 Reserves and retained earnings

<i>In € millions</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Legal reserve	70	70
Pension defined benefit reserves <sup>(1)</sup>	(976)	(1,701)
Derivatives reserves <sup>(1)</sup>	247	18
Equity instruments reserves <sup>(1)</sup>	(51)	(52)
Other reserves	(8,541)	(1,227)
Net income (loss) – Equity holders of Air France-KLM	(2,970)	(7,078)
<b>Total</b>	<b>(12,221)</b>	<b>(9,970)</b>

(1) Net of the impact of deferred tax.

Following the transformation of the KLM Ground Staff pension plan, an amount of €204 million has been reclassified from the line Defined benefit pension reserves to the line Other reserves (see note 2.2. Events that occurred in the period).

## 19. RETURN OBLIGATION LIABILITY AND OTHER PROVISIONS

<i>In € millions</i>	<b>June 30, 2021</b>			<b>December 31, 2020</b>		
	<b>Non current</b>	<b>Current</b>	<b>Total</b>	<b>Non current</b>	<b>Current</b>	<b>Total</b>
Return obligation liability on leased aircraft	3,344	304	3,648	2,860	406	3,266
Maintenance on leased aircraft	125	29	154	300	121	421
Restructuring	-	556	556	-	741	741
Litigation	404	39	443	402	21	423
Others	104	28	132	108	48	156
<b>Total</b>	<b>3,977</b>	<b>956</b>	<b>4,933</b>	<b>3,670</b>	<b>1,337</b>	<b>5,007</b>

### 19.1. Return obligation liability and other provisions

#### 19.1.1. Return obligation liability on leased aircraft

The movements in return obligation liabilities and provisions (revaluation of future costs and change in discount rate) are booked in the components corresponding to the potential and restoration work performed on leased aircraft and recorded in the right-of-use assets. The effects of accretion and foreign exchange translation of return obligation liabilities and provisions recorded in local currencies are recognized in “Other financial income and expenses” (see note 11. Net cost of financial debt and other financial income and expenses).

The discount rate used to calculate these restitution liabilities and provisions relating to leased aircraft, determined on the basis of a short-term risk-free rate increased by a spread on risky debt (used for companies with high financial leverage), is 3.4 per cent as of June 30, 2021 as December 31, 2020.

#### 19.1.2. Restructuring provisions

The movements in restructuring provisions with a significant impact on the income statement are charged to “Other non-current income and expenses” (see note 10. Other non-current income and expenses).

#### 19.1.3. Litigation

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

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Provisions for litigation with third parties also include provisions for tax risks. Such provisions are set up when the Group considers that the tax authorities, within the framework of tax audits, could reasonably challenge a tax position adopted by the Group or one of its subsidiaries.

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

### 19.1.4. Litigation concerning antitrust laws in the airfreight industry

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

As of December 31, 2020, most of these investigations had been terminated following the entry into plea agreements between Air France, KLM and Martinair and the appropriate competition authorities providing for the payment of settlement amounts or fines, with the exception of the proceedings initiated by the European Commission, and by the Swiss antitrust authority, which are still pending.

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

In Switzerland, Air France and KLM are challenging a decision imposing a €4 million fine before the relevant court. The Group has provisioned the totality of this fine.

As of June 30, 2021, the total amount of provisions in connection with proceedings, which have yet to give rise to definitive decisions amounts to €348 million.

### 19.1.5. Case brought against KLM by (former) Martinair Cargo pilots

In 2015, a case was brought against KLM by 152 (former) Martinair airline pilots. In 2016 and 2018, the District Court and Court of Appeal ruled in favor of KLM and rejected all claims of plaintiffs. In November 2019, however, the Supreme Court ruled against KLM on the basis of lack of sufficient motivation and referred the case to another Court of appeal. On June 8, 2021, this Court of appeal rendered its judgment in favor of the plaintiffs, the former Martinair pilots, ruling that the transfer of the cargo department qualifies as a transfer of undertaking. KLM is investigating the judgment and related impact and decided to record a legal provision of €22 million in June 2021.

### 19.1.6. Other provisions

Other provisions relate principally to provisions for onerous contracts, provisions for the portion of CO<sub>2</sub> emissions not covered by the free allocation of quotas and provisions for the dismantling of buildings.

## 19.2 Contingent liabilities

The Group is involved in several governmental, judicial and arbitration procedures for which in most cases provisions have not been recorded in the financial statements in accordance with the applicable accounting rules. Indeed, with respect to most cases the Group is not in a position at this stage in these procedures to give a reliable estimate of the potential loss that would be incurred in connection with these disputes.

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## 19.2.1. Litigations concerning antitrust laws in the airfreight industry

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

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

Although significant amounts have been reported by the media, plaintiffs are mostly claiming for unspecified and/or insufficiently substantiated damages against defendants taken as a whole (and not individually) and the EU decision to which the plaintiffs refer to is still not definitive.

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

## 19.2.2. Litigations concerning antitrust laws in the passenger sector

### Canada

A civil class action was reinitiated in 2013 by claimants in Ontario against seven airlines including Air France and KLM. The plaintiffs allege that the defendants participated in a conspiracy in the passenger air transport service from Canada on the cross-Atlantic routes, for which they are claiming damages. Air France and KLM strongly deny any participation in such a conspiracy.

## 19.2.3. Other litigations

### Rio-Paris AF447 flight

On March 28, 2011, Air France and Airbus were indicted for manslaughter of the 228 victims who died in the crash of the AF 447 Rio-Paris flight on June 1, 2009.

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

The Public Prosecutor's Office and most of the civil parties (including the Pilots' associations and unions) appealed this decision. The Paris Court of Appeals ruled on May 12, 2021, referring Airbus and Air France to the Criminal Court. Air France, which contests having committed a fault at the origin of the accident, has submitted an appeal to the Court of Cassation. Airbus has also appealed to the Court of Cassation. It is now up to the Court of Cassation to rule.

### *US Department of Justice investigation related to United States Postal Service*

In March 2016, the US Department of Justice (DOJ) informed Air France and KLM of a civil inquiry regarding contracts with the United States Postal Service for the international transportation of mail by air. In September 2016, a Civil Information Demand from the DOJ has been received seeking certain information relating to these contracts. The DOJ has indicated it is investigating potential violations of the False Claims Act. Air France and KLM are cooperating with the DOJ investigation.

Except for the matters specified under the paragraphs 19.1 and 19.2, the Group is not aware of any governmental, judicial or arbitration dispute or proceedings (including any proceedings of which the issuer is aware, or that are pending or threatened against it) that could have a significant impact on the Group's financial position, earnings, assets, liabilities or profitability, for a period covering at least the past twelve months.

# Air France-KLM Group

## 20. FINANCIAL DEBT

<i>In € millions</i>	As of June 30, 2021				As of December 31, 2020		
	Notes	Non current	Current	Total	Non current	Current	Total
Perpetual subordinated loan in Japanese yens <sup>(1)</sup>		152	-	<b>152</b>	158	-	<b>158</b>
Perpetual subordinated loan in Swiss francs <sup>(1)</sup>		341	-	<b>341</b>	347	-	<b>347</b>
OCEANE (convertible bonds) <sup>(1)</sup>		471	-	<b>471</b>	465	-	<b>465</b>
Bonds	<b>20.1</b>	1,233	-	<b>1,233</b>	1,229	289	<b>1,518</b>
Debt on financial leases with bargain option		2,997	437	<b>3,434</b>	2,908	604	<b>3,512</b>
Loans guaranteed by the French and the Dutch States <sup>(1)</sup>		4,705	-	<b>4,705</b>	4,685	-	<b>4,685</b>
States loan	<b>20.2</b>	278	-	<b>278</b>	3,278	-	<b>3,278</b>
Other debt	<b>20.3</b>	1,062	331	<b>1,393</b>	1,101	335	<b>1,436</b>
Accrued interest		1	74	<b>75</b>	-	90	<b>90</b>
<b>Total - Financial debt</b>		<b>11,240</b>	<b>842</b>	<b>12,082</b>	<b>14,171</b>	<b>1,318</b>	<b>15,489</b>

### Change in financial debt

<i>In € millions</i>	December 31, 2020	New financial debt(1)	Non monetary change	Reimbursement of financial debt	Currency translation adjustment	Other	June 30, 2021
Perpetual subordinated loan in Japanese yens and Swiss francs	505	-	-	-	(12)	-	<b>493</b>
OCEANE	465	-	5	-	-	1	<b>471</b>
Bonds	1,518	-	-	(289)	4	-	<b>1,233</b>
Debt on financial leases with bargain option	3,512	303	20	(385)	(13)	(3)	<b>3,434</b>
Loans guaranteed by the French and the Dutch states	4,685	-	20	-	-	-	<b>4,705</b>
States loans	3,278	-	(3,000)	-	-	-	<b>278</b>
Other long-term debt	1,436	397	7	(461)	10	3	<b>1,393</b>
Accrued interest	90	-	-	-	-	(15)	<b>75</b>
<b>Total</b>	<b>15,489</b>	<b>700</b>	<b>(2,948)</b>	<b>(1,135)</b>	<b>(11)</b>	<b>(14)</b>	<b>12,082</b>

<sup>(1)</sup> The difference between the issuance of debt in the cash flow statement and the presentation in this table is explained by accrued interests being payable at the maturity date.

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## 20.1 Bonds

Bond	Issuing date	Nominal amount (in millions)	Maturity date	Reimbursement date	Coupon
Bond issued in 2014	June 4, 2014	€ 289	June 18, 2021	June 18, 2021	3.875%
€ Bond issued in 2016	Oct 5, 2016	€ 361	Oct 12, 2022	-	3.75%
\$ Bond issued in 2016 <sup>(1)</sup>	Dec 9, 2016	\$ 145	Dec 15, 2026	-	4.35%
€ Bond issued in 2020	Jan, 10 2020	€ 750	Jan 16, 2025	-	1,875%

<sup>(1)</sup> Bonds issued to Asian institutional investors via an unlisted private placement.

The €289 million bond issued in 2014 was redeemed on June 18, 2021.

## 20.2 State loans

The €3 billion super-subordinated bond issue (see note 18.3 Super-Subordinated Notes) was completed in April 2021 by offsetting the loan granted by the French State. This transaction is a non-monetary operation (see note 2.2. Events that occurred in the period).

The balance at June 30, 2021 corresponds to the amount already drawn down from the direct loan granted by the Dutch State (total amount of €1.0 billion).

## 20.3 Other debt

Other debt breaks down as follows:

<i>In € millions</i>	As of June 30, 2021	As of December 31, 2020
Reservation of ownership clause and mortgage debt	851	1,057
Other debt	542	379
<b>Total</b>	<b>1,393</b>	<b>1,436</b>

## 20.4 Maturity analysis

The financial debt maturities breaks down as follows:

<i>In € millions</i>	As of June 30, 2021	As of December 31, 2020
Maturities in		
year Y (6 months)	413	-
Y+1	1,057	1,318
Y+2	4,591	917
Y+3	1,025	4,542
Y+4	2,014	3,971
Over 4 years	2,982	4,741
<b>Total</b>	<b>12,082</b>	<b>15,489</b>

As of June 30, 2021, the KLM perpetual subordinated loan in Swiss francs and Japanese yens are included in the line "Over 4 years".

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## 20.5 Credit lines

As of December 31, 2020, KLM had drawn down €665 million of its credit facility and has an undrawn amount of €1.735 million. There has been no evolution on the first semester of 2021.

## 21. LEASE DEBT

The lease debt breaks down as follows:

<i>In € millions</i>	As of June 30, 2021			As of December 31, 2020		
	Non current	Current	Total	Non current	Current	Total
Lease debt - aircraft	2,002	653	<b>2,655</b>	1,687	675	<b>2,362</b>
Lease debt - real estate	573	101	<b>674</b>	595	105	<b>700</b>
Lease debt - other	122	40	<b>162</b>	143	42	<b>185</b>
Accrued interest	-	15	<b>15</b>	-	17	<b>17</b>
<b>Total - Lease debt</b>	<b>2,697</b>	<b>809</b>	<b>3,506</b>	<b>2,425</b>	<b>839</b>	<b>3,264</b>

## 22. NET DEBT

<i>In € millions</i>	June 30, 2021	December 31, 2020
Current and non-current financial debt	12,082	15,489
Repo triple A bonds	(48)	(84)
Current and non-current lease debt	3,506	3,264
Accrued interest	(90)	(107)
Deposits related to financial debt	(97)	(101)
Deposits related to lease debt	(82)	(80)
Derivatives impact on debt	13	27
<b>Gross financial debt (I)</b>	<b>15,284</b>	<b>18,408</b>
Cash and cash equivalents	6,035	6,423
Marketable securities <sup>(1)</sup>	144	193
Cash secured <sup>(1)</sup>	274	309
Triple A bonds <sup>(1)</sup>	537	518
Repo triple A bonds	(48)	(84)
Others	-	1
Bank overdrafts	(2)	(1)
<b>Liquidity net of undrawn credit lines (II)</b>	<b>6,940</b>	<b>7,359</b>
<b>Net debt (I-II)</b>	<b>8,344</b>	<b>11,049</b>

(1) Included in "Others financial assets".

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<i>In € millions</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
<b>Opening net debt</b>	<b>11,049</b>	<b>6,147</b>
Operating free cash, cash flow excluding discontinued activities	701	4,721
Perpetual reclassified from equity	-	403
Coupons on perpetual reclassified from equity	-	26
Coupons on perpetual reclassified from financial debt	(3,000)	-
Increase of equity	(1,024)	-
Disposal of subsidiaries, of shares in non-controlled entities	(71)	(357)
Acquisition of subsidiaries, of shares in non-controlled entities	4	1
Lease debts (new and renewed contracts)	603	336
Unrealised exchange gains and losses on lease financial debts through OCI	62	(215)
Other non monetary variation of the net debt	30	27
Currency translation adjustment	(7)	(15)
Amortization of OCEANE optional part	5	11
Change in scope	(6)	(50)
Other	(2)	14
<b>Closing net debt</b>	<b>8,344</b>	<b>11,049</b>

## 23. DEFERRED REVENUE ON TICKET SALES

This line corresponds to the unused air tickets which will be recognized in revenues at the date of transportation. Due to the Covid-19 crisis and resulting borders closures, the Group has been forced to reduce capacity and cancel a significant number of flights. In such an eventuality, customers can either ask for the refund of their tickets or the issuance of a voucher. As of June 30, 2021, this line includes €480 million of air tickets (fare and carrier imposed charges) for which the date of transportation has passed and which are eligible for refunds versus €699 million as of December 31, 2020, and €517 million of vouchers that can be used for future flights (or which can be refunded) versus €739 million as of December 31, 2020.

## 24. OTHER LIABILITIES

<i>In € millions</i>	<b>As of June 30, 2021</b>		<b>As of December 31, 2020</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Tax liabilities (including corporation tax)	623	1,067	565	625
Employee-related liabilities	849	1,291	1,134	545
Non-current asset payables	44	-	96	-
Deferred income	837	46	836	36
Prepayments received	355	-	342	-
Other	237	97	203	88
<b>Total</b>	<b>2,945</b>	<b>2,501</b>	<b>3,175</b>	<b>1,294</b>

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

# Air France-KLM Group

## 25. FLIGHT EQUIPMENT ORDERS

The due dates for commitments to firm orders with a view to the purchase of flight equipment are as follows:

<i>In € millions</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
2 <sup>nd</sup> semester year Y (6 months)	773	-
Year Y+1	1,403	1,444
Year Y+2	1,279	1,386
Year Y+3	1,044	1,347
Year Y+4	782	923
> Year Y+4	199	874
<b>Total</b>	<b>5,480</b>	<b>5,974</b>

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

The number of aircraft under firm order as of June 30, 2021 decreased by six units compared with December 31, 2020 and stood at 96 aircraft. This change are explained by the delivery of six aircraft over the period.

### Long-haul fleet (passenger)

The Group took delivery of four Airbus A350-900s and two Boeing B777-300ERs.

### Medium-haul fleet

The Group did not take delivery of any aircraft.

The Group's commitments concern the following aircraft:

Aircraft type	To be delivered in	2 <sup>nd</sup> semester Y (6 months)	Y+1	Y+2	Y+3	Y+4	Beyond Y+4	Total
<b><u>Long-haul fleet – passenger</u></b>								
A350	As of June 30, 2021	2	7	6	6	5	2	<b>28</b>
	As of December 31, 2020	-	7	7	8	4	6	<b>32</b>
B787	As of June 30, 2021	3	1	3	1	-	-	<b>8</b>
	As of December 31, 2020	-	5	1	-	2	-	<b>8</b>
B777	As of June 30, 2021	-	-	-	-	-	-	-
	As of December 31, 2020	-	2	-	-	-	-	<b>2</b>
<b><u>Medium-haul fleet</u></b>								
A220	As of June 30, 2021	6	15	15	12	12	-	<b>60</b>
	As of December 31, 2020	-	6	15	15	12	12	<b>60</b>
<b>Total</b>								
	<b>As of June 30, 2021</b>	<b>11</b>	<b>23</b>	<b>24</b>	<b>19</b>	<b>17</b>	<b>2</b>	<b>96</b>
	<b>As of December 31, 2020</b>	<b>-</b>	<b>20</b>	<b>23</b>	<b>23</b>	<b>18</b>	<b>18</b>	<b>102</b>

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## **26. RELATED PARTIES**

There were no significant movements in related party transactions during the period, in terms of either scope or amount, except the operation mentioned in note 2.2 Significant event that occurred in the period.