

HALF YEAR REPORT 2024



AIR FRANCE-KLM GROUP

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1.1 Activity

1.1.1 Strategy

Economic environment:

Real GDP growth (%)	2023	2024
World	3.2 %	3.2 %
Euro zone	0.4 %	0.8 %
Of which France	0.9 %	0.7 %
Of which Netherlands	0.1 %	0.6 %
Latin America and Caribbean	2.3 %	2.0 %
Sub-Saharan Africa	3.4 %	3.8 %
United States	2.5 %	2.7 %
China	5.2 %	4.6 %
Japan	1.9 %	0.9 %

Source⁽¹⁾

According to IMF's baseline forecast, the world's economy is expected to grow at 3.2% during 2024 and 2025, at the same pace as in 2023. Growth of advanced economies is forecasted to slightly accelerate from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. A modest slowdown from 4.3% in 2023 to 4.2% in both 2024 and 2025 is forecasted for emerging market and developing economies. The global economy withstood significant central bank interest rate increases to control inflation, which is globally on a declining trend from 6.8% in 2023 to a forecasted 5.9% in 2024 and 4.5% in 2025.

The Eurozone is forecasted to maintain divergence. Southern European economies outperformed the eurozone average, while Germany only just rebounded from its recession during the first half of 2024. Recent developments in Europe show a looser financial condition with ECB interest rates decreasing and domestic demand resuming. The U.S. economy continues to benefit from a strong labor market and positive signals on consumer spending and has already surged past its pre-Covid-19 level. In China, consumer confidence remained weak due to real estate crisis.⁽²⁾

Oil price

Brent (US\$/bbl)	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Average Brent price	81.2	78.3	86.7	83.7	83.0	84.6
Average Jet fuel price	126.2	95.2	120.4	112.0	110.1	103.3

Source⁽³⁾

During 2023 oil prices remained on their downward trend until Q2, but revised direction and started to rise in Q3. In Q4 2023, oil prices once again declined to just under US\$80 per barrel of Brent at the end of the year. During the first half of 2024, oil prices have faced slight variations.

⁽¹⁾ Source: World Economic Outlook, IMF, April 2024.

⁽²⁾ Source: World Economic Outlook, IMF, April 2024.

⁽³⁾ Source: Brent and jet fuel prices, EIA, 24 July 2024.

Currency exchange rates

For one Euro (average)	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
USD	1.07	1.09	1.09	1.08	1.09	1.08
GBP	0.88	0.87	0.86	0.87	0.86	0.85
CHF	0.99	0.98	0.96	0.95	0.95	0.97
CNY	7.34	7.64	7.89	7.77	7.80	7.80
JPY	142.0	149.7	157.3	159.1	161.2	167.8

Source⁽⁴⁾

Over the last one and half year, the euro experienced some modest fluctuations versus the U.S. dollar, the British pound and the Swiss franc.

The Japanese yen weakened versus the euro over the last six quarters, whereas the Chinese yuan weakened in the first 3 quarters in 2023 and has since stabilized.

Industrial context:

Worldwide capacity

In the first half of 2024, worldwide capacity, measured in available seat-kilometers ("ASK"), increased by 12% year-on-year (YoY).⁽⁵⁾

- On departure from Europe⁽⁶⁾, in the first half of 2024, capacity reached 113% of its 2023 level, and 101% of its 2019 level. Most of the capacity flows⁽⁷⁾ recorded a positive YoY growth and recovered to at least 100% of their 2019 levels, while only the international Europe-Asia⁽⁸⁾ flow still lagged at 89% of its 2019 level, despite a 34% YoY increase.
- On departure from the U.S., with a 9% YoY increase in the first half of 2024, capacity further recovered to finally reach and exceed its 2019 level (arriving at 104%). YoY, most capacity flows⁽⁹⁾ recorded an increase, except U.S.-Middle East flow, which shrank by 5% YoY. In terms of post-Covid recovery, only U.S.-Asia flow has still not fully recovered yet, remaining at 83% of its 2019 level.
- After the reopening of borders in 2023, capacity on departure from China experienced a sharp increase: Chinese international capacity continued its recovery trajectory with a 150% YoY growth in the first half of 2024 to 68% of its 2019 level. Chinese domestic capacity, with its 4% YoY growth in the first half of 2024, continued to be stable at 124% of its 2019 level.

Industry disruptions

The significant reduction in headcount during the Covid-19 period led to enduring staff shortages in the aviation industry. Moreover, skilled employees were hard to come by, especially in the eurozone where the unemployment rate continues to be lowest since the beginning of this millennium.⁽¹⁰⁾

Airlines are still being impacted by supply chain issues and reliability constrain on some new generation engines. The situation is also worsened by lack of spare parts⁽¹¹⁾ (in particular for the GTF of Pratt & Whitney, as of April 2024: 637 of 2,000 jets out of service)⁽¹²⁾ and delayed deliveries by aircraft manufacturers, (e.g., Boeing is inspecting the production line of undelivered 787s, lessening the delivery rate per month).⁽¹³⁾

Early 2024 was challenged by continued ATC strikes in Europe, mostly in France (and to lesser extent in Germany). The new French law that requires ATCs to declare their individual participation in a strike at least 48 hours in advance is aimed at to reducing disruption for passengers.⁽¹⁴⁾

⁽⁴⁾ Source: ECB Data Portal, ECB, July 2024.

⁽⁵⁾ Source: OAG, July 2024.

⁽⁶⁾ ASK capacity to/from/within EU1 and EU2 regions as defined by OAG.

⁽⁷⁾ Regional breakdown: intra-Europe, Europe – Africa, Europe – North America, Europe – Central/South America, Europe – Middle East, Europe – Asia/Pacific and Europe – Caribbean/Indian Ocean

⁽⁸⁾ Russia domestic flights between EU2 and AS4 regions as defined by OAG are excluded.

⁽⁹⁾ Regional breakdown: U.S. domestic, U.S. – North America (international), U.S. – Europe, U.S. – Africa, U.S. – Central/South America, U.S. – Middle East, U.S. – Asia/Pacific and U.S. – Caribbean/Indian Ocean.

⁽¹⁰⁾ Source: World Economic Outlook, IMF, April 2024.

⁽¹¹⁾ Source: "Why supply constraints are clouding the skies for airlines", ING Think, 16 May 2024

⁽¹²⁾ Source: "One-third of jets with P&W GTF engines sitting idle as recall impact spreads", FlightGlobal, 8 April 2024.

⁽¹³⁾ Source: "New production hitch prompts Boeing inspect fasteners on undelivered 787s", FlightGlobal, 14 June 2024.

⁽¹⁴⁾ Source: "New French law is positive first step reducing delays from ATC strikes but more action needed to protect EU Single Market", Airline for Europe, December 2023.

1.1.2 Business review

Network result

Network	Second Quarter			Half Year		
	2024	change	change constant currency	2024	change	change constant currency
Traffic revenues (€m)	6,363	+1.7%		11,759	+1.5%	
Total revenues (€m)	6,632	+1.6%		12,295	+1.5%	
Salaries and related costs (€m)	-1,673	+7.6%		-3,278	+8.3%	
Aircraft fuel (€m)	-1,591	+8.2%		-3,114	+0.4%	
Other operating expenses (€m)	-2,422	+3.2%		-4,815	+7.0%	
EBITDA (€m)	946	-18.0%		1,088	-26.6%	
Depreciation & Amortization (€m)	-501	+8.5%		-998	+6.3%	
Operating result (€m)	446	-247	-210	90	-452	-387
Operating margin (%)	6.7%	-3.9 pt		0.7%	-3.7 pt	

Compared to the second quarter 2023, total revenues increased by +1.6% to €6,632 million. The increase in revenues was driven by the passenger network while Cargo revenues declined year over year. The operating result stood at €446 million which was €247 million below last year due to an increase in salary costs, fuel and other operating expenses, however disruption cost decreased versus last year. Q2 2024 unit revenues for Air France were impacted in June by the Olympic Games in France.

Stable passenger network unit revenue

Passenger network	Second Quarter			Half Year		
	2024	change	change constant currency	2024	change	change constant currency
Passengers (thousands)	19,097	+1.9%		35,762	+3.6%	
Capacity (ASK m)	68,541	+2.8%		132,805	+3.2%	
Traffic (RPK m)	59,873	+2.7%		115,218	+3.6%	
Load factor	87.4%	-0.1pt		86.8%	+0.3pt	
Total passenger revenues (€m)	6,080	+2.8%	+3.2%	11,176	+3.3%	+4.0%
Traffic passenger revenues (€m)	5,901	+2.3%	+2.7%	10,855	+3.2%	+3.9%
Unit revenue per ASK (€ cts)	8.61	-0.5%	-0.1%	8.17	0.0%	+0.7%

During the second quarter 2024, capacity in Available Seat Kilometers (ASK) was 2.8% higher than last year. Traffic growth (+2.7%) was close to the capacity growth and has led to a broadly stable load factor at 87.4% while yield corrected for currency remained stable, resulting in an almost stable unit revenue per ASK.

FIRST HALF YEAR ACTIVITY

Activity

During the second quarter we observed per area the following trends:

North Atlantic

Q2 capacity increased by +6% compared to last year although traffic was not fully following this trend resulting in a load factor reduction of 1.7 point at 88% while yield was broadly stable at -0.2%. Industry capacity grew double digit in the same period.

Latin America

Capacity was down -4.7% on the back of a high comparison basis while industry capacity is increasing. Load factor slightly increased and reached 90% while yield reduced by 2% compared to significant high yields last year.

Asia & Middle East

Capacity in the second quarter has substantially increased (+13.9%) versus 2023, driven by Asia while Middle East capacity reduced by a single digit percentage. Despite strong capacity growth, load factor expanded by almost 2 points compared to last year while yield reduced by 3%. Overall the area significantly contributed to the revenue growth of the Group.

Caribbean & Indian Ocean

The second quarter continued to show capacity reductions compared to 2023 (-6.5%) due to redeployment of the fleet to other long-haul areas. This lower capacity pushed the load factor 1.5 point up to 90% and yield improved by 5.7%.

Africa

Resilient performance despite the political situation in Sahel still impacting Air France. The Group's capacity decreased 6% while unit revenues improved thanks to a yield increase of 4.6% above 2023 while the load factor was stable at 85%.

Short and Medium-haul

Industry capacity recovered mainly driven by low cost carriers competitors and put pressure on yields and volumes. The Group's capacity increased by 2.4%, with different dynamics between Air France and KLM. The latter increased capacity year over year by 12% due to a lower base in 2023. Load factor and yield are almost stable compared to last year.

Cargo: Q2 Unit revenue down but June unit revenues above last year

Cargo business	Second Quarter			Half Year		
	2024	change	change constant currency	2024	change	change constant currency
Tons (thousands)	218	+2.6%		435	+3.1%	
Capacity (ATK m)	3,567	+0.2%		7,017	+2.5%	
Traffic (RTK m)	1,627	+2.7%		3,249	+3.4%	
Load factor	45.6%	+1.1pt		46.3%	+0.4pt	
Total Cargo revenues (€m)	546	-10.0%	-9.2%	1,108	-13.4%	-12.4%
Traffic Cargo revenues (€m)	462	-5.2%	-4.4%	903	-15.1%	-14.2%
Unit revenue per ATK (€cts)	12.98	-5.2%	-4.4%	12.88	-17.1%	-16.2%

As indicated during the Q1 results presentation, the significant year-over-year unit revenue reductions are behind us in the Cargo activity. The Group experienced a limited unit revenue reduction of -4.4% compared to the second quarter last year. The beginning of the second quarter was still slightly impacted by the challenging implementation of a Cargo IT system including book away in April and May (Q2 impact: €15m), while June showed an unit revenue improvement of 3%. In particular Asia is performing well driven by e-commerce and the red sea disruption. In response to market dynamics, a part of the group's full freighter capacity is being redeployed to Asia. Additionally, a block agreement was signed with China Cargo Airlines, marking a new step in cooperation and enhancing our presence in this major cargo market.

Transavia: Q2 Positive operating margin thanks to healthy unit revenue development

Transavia	Second Quarter		Half Year	
	2024	change	2024	change
Passengers (thousands)	6,646	+12.2%	10,853	+10.9%
Capacity (ASK m)	12,807	+12.1%	21,261	+11.7%
Traffic (RPK m)	11,484	+12.0%	18,985	+10.8%
Load factor	89.7%	-0.1pt	89.3%	-0.7pt
Unit revenue per ASK (€cts)	6.66	+4.5%	6.20	+6.4%
Unit cost per ASK (€cts)	6.46	+1.2%	6.86	+1.8%
Total Passenger revenues (€m)	843	+18.4%	1,305	+19.8%
Salaries and related costs (€m)	-188	+12.6%	-345	+15.7%
Aircraft fuel (€m)	-219	+15.1%	-370	+9.2%
Other operating expenses (€m)	-334	+17.0%	-585	+14.1%
EBITDA (€m)	102	+48.2%	+6	nm
Depreciation & Amortization (in €m)	-76	+9.5%	-145	+30.0%
Operating result (€m)	26	+27	-139	+33
Operating margin (%)	3.1%	+3.2pt	-10.7%	+5.1pt

Despite Transavia's capacity increase in available seat kilometers of 12.1%, unit revenue increased by 4.5% while the load factor remained broadly stable. The implementation of the paid hand luggage bore fruits and already brought more than €20 million revenues in the quarter and a further stabilization of the operations. The operating result amounted to 26 million compared to break-even last year driven by higher revenues. Transavia France was impacted in June from the Olympic Games while Transavia Netherlands improved the operations compared to last year.

Maintenance business: Third party revenues continue to grow

Maintenance	Second Quarter		Half Year	
	2024	Change	2024	Change
Total Revenues (€m)	1,202	+14.0%	2,425	+22.4%
Third party revenues (€m)	471	+22.6%	1,001	+32.8%
External expenses (€m)	-795	+17.1%	-1,603	-26.4%
Salaries and related costs (€m)	-296	+9.5%	-591	+11.0%
EBITDA (€m)	111	+5.5%	232	+23.8%
Depreciation & Amortization (€m)	-73	+24.8%	-166	+32.2%
Operating result (€m)	37	-9	66	+4
Operating margin (%)	3.1%	-1.3pt	2.7%	-0.4pt

The maintenance segment continued its growth in the second quarter 2024. Total revenues increased by 14.0% compared with the same quarter last year while third party revenues increased by +22.6%, showing a strong recovery especially on the engine side.

During the second quarter, the supply chain disruptions were still strongly impacting the operations. AFI KLM E&M needed to loan parts and spare engines to be able to perform its customers' maintenance support and to support the outsourced airframe maintenance activities.

The operating margin stood at 3.1%, which is 1.3 point lower than in 2023.

Post-quarter Air France and Airbus have signed the agreements to establish a joint venture for the provision on a worldwide basis of Airbus A350 component maintenance services (supply chain management, repairs, and creation of a worldwide pool of aircraft components).

The cooperation would take the form of a 50-50 joint venture between Air France and Airbus and involve the transfer of their A350 component support including aircraft components assets belonging to both partners into the joint venture's pool. The implementation of this JV is in line with all compliance requirements and subject to the approval by all relevant authorities. The closing is therefore expected end 2024, or early 2025.

1.1.3 The Fleet

At June 30, 2024, the Air France-KLM Group's fleet comprised 564 aircraft, of which 554 were in revenue service compared with, respectively, 551 and 541 aircraft at December 31, 2023.

The main operational fleet consisted of 458 aircraft (443 aircraft at December 31, 2023), of which 183 were long-haul aircraft (177 at December 31, 2023), 6 were cargo aircraft (6 aircraft at December 31, 2023) and 269 were medium-haul aircraft (260 at December 31, 2023) including 124 aircraft in the Transavia Group fleet (115 aircraft at December 31, 2023).

The regional fleet in operation comprised 96 aircraft (98 at December 31, 2023).

At June 30, 2024, the average age of the aircraft in the operational fleet was 12,3 years, of which 12,7 years for the long-haul fleet, 12,5 years for the medium-haul fleet, 21,3 years for the cargo fleet and 10,1 years for the regional fleet compared with 12,2 years at December 31, 2023, of which 12,6 for the long-haul fleet, 12,8 for the medium-haul fleet, 20,8 for the cargo fleet and 9,5 for the regional fleet.

At June 30, 2024, 36,5% of the total Group fleet was fully owned (36,5% at December 31, 2023), 12,6% was under finance lease (12,7% at December 31, 2023), and 50,9% under operating lease (50,8% at December 31, 2023).

There were firm orders outstanding for 200 aircraft at June 30, 2024, operational lease excluded, after deliveries of 10 owned aircraft. Options stood at 156 aircraft (168 at December 31, 2023).

The fleet comprise 129 new generation aircraft, 23,2% of its fleet.

Change in the Air France-KLM Group's order book ⁽¹⁾	December 31, 2023	Deliveries during the period	New orders	Option conversions	June 30, 2024
Main fleet	210	10			200
Regional fleet					
TOTAL	210	10			200

(1) Excluding operating leases.

Change in the Air France-KLM Group's option portfolio ⁽¹⁾	December 31, 2023	Exercise during the period	Options cancelled or expired	New options	June 30, 2024
Main fleet	168		12		156
Regional fleet					
TOTAL	168		12		156

(1) Excluding operating leases. Purchase rights included

Fleet management

Air France - KLM is pursuing an active policy of renewing and modernizing its fleet, thus contributing to improving the energy efficiency of its fleet and reducing its environmental footprint..

During the first half of 2024, the Air France Group proceeded for:

- the long-haul, to the delivery of five new A350-900s,
- the medium-haul, to the delivery of four new A220-300s. Two Airbus A319 were sold,
- HOP! to the delivery of an E190 and the sale of one CRJ 1000.
- Transavia France to the delivery of three A320neos under operational lease, one 737-800 was returned to the owner.

KLM CityHopper has exited one E190 of its fleet whereas Transavia Netherlands welcomed five A321neos.

The modernization of the fleet will be expressed by the continued growth of the A350 fleet within the Air France-KLM fleet and that of the B787-10s at KLM. The continued growth of the fleets, for Air France, of the A220-300s, and for KLM of the E195-E2, also contributes to this major effort to modernize the fleet and reduce emissions, as well as the first arrivals of the Airbus A320 neos and A321 neos.

The Air France – KLM fleet at June 30, 2024:

	AF (incl. HOP!)	KL (incl. KLC & Martinair)	Transavia France	Transavia Netherlan ds	Total	Fully owned	Finance lease	Operating lease
Long-haul	122	65	–	–	187	73	43	71
B777-300	43	16	–	–	59	21	14	24
B777-200	18	15	–	–	33	28	2	3
A350-900	32	–	–	–	32	3	12	17
B787-10	–	10	–	–	10	2	8	–
B787-9	10	13	–	–	23	4	7	12
A380-800	4	–	–	–	4	3	–	1
A330-300	–	5	–	–	5	–	–	5
A330-200	15	6	–	–	21	12	–	9
Medium-haul	105	42	74	50	271	98	10	163
B737-900	–	5	–	–	5	5	–	–
B737-800	–	31	70	40	141	36	7	98
B737-700	–	6	–	4	10	7	–	3
A321	15	–	–	–	15	8	–	7
A320	37	–	–	–	37	4	3	30
A319	11	–	–	–	11	7	–	4
A318	6	–	–	–	6	4	–	2
A220-300	36	–	–	–	36	25	–	11
A320neo	–	–	4	–	4	–	–	4
A321neo	–	–	–	6	6	2	–	4
Regional	36	64	–	–	100	31	18	51
Canadair Jet 1000	1	–	–	–	1	1	–	–
Embraer 190	22	29	–	–	51	17	4	30
Embraer 175	–	17	–	–	17	3	14	–
Embraer 170	13	–	–	–	13	10	–	3
Embraer 195 E2	–	18	–	–	18	–	–	18
Cargo	2	4	–	–	6	4	–	2
B747-400BCF	–	1	–	–	1	1	–	–
B747-400ERF	–	3	–	–	3	3	–	–
B777-F	2	–	–	–	2	–	–	2
TOTAL AF-KLM	265	175	74	50	564	206	71	287

1.1.4 Highlights

May 13, 2024

Air France-KLM repaid remaining €48 million of OCEANE 2026 bonds

Air France-KLM announces today that it has fully repaid in cash c. €48 million of nominal value of the remaining outstanding convertible bonds due March 25, 2026 (the "OCEANE 2026", ISIN FR0013410628), using the company's option for early redemption ("Clean Up Call Option", part of the terms and conditions of the bonds).

This residual redemption amount is equivalent to 2,654,942 of bonds and the number of potential dilutive shares linked to these outstanding bonds OCEANE 2026 will therefore been reduced from 472,580 shares to zero.

May 13, 2024

Air France-KLM announces the launch of a tender offer to repurchase two series of existing notes and its intention to issue new notes

Air France-KLM (the "Company") (Euronext Paris: FR0000031122) rated BBB- by Fitch and BB+ by S&P, announces today the launch of a tender offer to repurchase the following two series of existing notes in cash:

- €750,000,000 1.875 per cent notes due 16 January 2025 (ISIN: FR0013477254) (of which €750,000,000 is currently outstanding) (the "2025 Notes"); and
- €500,000,000 3.875 per cent notes due 1st July 2026 (ISIN: FR0014004AF5) (of which €500,000,000 is currently outstanding) (the "2026 Notes" and, together with the 2025 Notes, the "Existing Notes") (the "Tender Offer").

The Company invites Qualifying Holders (as defined in the Tender Offer Memorandum) of the Existing Notes to tender for cash some or all of their notes, up to a maximum acceptance amount of €350,000,000 in aggregate principal amount subject to the right of the Company to increase or decrease such amount.

In parallel, the Company announces its intention to issue, subject to market conditions, Euro denominated unsecured fixed rate benchmark notes expected to be rated BBB- by Fitch and BB+ by S&P (the "New Notes") under its Euro 4,500,000,000 Euro Medium Term Note Programme, the proceeds of which will be used to refinance part of the existing debt of the Company by purchasing all or part of the Existing Notes and for general corporate purpose.

This transaction is part of the Company's ongoing dynamic management of its debt profile making use of its corporate credit ratings released in December 2023.

The Tender Offer, combined with the rated issuance of the New Notes, will extend the Company's average maturity profile.

The Tender Offer is conditional upon the pricing of the issue of the New Notes in the sole determination and satisfaction of the Company (or the waiver of this condition by the Company).

The acceptance of any Existing Notes validly tendered for purchase is at the sole and absolute discretion of the Company.

The indicative date for the expiration of the Tender Offer is scheduled for 21st May 2024, unless extended, withdrawn, re-opened or terminated at the sole and absolute discretion of the Company. The final results are expected to be announced on 22nd May 2024.

May 14, 2024

Air France-KLM announces the successful issuance of new bonds for a total aggregate amount of €650 million

Air France-KLM (the "Company") has successfully placed new bonds today, for a total nominal amount of €650 million with a 5-year maturity and a coupon of 4.625% (the "New Notes") under its Euro 4,500,000,000 Euro Medium Term Note Programme. The New Notes are expected to be rated BBB- by Fitch and BB+ by S&P.

Strong investor demand, with an orderbook above €2.8 billion that covered c.4.3x the size of the bonds, is a testament to investors' confidence in Air France-KLM.

The Company announced on 13 May 2024 the launch of a tender offer to repurchase the following two series of existing notes in cash:

- €750,000,000 1.875 per cent notes due 16 January 2025 (ISIN: FR0013477254) (of which €750,000,000 is currently outstanding) (the “2025 Notes”); and
- €500,000,000 3.875 per cent notes due 1st July 2026 (ISIN: FR0014004AF5) (of which €500,000,000 is currently outstanding) (the “2026 Notes” and, together with the 2025 Notes, the “Existing Notes”).

The proceeds of the New Notes will be used to refinance part of the existing debt of the Company by purchasing all or part of the Existing Notes and for general corporate purpose.

An application will be made for the New Notes to be admitted to trading on Euronext Paris.

May 15, 2024

Air France-KLM announces an increase of the Maximum Acceptance Amount of its current Tender Offer following the success of the concurrent issue of new bonds

On 13 May 2024, Air France-KLM (the “Company”) (Euronext Paris: FR0000031122) rated BBB- by Fitch and BB+ by S&P, invited Qualifying Holders (as defined in the Tender Offer Memorandum) to tender for cash some or all of its (i) €750,000,000 1.875 per cent notes due 16 January 2025 (ISIN: FR0013477254) (of which €750,000,000 is currently outstanding) (the “2025 Notes”); and/or (ii) €500,000,000 3.875 per cent notes due 1st July 2026 (ISIN: FR0014004AF5) (of which €500,000,000 is currently outstanding) (the “2026 Notes” and, together with the 2025 Notes, the “Existing Notes”) (the “Tender Offer”), up to a maximum acceptance amount of €350,000,000 in aggregate principal amount (the “Maximum Acceptance Amount”), subject to the right of the Company to increase or decrease such amount, subject to the pricing of a new bond issuance and the conditions set out in the Tender Offer Memorandum.

On 14 May 2024, Air France-KLM has successfully placed new bonds, for a total nominal amount of €650 million with a 5-year maturity and a coupon of 4.625% under its Euro 4,500,000,000 Euro Medium Term Note Programme (the “New Notes”) benefiting from a strong investor demand, with an orderbook above €2.8 billion that covered c.4.3x the size of the New Notes.

As a result of the successful issuance of the New Notes, Air France-KLM hereby announces an increase of the Maximum Acceptance Amount relating to its current Tender Offer from €350,000,000 to €450,000,000, subject to the right of the Company in its sole and absolute discretion to increase or decrease such amount.

May 22, 2024

Air France-KLM announces the final results of its tender offer on two series of existing notes

Air France-KLM (the “Company”) (Euronext Paris: FR0000031122) rated BBB- by Fitch and BB+ by S&P announces today the final results of its tender offer launched on 13 May 2024 on the following two series of existing notes in cash:

- €750,000,000 1.875 per cent notes due 16 January 2025 (ISIN: FR0013477254) (of which €750,000,000 is currently outstanding) (the “2025 Notes”); and
- €500,000,000 3.875 per cent notes due 1st July 2026 (ISIN: FR0014004AF5) (of which €500,000,000 is currently outstanding) (the “2026 Notes” and, together with the 2025 Notes, the “Existing Notes”) (the “Tender Offer”).

Existing Notes for a total principal amount of €452.7 million, representing 36.2% of the outstanding Existing Notes, have been tendered for purchase in the Tender Offer and €452.7 million have been accepted, of which €234.8 million of 2025 Notes and €217.9 million of 2026 Notes. As a result, the principal amount of outstanding Existing Notes after completion of the Tender Offer will be €797.3 million, of which €515.2 million of 2025 Notes and €282.1 million of 2026 Notes.

The Tender Offer will be funded in whole by the net proceeds of the issue of new notes of a total principal amount of €650 million with a 5-year maturity and bearing coupon at an annual rate of 4.625% (the “New Notes”) by the Company under its Euro 4,500,000,000 Euro Medium Term Note Programme, the successful placement of which was announced by the Company on 14 May 2024.

This transaction is part of the Company's ongoing dynamic management of its debt profile making use of its corporate credit ratings released in December 2023.

The Tender Offer, combined with the rated issuance of the New Notes, will extend the Company's average maturity profile.

June 19, 2024

Study: The Air France-KLM Group contributes over €70 billion to the French and Dutch economies every year, supporting more than 820,000 jobs in both countries

The Group generates 1.9% of French GDP and 2.3% of Dutch GDP;

An estimated 552,570 jobs in France and 267,996 jobs in the Netherlands depend directly or indirectly on Air France-KLM;

For each job created by Air France-KLM in France, 11 jobs are created in the French economy. For each job created in the Netherlands, 9.2 jobs are created in the Dutch economy.

On the occasion of its twentieth anniversary, the Air France-KLM Group unveiled the results of an impact study designed to quantify and analyze the socio-economic benefits generated by its activity in France and the Netherlands. Commissioned by Air France-KLM, the study was carried out by Professor Herbert Castéran, Professor and Director of the Institut Mines Télécom Business School. It covers the Group's three core businesses: passenger transport, cargo and aircraft maintenance.

A major economic impact for national economies:

The study's findings highlight the major role played by the Air France-KLM Group in the economic dynamics of France – Air France's home country – and the Netherlands – KLM's home country. While in fiscal year 2023, the Air France-KLM Group generated a net income of 0.9 billion euros, its total economic impact is estimated at 48.9 billion euros in France and 21.9 billion euros in the Netherlands (or 723 euros per year per inhabitant in France and 1,228 euros per year per inhabitant in the Netherlands). The study concludes that for every euro invested, the Air France-KLM group generates 3.6 euros in the French economy, and 3.4 euros in the Dutch economy.

These economic benefits take the form of direct investment, direct and indirect job creation, and spending with local suppliers and service providers.

A driving force for employment in France and the Netherlands:

In addition to its economic and financial impact, the Air France-KLM Group also contributes significantly to the creation of skilled jobs that cannot be relocated. In 2022 and 2023, respectively, the various entities of the Air France-KLM Group recruited 4,000 and 5,000 permanent staff, namely pilots, flight attendants and mechanics. This dynamic will continue in 2024, particularly for pilots and aircraft maintenance activities. The Group is also particularly active in supporting access to employment for young people, through work-study programs and support for associations that promote inclusion.

The impact study estimated that 552,570 jobs in France and 267,996 jobs in the Netherlands depended on Air France-KLM's activity, equivalent to the population of Lyon in France and Eindhoven in the Netherlands. These numbers include direct jobs (employees working directly for the Air France-KLM Group – around 46,000 in France and 26,000 in the Netherlands); indirect jobs (in related sectors such as suppliers, subcontractors, and service providers); as well as jobs induced by the Group's activity, for example in tourism. These jobs support the local economies of France and the Netherlands.

Furthermore, the study highlights that each direct job created by the Group generates 11 additional jobs in France. In the Netherlands, the impact is also very positive: for every job created by the Group, 9.2 additional jobs are created in the Dutch economy.

In France, shared benefits across all regions:

The socio-economic impact study shows that Air France-KLM's activity benefits all French regions, without exception.

By way of example, in addition to strong air transport activity, the Occitanie region benefits from significant direct injections related to Air France-KLM's purchasing of aircraft and aeronautical spare parts from Airbus, its subcontractors and service providers. Since 2018, Air France-KLM has ordered over 230 aircraft from Airbus, most of which are assembled in the Toulouse region. Air France also has a maintenance site in Toulouse.

In the Bourgogne-Franche-Comté and Grand Est regions, Air France-KLM's contribution can be seen in its support for the wine industry, through purchases of wines, champagnes and spirits served on board Air France. In 2023, over 2.4 million bottles of wine and 1.3 million bottles of champagne were served on board Air France flights.

The Île-de-France region remains the main beneficiary of the Group's impact. Thanks to the Paris-Charles de Gaulle hub and Paris-Orly airport, as well as the location of Air France's and Transavia France's headquarters, the Air France-KLM Group is a natural socio-economic catalyst for the Île-de-France region. Long the region's leading private sector employer, the Group contributes 3.2% of Île-de-France's total GDP, for a total economic impact of nearly 25 billion euros. Representing 50% of the traffic at Paris-Charles de Gaulle and Paris-Orly airports, the Air France-KLM Group is a driving force behind the region's connectivity and national and international appeal, supporting all links across the local economy, industry, and tourism.

In the Netherlands, a global hub supporting all sectors of the economy:

Air France-KLM's contribution to the Dutch economy mainly takes the form of connecting the country to the world. KLM has built one of the world's most effective transit hub at Amsterdam-Schiphol Airport, connecting the Dutch capital to 160 destinations, far exceeding the natural potential of its home market.

This makes the Netherlands one of the best-connected economic centres in the world, creating a favorable business climate for international organizations and corporations to establish or maintain their headquarters.

Air France-KLM's operations in the Netherlands also support Dutch exports, from flowers to medicines, notably via the Group's cargo division, Air France-KLM Martinair Cargo.

Note on methodology:

The data in the impact study reflect the assessment of the socio-economic benefits of the Air France-KLM Group's activity, which distinguishes four types of economic impact:

Direct impacts, including the remuneration of Air France-KLM Group staff working in their home region, as well as the Group's consumption of goods and services.

Indirect impacts resulting from the Air France-KLM group's activities, notably spending by passengers traveling on Group aircraft, as well as the economic activity of airports associated with the Group's activities.

Induced impacts, which are determined by the spending of the beneficiaries of direct and indirect impacts, including public bodies that benefit from tax revenue induced by the Air France-KLM group's activity.

Catalytic impacts, which represent the attractiveness of a given region for businesses, thanks to the Air France-KLM group's air traffic to the area.

June 21, 2024

Air France-KLM: key decisions approved by the Shareholders' Meeting of June 5, 2024

The Air France-KLM Annual General Shareholders' Meeting was held on Wednesday June 5, 2024 at 14h30 at the Hilton Paris Charles de Gaulle Hotel, 8 rue de Rome, 93290 Tremblay-en-France. It was broadcast live via webcast on the Air France-KLM website. It is also possible to watch it at any time on replay via the following link: <https://www.yuca.tv/fr/air-france-klm/ag-2024-air-france-klm>.

During this Combined Ordinary and Extraordinary Shareholders' Meeting, where more than 7,909 shareholders were present or represented, all of the proposed resolutions were adopted. In addition to approving the financial statements for the year ended December 31, 2023 and allocating the net result, the Shareholders' Meeting adopted the following resolutions:

Appointments/Re-appointments:

Mrs. Anne-Marie Couderc, Chairman of the Board of Directors of Air France-KLM, was re-appointed as a Board director for a one-year term of office (resolution 8);

Mrs. Florence Parly, whose co-optation has been ratified, as Board director for a two-year term of office (resolution 9);

Mr. Alexander Wynaendts was re-appointed as a Board director for a four-year term of office (resolution 10);

As proposed by the Dutch government, Mr. Dirk Jan van den Berg was re-appointed as a Board director for a four-year term of office (resolution 11);

Mr. Wiebe Draijer, Chairman of the Supervisory Board of KLM, was appointed as a Board director for a four-year term of office (resolution 12);

KPMG SA and PricewaterhouseCoopers were appointed as statutory auditors to certify sustainability information (resolutions 13 and 14).

Approval of related party agreements and commitments relating to:

The partial redemption of the Undated Deeply Subordinated Notes and subscription to new Undated Deeply Subordinated Notes (resolution 4);

The commercial cooperation between Air France-KLM and CMA CGM (resolution 5);

The financing operation raised by Flying Blue Miles (resolution 6);

The termination of the waiver of the financial mechanism relating to the joint venture agreement with China Eastern Airlines Co. Ltd (resolution 7).

Compensation:

Approval of the information on the compensation of 2023 of each of the corporate officers required by Article L. 22-10-9 I of the French commercial Code (resolution 15);

Approval of the elements of compensation paid in the financial year 2023 or granted in respect of that financial year to the Chair of the Board of directors and the Chief Executive Officer (resolutions 16 and 17);

Approval of the 2024 compensation policy of the non-executive corporate officers, the Chair of the Board of Directors and the Chief Executive Officer (resolutions 18 to 20).

Financial authorizations/delegations:

Authorization granted to the Board of Directors, with powers to subdelegate, to implement the share buyback program in accordance with the limits and conditions set out in the relevant resolution (resolution 21);

Approval of resolutions authorizing capital increase reserved for employees limited to 3% of the share capital (resolutions 22 and 23);

Authorization granted to the Board of Directors to reduce capital by canceling treasury shares (resolution 24).

Amendment of the Article of Incorporation:

Amendment of Article 26 of the Articles of Incorporation relating to the age limit for Company officers, to extend the age limit for the Chairman of the Board of Directors to 75 years, and to specify that when the Chairman of the Board of Directors reaches this age limit during his term of office as director, his term of office ends at the close of the General Meeting called to approve the financial statements for the year in which the age limit is reached (resolution 25).

The detailed results of the voting and all the documentation relating to the Shareholders' Meeting are available on the Air France-KLM website (<https://www.airfranceklm.com/en/finance/shareholders/shareholders-meeting>).

1.1.5 Outlook and subsequent events

Outlook

Capacity

The Group expects the capacity in Available Seat Kilometers for Air France-KLM Group including Transavia to increase by 4% in 2024 compared to 2023. *(Previously +5% compared to 2023).*

Unit cost¹⁵

Q3 unit cost development expected at +2% compared to last year.

For the full year 2024, the Group expects a unit cost +2% compared to 2023 *(previously +1-2% compared to 2023)* supported by the below action plan:

- Accelerated transformation initiatives to further increase cost savings both at Group and airline level via simplification, reduce overhead and create further synergies
- Hiring freeze of support staff (SG&A)
- New fleet delivery to support unit cost development
- Marketing cost cutting
- 20% reduction of discretionary costs

Capex (unchanged)

Further optimizing full year 2024 net capex, expected to be below 3 billion euros. *(Previously at 3 billion euros).*

¹⁵ against a constant fuel price, constant currency and excluding Emission Trading Scheme cost (ETS)

Subsequent events

July 1, 2024

Update on Summer bookings

Air France and Transavia France are currently experiencing pressure on projected unit revenues for the summer season due to the upcoming Olympic Games in Paris, with traffic to and from the French capital lagging behind other major European cities.

International markets show a significant avoidance of Paris. Travel between the city and other destinations is also below the usual June-August average as residents in France seem to be postponing their holidays until after the Olympic Games or considering alternative travel plans.

As a result, Air France-KLM currently estimates a negative impact on its forthcoming unit revenues in an order of magnitude, from €160m - €180m for the period June until August 2024. This event has no impact on our guided capacity at this stage. More details will be provided during the Group's half year results, on July 25th.

Travel to and from France is expected to normalize after the Olympic Games, with encouraging demand levels projected for the end of August and the month of September.

Note to editors:

Similar trends are visible in the hotel bookings according to the June 2024 "Baromètre du tourisme parisien" issued by Paris Je t'Aime, the Paris board of tourism.

July 10, 2024

Air France-KLM welcomes today's decision by the European Commission confirming anew that the liquidity support measures granted to its airlines by the French and Dutch States during the Covid-19 crisis were compliant with EU State aid rules. As a reminder, these liquidity measures granted in 2020 took the form of State guaranteed loans and State loans. The Dutch and French aid measures were repaid in full by June 2022 and April 2023 respectively.

This new decision has no impact on the appeals lodged by the European Commission, Air France, KLM and Air France-KLM against the judgments of the General Court of the EU, which annulled the European Commission's initial decisions only because they were based, for the General Court, on an incorrect determination of the beneficiary of said State aid. The Court of Justice of the European Union has still to decide on these appeals.

July 11, 2024

Air France-KLM and SAS sign codeshare and interline agreements

Starting September 1, 2024, Air France and KLM customers will gain access to 33 destinations in Northern Europe beyond SAS's hubs in Copenhagen, Oslo and Stockholm;

SAS customers will gain access to 33 European destinations beyond Air France and KLM's hubs at Paris-Charles de Gaulle airport and Amsterdam Schiphol airport;

The interline agreement covers the European network of Air France, KLM and SAS;

Air France, KLM and SAS customers will be able to earn and spend Miles/Points through the Flying Blue and EuroBonus loyalty programmes.

Air France-KLM and SAS today announced that they have signed codeshare and interline agreements applicable to Air France, KLM and SAS. These agreements also cover reciprocal loyalty program benefits. They will enter into force on September 1, 2024, when SAS officially joins the SkyTeam alliance, of which Air France-KLM is a founding member.

The codeshare agreement will cover a wide range of European destinations. Air France and KLM customers will gain access to 33 destinations in Northern Europe beyond SAS's hubs in Copenhagen, Oslo and Stockholm. SAS customers will gain access to 33 destinations in Europe beyond Air France and KLM's hubs at Paris Charles de Gaulle airport and Amsterdam Schiphol airport. Additionally, intercontinental destinations will be added to the agreement in the near future.

The interline agreement will cover the European network of Air France, KLM and SAS, providing customers with extended travel options.

Members of Flying Blue and EuroBonus, the respective loyalty programmes of Air France-KLM and SAS, will be able to earn and spend Miles/Points on all flights operating as of September 1, 2024. Eligible EuroBonus members will also be able to enjoy SkyTeam services and benefits including SkyPriority and lounge access.

"These agreements mark an important step towards a close commercial cooperation between Air France, KLM and SAS," said Angus Clarke, Chief Commercial Officer, Air France-KLM. "By connecting our networks and hubs, our customers will

benefit from a broad range of European destinations and high-quality services. We look forward to further developing this relationship and to strengthening our position in the Scandinavian region.”

“We are proud to launch codeshare flights with our future SkyTeam partner Air France-KLM today, enhancing our connectivity and offering greater benefits to our loyal customers. The collaboration with Air France-KLM holds great opportunities. It will not only attract new passengers to SAS, but also elevate the SAS’ global visibility and connectivity. We are looking forward to a successful, long-standing collaboration together”, said Paul Verhagen, Chief Commercial Officer at SAS.

Air France and KLM operate up to 200 weekly flights between their hubs – at Paris-Charles de Gaulle airport and Amsterdam Schiphol airport – and SAS’s hubs in Copenhagen, Oslo and Stockholm.

SAS currently operates up to 44 weekly flights to Paris-Charles de Gaulle from Copenhagen, Oslo and Stockholm, and 65 to Amsterdam Schiphol airport.

Reservations are now open on airfrance.com, klm.com, flysas.com, and via all distribution channels for flights departing as of September 1, 2024.

July 18, 2024

Air France-KLM and Air France announce the successful renegotiation of their Sustainability Linked Revolving Credit Facility, resulting in an increase to €1.4 billion and extension of its maturity to July 2028

- Financial conditions optimization following Air France-KLM’s credit rating
- Maturity extended to July 2028, associated with a one-year extension option
- Increase of the facility from €1,290m to €1,405m
- Increase in the RCF lenders’ pool from 16 to 17 relationship banks, among which 12 Tier 1 banks, and 5 Tier 2 banks.

In March 2023 Air France-KLM and Air France as combined borrowers signed a €1.2billion Sustainability-Linked RCF. This facility had an initial 2026 maturity, included two one-year extension options, at lenders’ discretion, and provided for a €100 million accordion increase option at the lenders’ discretion. The first extension option and accordion option were activated in April 2024.

The amended agreement provides for an extension of the maturity to July 2028 with a one-year extension option at lenders’ discretion, as well as an increase in the size of the facility to €1.4billion with optimized financial conditions. This facility is currently undrawn. Through this transaction, Air France-KLM and Air France are extending the average maturity of available resources, in line with the Group’s policy of careful liquidity management. The facility has been successfully syndicated and oversubscribed, by a pool of widely diversified international banks, which demonstrates the confidence in the Group’s solidity.

This transaction was coordinated by Crédit Agricole Corporate and Investment Bank (CACIB) and Natixis CIB, jointly acting as Coordinators and Natixis CIB acting as Facility Agent.

KLM’s €1.0billion ESG-linked revolving credit facility signed in March 2023 with an initial 2027 maturity, and two one-year extension options of which one option was exercised in April 2024, remains unchanged, with a 2028 maturity.

The total amount of the Group Revolving Credit Facilities is therefore increased to €2.4billion, from €2.3 billion previously.

July 16, 2024

Flying Blue and Uber announce partnership offering Flying Blue miles on rides

Flying Blue, the loyalty programme of the Air France-KLM Group, and Uber, the world’s largest ridesharing company, today announced a new strategic partnership to allow Flying Blue members to earn Miles when using Uber in France and the Netherlands.

Starting today, Uber will become the official ride-hailing partner of Flying Blue. Members who link their account in the Uber app, will now be eligible to collect 1 mile for every €1 spent on Uber rides, rising to 2 miles for every €1 spent for Uber customers who take four or more trips each month.

The partnership will be available to local residents and visitors alike who connect their Flying Blue account in the Uber app, and book rides in any city across France and the Netherlands.

This new partnership adds to Flying Blue’s wide-ranging list of member benefits, including the ability to earn and redeem Miles with 40+ airlines and 100+ commercial partners. Flying Blue Miles can be used to purchase alternative aviation fuel (SAF), reserve or upgrade flights, book hotel rooms, shop with participating brands or donate to charitable organizations.

Air France-KLM Group is one of the leading airline groups in Europe and counts more than 24 million Flying Blue members who will be eligible to take advantage of the tie up with Uber.

"We are thrilled to join forces with Uber to offer our members additional ways to earn Miles in their daily lives" said Benjamin Lipsey, SVP Customer Loyalty and President of Flying Blue at Air France and KLM. "At Flying Blue, our goal is to provide tangible benefits that fit the lifestyle of our 24 million members worldwide. With Uber as our exclusive ride-hailing partner, we are reinforcing our commitment to accompany Air France and KLM customers before, during, and after they travel with us."

"We're excited to be able to help our customers collect Flying Blue Miles on their Uber trips," said Anabel Diaz, Vice President of Uber Mobility, EMEA. "So, whether you're a local resident taking trips to work or visiting from overseas, every trip you take with Uber is helping you get somewhere a little more exotic with Air France and KLM."

All Flying Blue members will be able to collect Miles through Uber app as of 16 July 2024.

For more information look at flyingblue.com for France and the Netherlands.

1.1.6 Risk factors

The risk factors to which the Air France-KLM Group is exposed are those outlined in the 2023 Universal Registration Document filed with the AMF on April 26, 2024 under the number D.24-0336 (Chapter 3 "Risk factors"). Except for what is following, the nature of these risks did not change significantly during the first half of 2024. Except for what is following, the nature of these risks did not change significantly during the first half of 2024:

3.1.2.9 Commitments vis-à-vis the European Commission

Description of the risk

a) Merger regulation and cooperation agreements

In 2004, a number of commitments were made by Air France and KLM to ensure compliance with the European Commission's decision to authorize the merger of Air France and KLM, notably with regard to the possibility of making landing and takeoff slots available to competitors at certain airports.

b) State Aid

In 2020, the implementation of the measures to reinforce the Group's liquidity (i.e. (i) a loan guaranteed by the French State (PGE) in the amount of €4 billion and a €3 billion loan from the French State, as well as (ii) a revolving credit facility of €2.4 billion guaranteed by the Dutch State and a €1 billion loan from the Dutch State), were approved by the European Commission under the Covid-19 State Aid rules (decisions respectively of May 4, 2020 and July 13, 2020).

On April 6, 2021, the Group announced the first part of its overall recapitalization plan. Certain measures in this plan contained State Aid (so-called "Covid-19 recapitalization" program) which were accordingly notified by the French authorities to the European Commission, the latter approving them in its decision of April 5, 2021. This decision made the approval of the measures subject to a number of commitments undertaken by the French State and leading notably to the allocation by Air France of landing and take-off slots to a designated third-party carrier at Orly airport.

Like most of the decisions with respect to airlines receiving State Aid in the context of the Covid-19 crisis, the European Commission's decisions granting support measures to Air France and KLM have been subject to annulment proceedings brought by Ryanair. On December 20, 2023 and February 7, 2024, the General Court of the European Union annulled the decisions of the European Commission which had approved the support measures mentioned above, respectively in the amount of (i) €7 billion of liquidity measures granted by the French State to Air France in May 2020 and €3.6 billion of recapitalization measures granted by the French State to Air France and Air France-KLM S. A. in 2021, and (ii) €0.9 billion of liquidity measures granted to KLM by the Dutch State in 2020. The French and Dutch measures to strengthen the Group's liquidity were readopted by the European Commission on July 10, 2024 in a single decision confirming their compatibility with European law.

Impact

a) Merger regulation and cooperation agreements

Failure to comply with merger control or antitrust commitments entails financial, reputational and structural risk for the Group.

b) State Aid

Uncertainty remains as to the legal and financial consequences of cancelling the decisions to grant State Aid until a final judgment is obtained. However, all the aid granted has already been repaid in full compliance with the associated constraints (commitments, behavioral measures, application of interest) to the applicable legal framework.

Potential indirect consequences of the cancellation of the above-mentioned state aid could include the demand for illegality interest.

Mitigation plan

a) Merger regulation and cooperation agreements

The Air France-KLM group has ascertained that the eventual consequences of slot availability under the 2004 remedies remain admissible and do not affect the economics of the lines in question. Air France-KLM also regularly contacts the Commission to discuss the need to maintain these commitments adopted more than sixteen years ago. In this respect, on February 24, 2023, the European Commission lifted the commitments made by Air France and KLM in 2004 on the Paris- Amsterdam route.

b) State Aid

Note that, over the course of 2022 and 2023, the Group repaid in full the aforementioned state aid for Covid-19 liquidity and recapitalization, which were subject to the aforementioned commitments and constraints. As a result, the Air France-KLM holding company, Air France and KLM are no longer liable for any Covid-19 recapitalization aid and are therefore fully released from the aforementioned undertakings and constraints which had been linked to this Covid-19 recapitalization aid.

Air France-KLM and Air France lodged three appeals for annulment with the Court of Justice of the European Union against the three judgments of the General Court annulling the above-mentioned decisions handed down in December 2023 and February 2024. The European Commission also lodged three appeals against these judgments, and on July 10, 2024 re-approved the Group's liquidity support. This new decision has no impact on the appeals lodged by the European Commission, Air France, KLM and Air France-KLM against the rulings of the General Court of the European Union, which annulled the European Commission's initial decisions

on the sole ground of incorrect determination of the beneficiary of these aid measures. The Court of Justice of the European Union has yet to rule on these appeals. Finally, as it has done in similar cases, the European Commission may also decide, if necessary, to initiate a formal examination procedure, during which the Group will defend its interests to the best of its ability.

1.1.7 Related parties

The information concerning related parties can be found in Note 26 to the consolidated financial statements.

1.2 Corporate governance

1.2.1 The Board of Directors

At June 30, 2024, the Board of Directors was composed of nineteen members, of whom:

- Sixteen Board directors appointed by the General Shareholders' Meeting¹⁶;
- One representative of the French State appointed by ministerial decree¹⁷ and
- Two representatives of the employees, one of whom appointed by the Comité de Groupe Français and the other appointed by the European Works Council¹⁸.

During the first half of 2024, the composition of the Board of Directors saw a number of changes, as shown in the following table:

Departure	Appointment	Re-appointment	Ratification of co-optation(s)
CMA CGM ⁽¹⁾ March 31, 2024	Wiebe Draijer ⁽³⁾ June 5, 2024	Anne-Marie Couderc ⁽⁴⁾ June 5, 2024	Florence Parly ⁽⁷⁾ June 5, 2024
Cees 't Hart ⁽²⁾ June 5, 2024		Alexander Wynaendts ⁽⁵⁾ June 5, 2024	
		Dirk Jan van den Berg ⁽⁶⁾ June 5, 2024	

(1) CMA CGM resigned from its mandate on June 5, 2024.

(2) Mr. Cees 't Hart's mandate as Director expired at the end of the Shareholders' Meeting of June 5, 2024.

(3) Mr. Wiebe Draijer was appointed as a Board director by the Shareholders' Meeting of June 5, 2024 for a four-year term of office.

(4) Ms. Anne-Marie Couderc was re-appointed as a Board director by the Shareholders' Meeting of June 5, 2024 for a one-year term of office, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2024.

(5) Mr. Alexander Wynaendts was re-appointed as a Board director by the Shareholders' Meeting of June 5, 2024 for a four-year term of office, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2027.

(6) Mr. Dirk Jan van den Berg was re-appointed as a Board director by the Shareholders' Meeting of June 5, 2024 for a four-year term of office, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2027.

(7) On December 7, 2023, the Board of Directors co-opted Ms. Florence Parly to replace Ms. Isabelle Parize, for the remainder of her predecessor's term of office, i.e. until the end of the Combined Ordinary and Extraordinary Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2025. The Shareholders' Meeting of June 5, 2024 ratified the said cooptation.

¹⁶ Of which, on Board director appointed as proposed by the French State, one Board director appointed as proposed by the Dutch State, one Board director appointed as proposed by Delta Air Lines Inc., one Board director appointed as proposed by China Eastern Airlines and two Board directors representing the employee shareholders.

¹⁷ In application of the provisions of Article 4 of Ordinance No. 2014-948 of August 20, 2014 on the governance and capital transactions of publicly-held companies.

¹⁸ In application of the provisions of Articles L. 22-10-7 and L. 225-27-1 of the Code de Commerce and Article 17-3 of the Articles of Incorporation.

Composition of the Board of Directors at June 30, 2024

Board directors	Personal information				Experience	Position within the Board			Participation in Committees			
	Gender	Nationality	Age	Number of shares	Directorships in listed companies	Date appointed	Expiry of term of office	Board experience	Audit Committee	Remuneration Committee	Appointments & Governance Committee	Sustainable Development & Compliance Committee
BOARD DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING												
• Anne-Marie Couderc	Female	French	74	400	3	19/05/2016	2025 AGM	8 years			▲ (Chair)	
Benjamin Smith	Male	Canadian	52	43,359	1	05/12/2018	2027 AGM	5 years				
• Gwenaëlle Avice-Huet	Female	French	44	350	2	26/05/2021	2025 AGM	3 years	▲	▲		
• Leni M.T. Boeren	Female	Dutch	60	1,600	1	16/05/2017	2025 AGM	7 years	▲			▲
• Isabelle Bouillot	Female	French	75	102	2	16/05/2013	2025 AGM	11 years	▲ (Chair)	▲		
Delta Air Lines, Inc. (represented by Alain Bellemare)		US		7,340,118	2	03/10/2017	2025 AGM	6 years		▲		
Wiebe Draijer	Male	Dutch	58			05/06/2024	2028 AGM	25 days				
Dirk Jan van den Berg	Male	Dutch	70	400	1	26/05/2020	2028 AGM	4 years				▲
• Anne-Marie Idrac	Female	French	72	100	3	02/11/2017	2025 AGM	6 years				▲ (Chair)
• Florence Parly	Female	French	61	110	3	07/12/2023	2026 AGM	6 month	▲			
Jian Wang	Male	Chinese	50	800	2	30/07/2019	2025 AGM	4 years				▲
• Alexander R. Wynaendts	Male	Dutch	63	100	3	19/05/2016	2028 AGM	8 years		▲ (Chair)	▲	
BOARD DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING AS PROPOSED BY THE STATE												
Yann Leriche	Male	French	51	N/A	2	07/06/2023	2027 AGM	1 year				
Pascal Bouchiat	Male	French	64	N/A	2	03/10/2022	2027 AGM	2 years				▲
BOARD DIRECTORS ELECTED BY THE SHAREHOLDERS' MEETING REPRESENTING THE EMPLOYEE SHAREHOLDERS												
Nicolas Foretz	Male	French	45	319	1	27/07/2023	2026 AGM	11 months	▲			
Michel Delli-Zotti	Male	French	60	777	1	24/05/2022	2026 AGM	2 years	▲			
BOARD DIRECTOR REPRESENTING THE STATE APPOINTED BY MINISTERIAL DECREE												
Céline Fornaro	Female	French	47	N/A	4	09/10/2023	2027 AGM	9 months	▲	▲	▲	
BOARD DIRECTOR REPRESENTING THE EMPLOYEES APPOINTED BY THE COMITÉ DE GROUPE FRANÇAIS												
Didier Dague	Male	French	65	N/A	1	07/04/2023	2025 AGM	1 year				▲
BOARD DIRECTOR REPRESENTING THE EMPLOYEES APPOINTED BY THE EUROPEAN WORKS COUNCIL												
Terence Tilgenkamp	Male	Dutch	41	N/A	1	03/12/2021	2025 AGM	2 years		▲		

• Independent Board directors.

1.2.2 The CEO Committee

The CEO Committee is chaired by Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM, and has three other members reporting directly to Mr. Smith:

- Ms. Anne Rigail, Chief Executive Officer of Air France;
- Ms. Marjan Rintel, Chairman of the KLM management Board & Chief Executive Officer of KLM, and
- Mr. Steven Zaat, Chief Financial Officer of Air France-KLM.

The CEO Committee is responsible for defining the strategic direction of all of the Group's airlines and operational entities.

1.2.3 The Group Executive Committee

Chaired by the Chief Executive Officer of Air France-KLM, the Group Executive Committee is composed of twelve (12) members and a secretary.

Composition of the Group Executive Committee as of June 30, 2024:

Members at June 30, 2024	Age at June 30, 2024	Relevant professional experience	
		Sector	Experience
Benjamin Smith <i>Chief Executive Officer, Air France-KLM</i>	52 years	Air Transport	33 years
Marjan Rintel <i>President & Chief Executive Officer, KLM</i>	57 years	Air Transport	24 years
Anne Rigail <i>Chief Executive Officer, Air France</i>	55 years	Air Transport	32 years
Steven Zaat <i>Chief Financial Officer, Air France-KLM</i>	54 years	Air Transport	22 years
Alexandre Boissy <i>Corporate Secretary of Air France-KLM</i>	47 years	Air Transport	24 years
Anne Brachet <i>Executive Vice-President Engineering & Maintenance, Air France-KLM</i>	60 years	Air Transport	28 years
Oltion Carkaxhija⁽¹⁾ <i>Executive Vice-President Strategy & Transformation, Air France-KLM</i>	47 years	Air Transport	16 years
Angus Clarke <i>Executive Vice-President & Chief Commercial Officer, Air France-KLM</i>	49 years	Air Transport	22 years
Adriaan den Heijer <i>Executive Vice-President Cargo, Air France-KLM</i>	54 years	Air Transport	29 years
Pierre-Olivier Bandet⁽²⁾ <i>Executive Vice-President Information Systems, Air France-KLM</i>	56 years	IT Services, Air Transport	5 years 27 years
Henri de Peyrelongue <i>Executive Vice-President Commercial Sales, Air France-KLM</i>	58 years	Air Transport	33 years
Constance Thio <i>Executive Vice-President Human Resources and Sustainability, Air France-KLM</i>	54 years	Sustainability Human Resources Air Transport	4 years 9 years 26 years

(1) After Mr. Pieter Bootsma stepped down as Executive Vice-President Strategy, of Air France-KLM, Mr. Oltion Carkaxhija was appointed Executive Vice-President Strategy & Transformation of Air France-KLM, effective January 1, 2024. This appointment is an expansion of the position of Executive Vice-President Transformation that he had occupied since October 2020. In addition to his original functions, he is responsible for the implementation of the Air France-KLM strategy and for driving innovation.

Secretarial services to the Group Executive Committee are provided by the Air France-KLM Chief Executive Officer's Chief of Staff.

1.2.4 Stock market shareholder structure

Share capital

The shares are fully paid up and shareholders can opt to hold them in either registered or bearer form. Since April 3, 2016, pursuant to law, shareholders holding their shares in registered form for at least two years benefit from a double voting right. There are no other specific rights attached to the shares. Furthermore, there are no securities not representing the share capital.

At June 30, 2024, the Air France-KLM share capital was composed of 262,769,869 shares with a nominal value of one euro:

Period ending on	Amount of capital (in €)	Number of shares	Number of theoretical voting rights	Number of exercisable voting rights
6/30/2023	2,570,536,136	2,570,536,136	2,845,310,481	2,842,696,341
6/30/2024	262,769,869	262,769,869	360,723,054	360,482,418

Shareholder structure

The following table shows the changes in the Company's shareholder structure at June 30, 2024 relative to December 31, 2023:

	% of the capital		% of exercisable voting rights ⁽¹⁾		% of theoretical voting rights ⁽²⁾	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Number of shares or voting rights	262,769,869	262,769,869	360,482,418	289,980,447	360,723,054	290,241,859
French State	28.0 %	28.0 %	27.5 %	28.5 %	27.5 %	28.4 %
Dutch State	9.1 %	9.1 %	13.3 %	10.4 %	13.3 %	10.3 %
CMA CGM	8.8 %	8.8 %	12.8 %	8.0 %	12.8 %	8.0 %
China Eastern Airlines ⁽³⁾	4.6 %	4.6 %	6.7 %	6.3 %	6.7 %	6.3 %
Employees (FCPE)	3.1 %	3.2 %	3.1 %	3.4 %	3.0 %	3.4 %
Delta Air Lines, Inc. ⁽⁴⁾	2.8 %	2.8 %	4.1 %	3.8 %	4.1 %	3.8 %
Spaak	0.9 %	0.9 %	1.2 %	1.0 %	1.2 %	1.0 %
Treasury stock ⁽⁵⁾	— %	0.1 %	— %	— %	— %	— %
Other	42.7 %	42.6 %	31.3 %	38.8 %	31.4 %	38.8 %

(1) The exercisable voting rights do not include the voting rights on treasury shares or shares that have been stripped of their voting rights given, notably, late notification of the crossing of a threshold.

(2) The theoretical voting rights calculation takes into account all of the voting rights including the double voting rights.

(3) Through Eastern Airlines Industry Investment (Luxembourg) Company Limited.

(4) Acting in the capacity of general partner of the partnership under Dutch law, DAL Foreign Holdings C.V. The company Delta Air Lines, Inc. controls DAL Foreign Holdings C.V. and, as general partner of DAL Foreign Holdings C.V. is the legal owner of the Air France-KLM shares.

(5) Including 128 994 treasury shares held by Air France-KLM at 30 June 2024.

Stock market performance

Air France-KLM shares are listed for trading on the Paris and Amsterdam Stock Markets (Euronext Paris and Amsterdam) under the ISIN code FR001400J770.

The stock is a component of the SBF 120. Since February 2008, Air France-KLM's ADR program (American Depositary Receipt) has been traded on the OTC Pink Marketplace under the ticker AFLYV. The Reuters code for the stock is AIRF.PA or AIRF.AS and the Bloomberg code AF FP.

Pursuant to Article 222-1 of the Autorité des Marchés Financiers (AMF) General Regulation, since the registered office for Air France-KLM is located in France, its Home Member State, within the meaning of Directive 2004/109/EC of December 15, 2004, as amended (the Transparency Directive), is France. The AMF is consequently its competent market authority as regards ensuring compliance with its regulated information obligations.

Over the first half 2024, the Air France-KLM stock price decreased by 39%:

	January-June 2024	January-June 2023
Share price high (in euros)	13.48	1.85
Share price low (in euros)	8.23	1.25
Number of shares in circulation	262,769,869	2,570,536,136
Market capitalization at the end of the period (in billions of euros)	2.2	4.4

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2.1 COMMENTS ON THE FINANCIAL SITUATION

2.1.1 Consolidated results at June 30, 2024

Scope at June 30, 2024

At June 30, 2024, the consolidation scope was composed of 85 fully consolidated companies, 22 companies consolidated using the equity method and one joint-venture. Air France and KLM (two main subsidiaries) represent 89% of revenues and 64% of the balance sheet. The other subsidiaries are principally involved in air transportation (Hop!, KLM Cityhopper), maintenance and low-cost transportation (Transavia).

As far as possible, the changes in the like-for-like figures have been estimated on a constant currency basis.

(in € million)	June 30, 2024	June 30, 2023	Change
Sales	14,603	13,953	650
EBITDA	1,345	1,614	(269)
Income from current operations	24	426	(402)
Income from operating activities	(79)	469	(548)
Net income for the period	(314)	275	(589)
Net income/(loss), Group part	(400)	260	(660)
Basic earnings/(loss) per share, Group (in €)	(1.63)	0.05	(1.68)

Revenues

Consolidated revenues for the period amounted to €14.6 billion, an increase of 4.7% and 5.3% on a constant currency basis compared to the first 2023 half year. Revenues from the Network business increased by 1.5%, Maintenance revenues by 22.4%, while third-party maintenance revenues by 32.8% and Transavia revenues by 19.8%.

Air France-KLM increased its overall capacity by 4.3% (ASK). Indeed, the Group increased its passenger capacity by 3.2% (ASK) and its cargo capacity by 2.4% (ATK). Transavia's capacity increase stood at 11.7% (ASK).

The 2024 financial first half was characterized by a (1.2)% slight decrease in unit revenues on a constant currency basis, explained by the performance of Transavia 6.4% added to a stable passenger performances despite a strong decrease of the cargo unit revenues (17.0)% due to the new IT system.

Operating expenses

Operating expenses increased by 7.8% to €14.6 billion, while capacity (ASK) increased by 4.3%.

The first semester 2024 external expenses increased by 8.5% to €9.4 billion versus €8.6 billion registered in 2023.

The breakdown of external expenses was as follows:

(in € million)	June 30, 2024	June 30, 2023	% ch.	% ch. at constant currency
Aircraft fuel	3,380	3,395	(0.4)%	3.1%
Sustainable aviation fuel	106	47	125.5%	
CO ₂ quotas	125	81	54.3%	
Chartering costs	247	243	1.6%	2.9%
Landing fees and air route charges	976	919	6.2%	6.7%
Catering	434	393	10.4%	11.4%
Handling charges	974	894	8.9%	9.8%
Aircraft maintenance costs	1,598	1,245	28.4%	28.9%
Commercial and distribution costs	553	516	7.2%	7.7%
Other external expenses	992	916	8.3%	8.4%
TOTAL	9,385	8,649	8.5%	9.1%

The main changes are as follows:

- aircraft fuel: the fuel expense for the first half year decreased by (0.4)%, lower than in 2023, representing an increase of 3.1% at constant exchange rates. This variation is explained by the combined effect of the Group's capacity growth (ASK 4.3%) and slightly higher fuel price compared to 2023;
- sustainable aviation fuel: these expenses correspond to sustainable aviation fuels (SAF) purchased in particular under the French SAF incorporation mandate and the SAF contracts made to corporate customers for their passenger and cargo traffic. The increase in demand from these customers is the main reason for the rise in expenses;
- CO₂ quotas: these expenses correspond to purchases of CO₂ emission quotas, and are rising due to increased capacity and higher quota prices;
- chartering costs: the costs incurred in leasing aircraft capacity from other airlines. The costs have increased slightly in 2024 (+1.6%) in order to meet demand;
- landing fees and en-route charges: these costs are incurred for air navigation services and the use of airports. Their increase relative to last year (+6.2%) is slightly higher than that of the capacity produced by the Group, due to fare increases applied at certain airports;
- catering costs: these costs comprise the services supplied on board the Air France-KLM group's own aircraft. They increased by 10.4% compared to last year, due to capacity increases and inflationary pressures;
- handling charges and other operating costs: principally cover aircraft handling on the ground and the cost of passenger care for the Group and, to a lesser extent, third-party customers. The increase in these costs (+8.9%) is mainly explained by the increase in capacity and by inflationary pressures;
- aircraft maintenance costs: they include maintenance procurement and consumption for the Group's aircraft and for the third-party activity; their increase is linked to the increase in internal and third-party activities;
- commercial and distribution costs: these costs increased by 7.2%, significantly more than capacity due to higher credit card commissions linked to higher ticket prices;
- other external expenses principally comprise rental charges, telecommunications costs, insurance and fees.

Salaries and related costs were up by 10.4% to €4.6 billion versus €4.2 billion in 2023. This is mainly due to CLA increases at both Air France and KLM airlines, including a one-time payment of around €50 million during the first semester 2024 for KLM.

Taxes other than income taxes stood at €96 million in 2024 versus €93 million in 2023, up by 3.2%.

Other current income and expenses stood at net income of €819 million as of June 30, 2024 versus net income of €567 million in 2023. They included:

- capitalized production amounting to €728 million in 2024 versus €534 million in 2023;
- a result from joint-ventures of €3 million in 2024 versus €(21) million in 2023;

- €25 million from currency hedges in 2024 versus €45 million in 2023.

EBITDA

EBITDA amounted to €1,345 million as of June 30, 2024 (versus €1,614 million at June 30, 2023).

The contributions to EBITDA by business segment were as follows:

(in € million)	June 30, 2024	June 30, 2023	% ch.
Network	1,088	1,482	(26.6%)
Maintenance	232	188	23.4%
Transavia	6	(61)	(109.8%)
Other	19	5	280.0%
TOTAL	1,345	1,614	(16.7%)

Amortization, depreciation and provisions

Amortization, depreciation and provisions totaled €1,321 million in 2024 versus €1,188 million in 2023.

Income/(loss) from current operations

The result from current operations was positive to the tune of €24 million as of June 30, 2024 (versus €426 million at June 30, 2023).

The contributions to revenues and income/(loss) from current operations by business segment were as follows:

(in € million)	June 30, 2024		June 30, 2023	
	External sales	Income from current operations	External sales	Income from current operations
Network	12,283	90	12,095	542
Maintenance	1,001	66	753	62
Transavia	1,302	(139)	1,089	(172)
Other	16	7	15	(6)
TOTAL	14,602	24	13,952	426

The nominal unit cost per ASK (available seat-kilometer) increased by 2.0%. In addition, there was a -0.2% decrease on currency variation and a fuel price decrease of -0.9%. Together this amounted to a unit cost ex currency ex fuel price effect excluding ETS of 2.8%.

Income/(loss) from operating activities

The result from operating activities is an expense of €(79) million as of June 30, 2024 versus a profit of €469 million as of June 30, 2023.

In 2024, the result from operating activities included, notably:

- the impact of aircraft sales and leasebacks for €(2) million;
- the impact of other aircraft disposals, linked to the refinancing of a B777 at KLM for 16 million euros;

- a €115 million compensation to be paid to Virgin as part of the renegotiation of a contract.

In 2023, the result from operating activities had included, notably:

- the impact of aircraft sales and leasebacks for €6 million;
- the impact of other aircraft disposals, linked to the refinancing of a B777 at KLM for 20 million euros;
- a €11 million gain resulting from the disposal of Heathrow slots to Virgin Atlantic;
- a €10 million gain resulting from the disposal of a Data Center by KLM.

These operations are detailed in Note 11 "Sales of aircraft equipment and other non-current income and expenses" in the Notes to the consolidated financial statements.

Net cost of financial debt

The net cost of financial debt decreased to €(144) million as of June 30, 2024 versus a net cost of €(188) million as of June 30, 2023 mainly due to €62 million increase in income from cash and cash equivalents. Moreover and as of June 30, 2023 the bank loan guaranteed by the French State ("PGE") was repaid in full generating a positive impact of €10 million (see note 12 of the notes to the consolidated financial statements).

Other financial income and expenses

Other net financial income and expenses is an expense of €(213) million in 2024 versus a gain of €14 million in 2023 and corresponded mainly to foreign exchange loss of €(47) million in 2024 versus a €112 million gain in 2023 as well as the impact of the rate used to discount the long term return obligation liability and provision for leased aircraft.

Net result – Group part

Income taxes is an income of €119 million in 2024 versus a loss of €(21) million in 2023.

Share of profits/(losses) from associates contributed a gain of €3 million in 2024 versus a €1 million gain in the previous half-year. This was principally the result from the Servair Group and from partnerships in the maintenance and "other" businesses.

The net result, Group part stood at a loss of €(400) million in 2024 versus an income of €260 million in 2023.

The contributions to the net result by quarter were, respectively, €(521) million at March 31, 2024 and €121 million at June 30, 2024.

Basic earnings per share, Group part amounted to €(1.63) at June 30, 2024 versus €0.05 at June 30, 2023.

2.1.2 Investments

<i>(in € million)</i>	June 30, 2024	June 30, 2023 restated ⁽¹⁾
Acquisition of intangible assets	(86)	(76)
Investment in flight equipment	(1,801)	(1,215)
Other tangible investments	(145)	(88)
Change in accounts payable on acquisitions	(35)	(17)
Acquisition of subsidiaries, of shares in non-controlled entities	(3)	(2)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	8	–
Proceeds on disposal of property plant and equipment and intangible assets	373	211
Interests received	156	91
Dividends received	1	2
Decrease (increase) in net investments, more than 3 months	131	(52)
CASH-FLOW USED IN INVESTING ACTIVITIES	(1,401)	(1,146)

(1) See Note 2 of the notes to the financial statements.

Investment in flight equipment included advance payments and balances on the delivery of aircraft purchases, capitalized aircraft modifications, spare parts procurement and maintenance costs eligible for capitalization. Investment in intangible assets related to the purchase of software and capitalized IT development. Other investments in tangible assets mostly included the

acquisition of industrial equipment for the flight operations, maintenance and IT.

During the 2024 first half, the Air France-KLM Group's capital expenditure on tangible and intangible assets amounted to €(2,067) million and proceeds on disposals to €373 million.

2.1.3 Financing

(in € million)	June 30, 2024	June 30, 2023 restated ⁽¹⁾
Payments to acquire treasury shares	–	(1)
Purchase of minority interest without change of control	(1)	–
Issuance of perpetual	–	728
Repayment of perpetual	–	(595)
Coupons on perpetual	(62)	(52)
Issuance of debt	936	1,558
Repayment on debt	(1,260)	(2,969)
Payments on lease debts	(442)	(421)
New loans	(11)	(306)
Repayment on loans	56	104
Interests paid	(386)	(475)
Dividends paid	–	(90)
CASH-FLOW FROM FINANCING ACTIVITIES	(1,170)	(2,519)

(1) See Note 2 of the notes to the financial statements.

The significant following operations have impacted the cash flow from financing activities during the first half of 2024:

Early repayment of OCEANE bonds

Early repayment of €452 million of OCEANE bonds:

As of March 25, 2024, Air France-KLM has repaid, at the request of the bondholders, €452 million of the outstanding €500 million of the bonds convertible into new shares and/or exchangeable for existing shares due March 25, 2026.

This amount is equivalent of 25,246,843 of bonds. This early redemption option on March 25, 2024 was part of the terms and conditions of the bonds.

Early repayment of the remaining €48 million of OCEANE bonds:

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

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

Increase and extension of revolving credit facility ("RCF") linked to ESG KPIs

Air France-KLM et Air France:

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

The RCF also had an initial maturity in 2026 and two one-year extension options. In April 2024, Air France and Air

France-KLM executed the extension option for one year, extending to a 2027 maturity.

On July 18, 2024, a new amendment has been signed for Air France-KLM and Air France credit facility involving an extension of the maturity to July 2028 associated with a one-year extension option and an increase of the facility from €1.3 to €1.4 billion (see note 3.2 of the notes to the consolidated financial statements).

KLM:

Last year in April, KLM signed a €1.0 billion RCF including ESG Key Performance Indicators. This RCF had an initial 2027 maturity and included two one-year extension options. A one-year extension option has been executed extending to a 2028 maturity.

Issuance of a €650 million bonds and tender offer on two series of existing notes

Issuance of a €650 million bonds:

As of May 23, 2024, Air France-KLM has made the issuance of new notes of a total principal amount of €650 million with a 5-year maturity and bearing coupon at an annual rate of 4.625% under its Euro Medium Term Note Program.

The net proceeds has been used to finalize the tender offer launched as of May 13, 2024 as described in the paragraph below.

Tender offer on two series of exiting notes:

On May 24, 2024, Air France-KLM finalized the tender offer on two series of existing notes announced on May 13, 2024:

- €750 million 1.875 per cent notes due 16 January 2025;
- €500 million 3.875 per cent notes due 1st July 2026.

On these two series, existing notes for a total principal amount of €452.7 million, representing 36.2% of the outstanding existing notes, have been tendered for

purchase in the tender offer and €452.7 million have been accepted, of which €234.8 million of 2025 notes and €217.9 million of 2026 notes. As a result, the principal amount of outstanding existing notes after completion of

the tender offer will be €797.3 million, of which €515.2 million of 2025 notes and €282.1 million of 2026 notes.

Consequently and as of June 30, 2024, the Group's net liquidity position amounted to €7.2 billion, including €1.0 billion of investments with maturities of above three months and €1.0 billion of bonds. In addition, the Group had credit facilities of €2.4 billion available at June 30, 2024 (see also note 22 of the notes to the consolidated financial statements).

Net debt stood at €6.2 billion (€5.0 billion at December 31, 2023). The detailed net debt calculation can be found in Note 23 in the notes to the consolidated financial statements.

2.1.4 Structure and profile of reimbursement of the financial debt

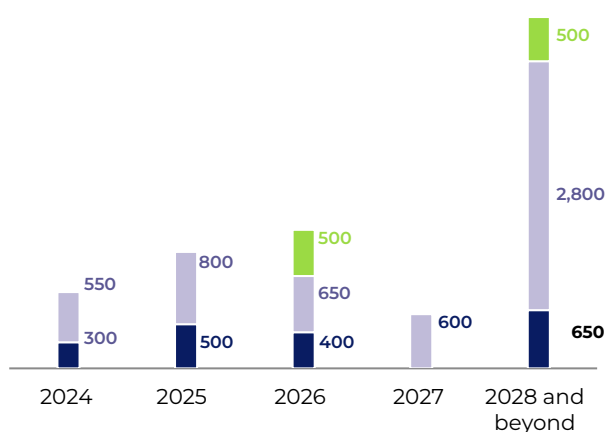
Structure of the financial debt

The Group's gross debt stood at €8.8 billion at June 30, 2024. The structure of the debt is as follows:

- market financing (bonds and perpetual subordinated loan stock): €3.4 billion;

- financial lease debt with bargain option: €3.9 billion;
- other borrowings including bank debt and accrued interest: €1.5 billion.

Reimbursement profile for debt and subordinated securities in € million ⁽¹⁾



Air France-KLM obligations senior

- July 2024: AFKL 3.0% (€300m) ⁽²⁾
- January 2025: AFKL 1.875% (€515m)
- July 2026: AFKL 3.875% (€282m)
- December 2026: AFKL 4.35% \$145m (-€136m)
- May 2029: AFKL 4.625% (650M€)

Other long-term Debt: Air France and KLM secure Debt

Mainly "Asset-backed"

Sustainability-Linked Bonds

- 2026: 7.250% (€500m)
- 2028: 8.125% (€500m)

(1) Excluding operating lease debt payments, KLM perpetual debt, and Air France perpetual quasi-equity.

(2) Fully redeemed on July 1st 2024..

2.1.5 Main financial ratios of the Group

The ratios below are calculated on a last twelve months basis for the periods ended June 2023 and 2024.

Financial cover ratios

Net debt/EBITDA ratio	June 30, 2024	December 31, 2023
Net debt	6,192	5,041
EBITDA	3,940	4,208
NET DEBT/EBITDA	1.57	1.20

EBITDA/net cost of financial debt ratio	June 30, 2024	June 30, 2023
EBITDA	3,940	4,077
Net cost of financial debt	304	438
EBITDA/NET COST OF FINANCIAL DEBT	12.96	9.31

Return on Capital Employed (ROCE)

Return on capital employed measures the return on invested capital by expressing a result after tax as a percentage of capital employed. The calculation methodology is as follows:

- the calculation of the capital employed is based on an additive method by identifying the relevant balance

sheet items. The capital employed for the year is obtained by taking the average of the capital employed on every quarterly balance sheet;

- the adjusted result after tax corresponds to the sum of the operating result adjusted for dividends received and the share of profits/(losses) of associates.

(in € million)	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Goodwill and intangible assets	1,354	1,349	1,352	1,331
Flight equipment	12,197	11,646	11,501	11,296
Other property, plant and equipment	1,456	1,438	1,431	1,379
Right-of-use assets	6,479	5,902	5,956	5,596
Investments in equity associates	134	134	129	127
Other financial assets excluding shares available for sale, marketable securities and financial deposits	211	214	219	191
Provisions excluding pension, cargo litigation and restructuring	(4,700)	(4,523)	(4,346)	(4,481)
Working capital ⁽¹⁾	(8,222)	(8,284)	(6,981)	(7,804)
Capital employed	8,909	7,876	9,261	7,635
Average capital employed (A)	8,420			
Income (losses) from current operations	1,310			
Dividends received	(1)			
Share of profits/(losses) of associates	8			
Normative income tax	(340)			
Adjusted result from current operations after tax (B)	977			
ROCE (B/A)	11.6%			

(1) Excluding the deferral of social security and tax charges granted by Covid.

(in € million)	June 30, 2023 restated ⁽²⁾	March 31, 2023 restated ⁽²⁾	December 31, 2022 restated ⁽²⁾	September 30, 2022 restated ⁽²⁾
Goodwill and intangible assets	1,339	1,351	1,352	1,350
Flight equipment	10,957	10,954	10,614	10,298
Other property, plant and equipment	1,389	1,372	1,375	1,349
Right-of-use assets	5,480	5,304	5,428	5,536
Investments in equity associates	121	122	120	111
Other financial assets excluding shares available for sale, marketable securities and financial deposits	190	169	169	164
Provisions excluding pension, cargo litigation and restructuring	(4,248)	(4,255)	(4,347)	(4,792)
Working capital ⁽³⁾	(8,917)	(8,696)	(7,213)	(7,609)
Capital employed	6,311	6,321	7,498	6,407
Average capital employed (A)	6,634			
Income (losses) from current operations	1,584			
Dividends received	(2)			
Share of profits/(losses) of associates	15			
Normative income tax	(412)			
Adjusted result from current operations after tax (B)	1,185			
ROCE (B/A)	17.9%			

(1) Excluding the deferral of social security and tax charges granted by Covid.

(2) Compared with previous periods, working capital has been restated to exclude the deferral of social security and tax charges granted following Covid.

Net cost per ASK

To analyze the cost performance of each transportation activity, the Group divides the net cost of this activity by the capacity produced, expressed in ASK for the passenger business and Transavia, and in ATK for the cargo business. To analyze the company's overall cost performance, the Group uses the net cost per ASK. This net cost is obtained by dividing the total net cost by the

capacity produced expressed in available seat-kilometers (ASK). The net cost is calculated by subtracting the revenues other than those generated by the three transportation activities (passenger, cargo and Transavia) from total operating expenses. The capacity produced by the two passenger transportation activities is calculated by adding the capacity of the passenger business (in ASK) to that of Transavia (in ASK).

		June 30, 2024	June 30, 2023
Revenues (in €m)	A	14,603	13,953
Income/(loss) from current operations (in €m)	B	24	426
Total operating expense (in €m)	C=A-B	14,579	13,527
Network business – other network revenues (in €m)	D	524	510
Third-party revenues in maintenance (in €m)	E	1,001	753
Transavia – other revenues (in €m)	F	(16)	(21)
Other businesses (in €m)	G	17	15
Net cost (in €m)	H=C-D-E-F-G	13,053	12,270
Capacity produced, reported in ASK		154,092	147,727
Net cost, per ASK (in € cents)		8.47	8.31
Gross change			2.0 %
Currency effect on net costs (in €m)			(25)
Change at constant currencies			2.2%
Fuel price effect (in €m)			(105)
Change on a constant currency and fuel price basis excl ETS			2.8 %
NET COST PER ASK ON A CONSTANT CURRENCY AND FUEL PRICE BASIS EXCL ETS		8.47	8.24

2.1.6 Consolidated equity at June 30, 2024

Total equity attributable of Air France-KLM amounted to €337 million as of June 30, 2024 versus €500 million as of December 31, 2023. The €163 million decrease this half year is mainly explained by the following:

- the impact of the coupons on perpetual subordinated bonds for €(31) million (net of tax) ;
- a loss over the six first months of 2024 for €(314) million ;
- the positive €181 million impact of other comprehensive income (mainly due to the remeasurements of defined benefit pension plans and the change in fair value of the hedging instruments).

2.1.7 Air France-KLM parent company results

As a holding company, Air France-KLM has no operating activity. Its revenues comprise royalties paid by the two operating subsidiaries for use of the Air France-KLM logo and the supply of services invoiced to Air France and KLM. Its expenses mostly comprise financial communication expenses, Statutory Auditors' fees, the expenses linked to the compensation of the company officers and the staff made available by Air France and KLM.

At June 30, 2024, the operating result amounted to a profit of 5 million and the net result is a gain of €35 million.

2.2 CONSOLIDATED FINANCIAL STATEMENTS

2.2.1 Consolidated income statement

Period from January 1 to June 30

(in € millions)

	Notes	2024	2023
Revenues from ordinary activities		14,603	13,953
External expenses	7	(9,385)	(8,649)
Salaries and related costs	8	(4,596)	(4,164)
Taxes other than income taxes		(96)	(93)
Other current operating income and expenses	9	819	567
EBITDA		1,345	1,614
Amortization, depreciation and provisions	10	(1,321)	(1,188)
Income from current operations		24	426
Sales of aircraft equipment	11	15	28
Other non-current income and expenses	11	(118)	15
Income from operating activities		(79)	469
Interests expenses	12	(314)	(296)
Income from cash and cash equivalents	12	170	108
Net cost of financial debt	12	(144)	(188)
Other financial income and expenses	12	(213)	14
Income before tax of consolidated companies		(436)	295
Income taxes	13	119	(21)
Net income of consolidated companies		(317)	274
Share of profits (losses) of associates		3	1
Net income for the period		(314)	275
Net income – Non-controlling interests		86	15
Net income – Group part		(400)	260
Earnings per share – Equity holders of Air France-KLM (in euros)			
■ basic	14	(1.63)	0.05
■ diluted	14	(1.63)	0.05

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

2.2.2 Consolidated statement of recognized income and expenses

Period from January 1 to June 30

(in € millions)

	2024	2023
Net income	(314)	275
Effective portion of changes in fair value hedge and cost of hedging recognized directly in other comprehensive income	207	(118)
Change in fair value and cost of hedging transferred to profit or loss	(64)	37
Exchange difference resulting from the translation	7	1
Deferred tax on items of comprehensive income that will be reclassified to profit or loss	(41)	21
Total of other comprehensive income that will be reclassified to profit or loss	109	(59)
Remeasurements of defined benefit pension plans	81	51
Fair value of equity instruments revalued through OCI	(4)	3
Deferred tax on items of comprehensive income that will not be reclassified to profit or loss	(5)	(11)
Total of other comprehensive income that will not be reclassified to profit or loss	72	43
Total of other comprehensive income, after tax	181	(16)
RECOGNIZED INCOME AND EXPENSES	(133)	259
■ Equity holders of Air France-KLM	(219)	244
■ Non-controlling interests	86	15

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

2.2.3 Consolidated balance sheet

ASSETS

(in € millions)

	Notes	June 30, 2024	December 31, 2023
Goodwill		225	224
Intangible assets		1,129	1,128
Flight equipment	15	12,197	11,501
Other property, plant and equipment	15	1,456	1,431
Right-of-use assets	17	6,479	5,956
Investments in equity associates		134	129
Pension assets	20	75	45
Other non-current financial assets		1,232	1,262
Non-current derivative financial assets		191	148
Deferred tax assets	13	813	698
Other non-current assets		116	153
Total non-current assets		24,047	22,675
Other current financial assets		1,181	1,292
Current derivative financial assets		231	122
Inventories		916	853
Trade receivables		2,510	2,152
Other current assets		1,452	1,120
Cash and cash equivalents	18	5,288	6,194
Assets held for sale		76	82
Total current assets		11,654	11,815
TOTAL ASSETS		35,701	34,490

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

Consolidated balance sheet (continuation)

LIABILITIES AND EQUITY

(in € millions)	Notes	June 30, 2024	December 31, 2023
Issued capital	19.1	263	263
Additional paid-in capital		7,560	7,560
Treasury shares		(25)	(25)
Perpetual	19.2	1,051	1,076
Reserves and retained earnings		(11,149)	(10,925)
Equity attributable to equity holders of Air France-KLM		(2,300)	(2,051)
Perpetual	19.2	2,607	2,524
Reserves and retained earnings		30	27
Equity attributable to non-controlling interests		2,637	2,551
TOTAL EQUITY		337	500
Pension provisions	20	1,674	1,685
Non-current return obligation liabilities and provisions for leased aircrafts and other provisions	21	4,030	3,805
Non-current financial liabilities	22	7,027	7,538
Non-current lease debt	17	4,042	3,581
Non-current derivative financial liabilities		13	56
Deferred tax liabilities	13	3	–
Other non-current liabilities	24	1,174	1,376
Total non-current liabilities		17,963	18,041
Current return obligation liabilities and provisions for leased aircrafts and other provisions	21	1,184	1,079
Current financial liabilities	22	1,761	1,664
Current lease debt	17	879	848
Current derivative financial liabilities		51	139
Trade payables		2,598	2,447
Deferred revenue on ticket sales		5,524	3,858
Frequent flyer programs		887	899
Other current liabilities	24	4,507	5,002
Bank overdrafts	18	10	13
Total current liabilities		17,401	15,949
TOTAL LIABILITIES		35,364	33,990
TOTAL EQUITY AND LIABILITIES		35,701	34,490

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

2.2.4 Consolidated statement of changes in stockholders' equity

	Equity attributable to equity holders of Air France-KLM						Equity attributable to non-controlling interests			Total	
	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Perpetual bonds	Reserves and retained earnings	Equity	Perpetual bonds	Reserves and retained earnings	Equity	Total equity
(in € millions)											
December 31, 2022	2,570,536,136	2,571	5,217	(25)	933	(11,700)	(3,004)	510	14	524	(2,480)
Other comprehensive income	–	–	–	–	–	(16)	(16)	–	–	–	(16)
Net result for the period	–	–	–	–	–	260	260	–	15	15	275
Total of income and expenses recognized	–	–	–	–	–	244	244	–	15	15	259
Purchase of treasury shares	–	–	–	(1)	–	–	(1)	–	–	–	(1)
Share-based payment	–	–	–	1	–	(1)	–	–	–	–	–
Perpetual	–	–	–	–	133	–	133	–	–	–	133
Coupons on perpetual	–	–	–	–	(18)	(34)	(52)	14	(14)	–	(52)
Compensation paid to the French State ⁽¹⁾	–	–	–	–	–	(90)	(90)	–	–	–	(90)
Other	–	–	–	–	–	(1)	(1)	–	1	1	–
June 30, 2023	2,570,536,136	2,571	5,217	(25)	1,048	(11,582)	(2,771)	524	16	540	(2,231)
December 31, 2023	262,769,869	263	7,560	(25)	1,076	(10,925)	(2,051)	2,524	27	2,551	500
Other comprehensive income	–	–	–	–	–	181	181	–	–	–	181
Net result for the period	–	–	–	–	–	(400)	(400)	–	86	86	(314)
Total of income and expenses recognized	–	–	–	–	–	(219)	(219)	–	86	86	(133)
Share-based payment	–	–	–	–	–	1	1	–	–	–	1
Coupons on perpetual	–	–	–	–	(25)	(37)	(62)	83	(83)	–	(62)
Tax on coupons on perpetual	–	–	–	–	–	31	31	–	–	–	31
June 30, 2024	262,769,869	263	7,560	(25)	1,051	(11,149)	(2,300)	2,607	30	2,637	337

(1) As of June 30, 2023 and in the context of the exit of the French Recapitalization State Aid under the EU Covid-19 Temporary Framework, the Group paid a €90 million compensation to the French State required for the shares subscribed in April 2021. This payment was considered as a dividend payment and was therefore recognized in equity accordingly to IFRS principles.

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

2.2.5 Consolidated statement of cash flows

Period from January 1 to June 30

(in € millions)	Notes	2024	2023 restated ⁽¹⁾
Net income		(314)	275
Amortization, depreciation and operating provisions	10	1,321	1,188
Financial provisions	12	141	100
Cost of net debt	12	144	188
Loss (gain) on disposals of tangible and intangible assets		(21)	(49)
Loss (gain) on disposals of subsidiaries and associates	11	(2)	–
Derivatives – non monetary result		6	(5)
Unrealized foreign exchange gains and losses		28	(73)
Share of (profits) losses of associates	20	(3)	(1)
Deferred taxes	13	(153)	19
Impairment		–	2
Other non-monetary items		17	(36)
Cash flow from operating activities before change in working capital		1,164	1,608
(Increase) / decrease in inventories		(62)	(33)
(Increase) / decrease in trade receivables		(325)	(167)
Increase / (decrease) in trade payables		124	115
Increase / (decrease) in advanced ticket sales		1,661	1,757
Change in other assets and liabilities		(912)	(50)
Change in working capital requirement		486	1,622
CASH-FLOW FROM OPERATING ACTIVITIES		1,650	3,230
Acquisition of subsidiaries, of shares in non-controlled entities		(3)	(2)
Purchase of property plant and equipment and intangible assets	16	(2,067)	(1,396)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities		8	–
Proceeds on disposal of property plant and equipment and intangible assets	11	373	211
Interest received		156	91
Dividends received		1	2
Decrease (increase) in net investments, more than 3 months		131	(52)
CASH-FLOW USED IN INVESTING ACTIVITIES		(1,401)	(1,146)

Period from January 1 to June 30

(in € millions)	Notes	2024	2023 restated ⁽¹⁾
Payments to acquire treasury shares		–	(1)
Purchase of minority interest without change of control		(1)	–
Issuance of perpetual	19.2	–	728
Repayment of perpetual	19.2	–	(595)
Coupons on perpetual	19.2	(62)	(52)
Issuance of debt	22	936	1,558
Repayment on debt	22	(1,260)	(2,969)
Payments on lease debts	17	(442)	(421)
New loans		(11)	(306)
Repayment on loans		56	104
Interest paid		(386)	(475)
Dividends paid		–	(90)
CASH-FLOW FROM FINANCING ACTIVITIES		(1,170)	(2,519)
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)		18	(25)
Change in cash and cash equivalents and bank overdrafts		(903)	(460)
Cash and cash equivalents and bank overdrafts at beginning of period	18	6,181	6,623
Cash and cash equivalents and bank overdrafts at end of period	18	5,278	6,163

(1) See Note 2 of the notes to the financial statements.

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

2.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1 BUSINESS DESCRIPTION

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

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

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

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

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

NOTE 2 RESTATEMENT OF THE 2023 FINANCIAL STATEMENTS

The net cost of financial debt of Air France-KLM Group is detailed in Note 12 “Net cost of financial debt and other financial income and expenses” and mainly comprises income from cash and cash equivalents, interest on financial liabilities, interest on lease liabilities and capitalized interest and may be cash or non-cash related items.

Until December 31, 2023 the Group disclosed the monetary components of the net cost of financial debt within the “cash flow from operating activities” in the consolidated cash flow statement. As a result:

- the non-monetary items of the cost of net financial debt were neutralized within the “cash flow from operating activities before change in working capital” in the line “other non-monetary items”;
- the monetary items were not neutralized and therefore impacted the “cash flow from operating activities” through their contribution to the net income of the period and the change in “working capital requirement” for accrued interest not yet due.

As from January 1, 2024 and in order to have a better representation of its activities and a better comparability with other competitors in the air transport industry, the Group has decided to change its method of presentation in accordance with the option offered by IAS7 “Statement of Cash Flow” on interest and to adjust the disclosure as described below:

- the cost of net financial debt is fully neutralized within the “cash flow from operating activities” in a dedicated line “cost of net debt” (for both monetary and non-monetary items);
- interest paid are disclosed in a dedicated line within the “cash flow used in financing activities”;
- interest received are disclosed in a dedicated line within the “cash flow used in investing activities”.

This change in disclosure has been applied retrospectively to allow the comparison with comparative periods in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

The impacts on the cash flow statement as of June 30, 2023 is as follows:

IMPACT ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Period from January 1 to June 30, 2023 (in € millions)	Published consolidated cash flow statement	Change in disclosure	Restated consolidated cash flow statement
Cost of net debt	–	188	188
Other non-monetary items	(152)	116	(36)
Cash flow from operating activities before change in working capital	1,304	304	1,608
Change in other assets and liabilities	(130)	80	(50)
Change in working capital requirement	1,542	80	1,622
CASH-FLOW FROM OPERATING ACTIVITIES	2,846	384	3,230
Interests received	–	91	91
CASH-FLOW USED IN INVESTING ACTIVITIES	(1,237)	91	(1,146)
Interests paid	–	(475)	(475)
CASH-FLOW USED IN FINANCING ACTIVITIES	(2,044)	(475)	(2,519)

This change in presentation has no impact on the Group's other primary financial statements.

NOTE 3 SIGNIFICANT EVENTS

3.1 Significant events occurring during the period

Evolution in the commercial cooperation in air cargo between Air France-KLM and CMA CGM

Air France-KLM and CMA CGM have decided to terminate the agreements signed in May 2022 with effect from March 31, 2024 as the tight regulatory environment in certain important markets has prevented the cooperation from working in an optimal way.

CMA CGM remains a core shareholder of Air France-KLM. The parties have agreed to amend the existing lockup on CMA CGM shares in Air France-KLM's capital, which will now be effective until February 28, 2025. CMA CGM stepped down from the Air France-KLM Board of Directors on March 31, 2024.

Sales of KLM Equipment Services B.V.

On February 1, 2024, KLM sold its 100% subsidiary KLM Equipment Services B.V. to a third party, TCR international N.V., Belgium (TCR). Under the agreement, KLM will become a TCR customer for the maintenance and lease of ground operations equipment at Schiphol, while TCR will be responsible for investments in ground operations equipment.

As of June 30, 2024, the disposal had the following impact on the Group's consolidated financial statements:

- Recognition of a proceeds of €30 million within the "Cash flow used in investing activities" in the consolidated cash flow statement (including €8 million from the sale of shares and €22 million from the sale of equipment to TCR);

- Recognition of a gain on disposal of €2 million within the "Other non-current income and expenses" in the consolidated income statement (linked to the sale of the shares taking into account the net book value of KLM Equipment Service B.V. in the consolidated financial statements at the date of the disposal).

Early repayment of OCEANE bonds

Early repayment of €452 million of OCEANE bonds:

As of March 25, 2024, Air France-KLM has repaid, at the request of the bondholders, €452 million of the outstanding €500 million of the bonds convertible into new shares and/or exchangeable for existing shares due March 25, 2026.

This amount is equivalent of 25,246,843 of bonds. This early redemption option on March 25, 2024 was part of the terms and conditions of the bonds.

Early repayment of the remaining €48 million of OCEANE bonds:

The remaining €48 million of bonds due March 25, 2026 have been repaid in cash on May 10, 2024 under the conditions set out in the Terms and Conditions of the said

OCEANE 2026 for cancellation in accordance with the applicable law. These remaining bonds were repaid in advance. This residual redemption amount is equivalent of 2,654,942 of bonds.

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

Increase and extension of revolving credit facility ("RCF") linked to ESG KPIs

Air France-KLM et Air France:

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

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

KLM:

Last year in April, KLM signed a €1.0 billion RCF including ESG Key Performance Indicators. This RCF had an initial 2027 maturity and included two one-year extension options. A one-year extension option has been executed extending to a 2028 maturity.

As of July 18, 2024, Air France-KLM and Air France revolving credit facility has been also renegotiated (see 3.2 "Subsequent events").

Issuance of a €650 million bonds and tender offer on two series of existing notes

Issuance of a €650 million bonds:

As of May 23, 2024, Air France-KLM has made the issuance of new notes of a total principal amount of €650 million with a 5-year maturity and bearing coupon at an annual rate of 4.625% under its Euro Medium Term Note Program.

The net proceeds has been used to finalize the tender offer launched as of May 13, 2024 as described in the paragraph below.

Tender offer on two series of exiting notes:

On May 24, 2024, Air France-KLM finalized the tender offer on two series of existing notes announced on May 13, 2024:

- €750 million 1.875 per cent notes due 16 January 2025;
- €500 million 3.875 per cent notes due 1st July 2026.

On these two series, existing notes for a total principal amount of €452.7 million, representing 36.2% of the outstanding existing notes, have been tendered for purchase in the tender offer and €452.7 million have been accepted, of which €234.8 million of 2025 notes and €217.9 million of 2026 notes.

As a result, the principal amount of outstanding existing notes after completion of the tender offer will be €797.3 million, of which €515.2 million of 2025 notes and €282.1 million of 2026 notes.

3.2 Subsequent events

Renegotiation of Air France-KLM and Air France revolving credit facility ("RCF") linked to ESG KPIs

The RCF linked to ESG KPIs of Air France-KLM and Air France signed in April 2023 has been extended and the amount has been increased in April 2024 accordingly to the options at lender's discretion (see 3.1 "Significant events occurring during the period").

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

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

Following this renegotiation, the RCF lenders pool is composed of 17 banks (16 previously) and the financial conditions of the credit facility have been revised.

NOTE 4 ACCOUNTING POLICIES

Pursuant to the European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of December 31, 2023 were established in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union on the date these consolidated financial statements were established and which were mandatory at that date.

The condensed consolidated financial statements as of June 30, 2024 have been prepared in accordance with IAS 34 "Interim financial reporting".

The accounting policies applied for the condensed interim consolidated financial statements as at June 30, 2024 are in accordance with the accounting principles used by the Group for the consolidated financial statements 2023, except for standards and interpretations adopted by the European Union applicable as from January 1, 2024.

The amendments applicable to the Group from January 1, 2024 are as follows:

- amendment to IFRS 16 concerning the measurement method for a sale and leaseback transaction after the transaction date with variable lease payments,
- amendment to IAS 1 concerning the current/non-current classification of liabilities with restrictive covenants.

These amendments have no significant impact for the Group.

The Air France-KLM group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in France, the jurisdiction in which Air France-KLM is incorporated, and has come into effect from January 1, 2024.

Safe harbor provisions exist to defer the application by up to 3 years based on simplified calculations updated at the end of each year-end period. Based on the Group's simplified projected calculations and initial assessment, Air France-KLM does not expect to be significantly exposed to the top-up tax for fiscal year 2024. Consequently, the effective projected tax rate for the 2024 fiscal year is not affected by Pillar Two as of June 30, 2024.

The condensed interim consolidated financial statements as of June 30 2024 were approved by the Board of Directors on July 24, 2024.

NOTE 5 CHANGE IN THE CONSOLIDATION SCOPE

On February 1st, 2024, KLM sold its 100%-owned subsidiary KLM Equipment Services B.V. to TCR International N.V. (TCR). The impact of the sale is detailed in Note 3.1 "Significant events occurring during the period". No significant acquisitions took place in 2024.

No significant acquisitions or disposals took place during the period ended June 2023.

NOTE 6 INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

Business segments (Note 6.1)

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

The Group is organized around the following segments:

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

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

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

Geographical segments (Note 6.2)

Activity by origin of sales area (Note 6.2.1)

Group external sales by origin of sale are broken down into four geographical areas:

- France, including French overseas departments;
- Benelux, including Dutch Caribbean & Suriname;
- Europe (excluding France and Benelux);
- Rest of the world.

Activity by destination (Note 6.2.2)

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

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

6.1 Information by business segment

Year ended June 30, 2024

<i>(in € millions)</i>	Network	Maintenance	Transavia	Other	Non-allocated	Total
Total sales	12,295	2,425	1,305	143	–	16,168
Intersegment sales	(12)	(1,424)	(3)	(127)	–	(1,566)
External sales	12,283	1,001	1,302	16	–	14,602
Other revenues	–	–	–	1	–	1
Revenues from ordinary activities	12,283	1,001	1,302	17	–	14,603
EBITDA	1,088	232	6	19	–	1,345
Income from current operations	90	66	(139)	7	–	24
Income from operating activities	(14)	65	(139)	9	–	(79)
Share of profits (losses) of associates	1	2	–	–	–	3
Net cost of financial debt and other financial income and expenses	–	–	–	–	(357)	(357)
Income taxes	–	–	–	–	119	119
NET INCOME	(13)	67	(139)	9	(238)	(314)

Year ended June 30, 2023

<i>(in € millions)</i>	Network	Maintenance	Transavia	Other	Non-allocated	Total
Total sales	12,108	1,981	1,089	125	–	15,303
Intersegment sales	(13)	(1,228)	–	(110)	–	(1,351)
External sales	12,095	753	1,089	15	–	13,952
Other revenues	–	–	–	1	–	1
Revenues from ordinary activities	12,095	753	1,089	16	–	13,953
EBITDA	1,482	188	(61)	5	–	1,614
Income from current operations	542	62	(172)	(6)	–	426
Income from operating activities	575	61	(170)	3	–	469
Share of profits (losses) of associates	1	3	–	(3)	–	1
Net cost of financial debt and other financial income and expenses	–	–	–	–	(174)	(174)
Income taxes	–	–	–	–	(21)	(21)
NET INCOME	576	64	(170)	–	(195)	275

6.2 Information by geographical area

6.2.1 Activity by origin of sales area

EXTERNAL SALES BY GEOGRAPHICAL AREA

Year ended June 30, 2024

(in € millions)	France, including French overseas departments	Benelux, including Dutch Caribbean & Surinam	Europe (excl. France and Benelux)	Rest of the world	Total
Transportation	3,167	1,521	2,521	4,550	11,759
Other sales ⁽¹⁾	225	140	72	87	524
Total Network	3,392	1,661	2,593	4,637	12,283
Transportation	495	688	97	38	1,318
Other sales ⁽¹⁾	(7)	(9)	(1)	1	(16)
Total Transavia	488	679	96	39	1,302
Maintenance	544	387	10	60	1,001
Others	4	11	1	–	16
TOTAL	4,428	2,738	2,700	4,736	14,602

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

Year ended June 30, 2023

(in € millions)	France, including French overseas departments	Benelux, including Dutch Caribbean & Surinam	Europe (excl. France and Benelux)	Rest of the world	Total
Transportation	3,249	1,328	2,510	4,498	11,585
Other sales ⁽¹⁾	194	102	89	125	510
Total Network	3,443	1,430	2,599	4,623	12,095
Transportation	414	573	98	25	1,110
Other sales ⁽¹⁾	(6)	(14)	(1)	–	(21)
Total Transavia	408	559	97	25	1,089
Maintenance	353	327	17	56	753
Others	3	10	2	–	15
TOTAL	4,207	2,326	2,715	4,704	13,952

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

6.2.2 Activity by destination

TRAFFIC SALES BY GEOGRAPHICAL AREA OF DESTINATION

Year ended June 30, 2024

(in € millions)	Metropolitan France	Europe (excl. France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (excl. North Africa) Middle East	North America, Mexico	South America, excl. Mexico	Asia, New Caledonia	Total
Network	644	2,764	909	1,507	2,861	1,239	1,835	11,759
Transavia	62	1,154	–	102	–	–	–	1,318
TOTAL TRANSPORTATION	706	3,918	909	1,609	2,861	1,239	1,835	13,077

Year ended June 30, 2023

(in € millions)	Metropolitan France	Europe (excl. France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (excl. North Africa) Middle East	North America, Mexico	South America, excl. Mexico	Asia, New Caledonia	Total
Network	692	2,712	934	1,548	2,818	1,335	1,547	11,585
Transavia	66	954	–	89	–	–	–	1,110
TOTAL TRANSPORTATION	758	3,666	934	1,637	2,818	1,335	1,547	12,695

NOTE 7 EXTERNAL EXPENSES

Period from January 1 to June 30

(in € millions)	2024	2023
Aircraft fuel	3,380	3,395
Sustainable aviation fuel	106	47
CO ₂ quotas	125	81
Chartering costs	247	243
Landing fees and air route charges	976	919
Catering	434	393
Handling charges	974	894
Aircraft maintenance costs	1,598	1,245
Commercial and distribution costs	553	516
Other external expenses	992	916
TOTAL	9,385	8,649

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

The hedges covering this currency exposure are presented in Note 9 "Other current operating income and expenses".

NOTE 8 SALARIES AND NUMBER OF EMPLOYEES**Period from January 1 to June 30***(in € millions)*

	2024	2023
Wages and salaries	3,221	2,880
Social contributions	582	525
Pension costs on defined contribution plans	483	428
Pension costs of defined benefit plans	76	71
Cost of temporary employees	136	110
Profit sharing	21	81
Payment linked with shares	1	–
Other expenses	76	69
TOTAL	4,596	4,164

Pension costs on defined contribution plans

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

this multi-employer plan is assimilated with a French State plan, it is accounted for as a defined contribution plan in "pension costs on defined contribution plans".

AVERAGE NUMBER OF EMPLOYEES**Period from January 1 to June 30**

	2024	2023
Flight deck crew	8,906	8,436
Cabin crew	22,187	21,542
Ground staff	46,403	44,602
Temporary employees	2,480	2,193
TOTAL	79,976	76,773

NOTE 9 OTHER CURRENT OPERATING INCOME AND EXPENSES**Period from January 1 to June 30***(in € millions)*

	2024	2023
Capitalized production	728	534
Joint operation of routes	3	(21)
Operations-related currency hedges	25	45
Other	63	9
TOTAL	819	567

NOTE 10 AMORTIZATION, DEPRECIATION AND PROVISIONS**Period from January 1 to June 30***(in € millions)*

	2024	2023
AMORTIZATION		
Intangible assets	82	81
Flight equipment	577	539
Other property, plant and equipment	90	88
Right-of-use assets	613	590
Sub-Total	1,362	1,298
DEPRECIATION AND PROVISIONS		
Trade receivables	(20)	(9)
Risks and contingencies	(21)	(101)
Sub-Total	(41)	(110)
TOTAL	1,321	1,188

In 2023, movements in provisions were mainly linked to restitution of aircraft.

The balance sheet movements in provisions for risks and charges are detailed in Note 21.

NOTE 11 SALES OF AIRCRAFT EQUIPMENT AND OTHER NON-CURRENT INCOME AND EXPENSES**Period from January 1 to June 30***(in € millions)*

	2024	2023
Sales and leaseback	(2)	6
Other aeronautical sales	17	22
Sales of aeronautical assets	15	28
Other non-current income and expenses	(118)	15

Six-month period ended June 30, 2024**Sales of aircraft equipment**

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

Other aeronautical sales

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

Other non-current income and expenses

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

Six-month period ended June 30, 2023**Sales of aircraft equipment**

The impact of aircraft sales and leasebacks resulted in a profit of €6 million in the income statement and a result on disposal of €150 million in the cash flow statement as of June 30, 2023.

Other aeronautical sales

The impact of other aeronautical sales mainly corresponds to a B777 refinancing for KLM and has led to a gain of €20 million as of June 30, 2023.

Other non-current income and expenses

This line mainly included the profit resulting from disposal of Heathrow slots to Virgin Atlantic for KLM for €11 million, and the sale of a data center for KLM for an amount of €10 million.

NOTE 12 NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

Period from January 1 to June 30

(in € millions)

	2024	2023
Income from marketable securities	78	60
Other financial income	92	48
Income from cash and cash equivalents	170	108
Interest on financial liabilities	(163)	(258)
Interest on lease debt	(140)	(132)
Capitalized interests	25	20
Other non-monetary items	(13)	86
Other financial expenses	(23)	(12)
Interest charges	(314)	(296)
Net cost of financial debt	(144)	(188)
Foreign exchange gains (losses), net	(47)	112
Financial instruments	(6)	5
Net (charge)/release to provisions	(3)	(3)
Undiscounting of provision	(138)	(96)
Other	(19)	(4)
Other financial income and expenses	(213)	14
TOTAL	(357)	(174)

Net cost of financial debt

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

As of June 30, 2023, the bank loan guaranteed by the French State ("PGE") was repaid in full generating a net positive impact of €10 million in financial income, consisting of an expense of €(96) million related to the guarantee contractually due, recognized in the line "Interest on financial liabilities" and an income of €106 million, related to the application of the amortized cost at the effective interest rate methodology, recognized in the line "Other non-monetary items".

Foreign exchange gains (losses)

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

- an unrealized loss of €(108) million on return obligation liabilities and provisions on aircraft in US dollars;
- an unrealized gain, net of exchange rate derivatives, of €85 million on the net debt, mainly composed of a gain

of €12 million on US Dollar, a gain of €61 million on Japanese Yen and a gain of €16 million on Swiss Franc;

- a loss of €(6) million on other assets and liabilities mainly due to US dollars on the working capital.

As of June 30, 2023, the foreign exchange loss included mainly an unrealized currency gain of €73 million composed of:

- a gain of €61 million on return obligation liabilities and provisions on aircraft in US dollars;
- a gain of €27 million on the financial liabilities, mainly composed of a loss of €(26) million on US Dollar and a gain of €67 million on Japanese Yen.

Undiscounting of provision

The rate used to undiscount the long term return obligation liability and provision for leased aircraft and other provisions non current is 7.3% in 2024 against 5.5% in 2023 (see Note 21.1.1 "Return obligation liability and provision on leased aircraft").

NOTE 13 INCOME TAXES

The tax charge at Group level is as follows :

Period from January 1 to June 30

(in € millions)

	2024	2023
Total income tax income/(expense)	119	(21)
Tax on items recognized in equity ⁽¹⁾	(15)	10

(1) Including €31 million of tax on coupons on perpetual

Period from January 1 to June 30

(in € millions)

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

The international tax reform drawn up by the OECD, known as "Pillar 2", aimed in particular at establishing a minimum tax rate of 15%, came into force in France as from the 2024 financial year.

Safe harbor provisions exist to defer the application by up to 3 years based on simplified calculations updated at the end of each year-end period. Based on the Group's

simplified projected calculations and initial assessment, Air France-KLM does not expect to be significantly exposed to the top-up tax for fiscal year 2024. Consequently, the effective projected tax rate for the 2024 fiscal year is not affected by Pillar 2 as of June 30, 2024.

NOTE 14 EARNINGS PER SHARE

RESULTS USED FOR THE CALCULATION OF BASIC EARNINGS PER SHARE

Period from January 1 to June 30

(in € millions)

	2024	2023
Net income for the period – Equity holders of Air France-KLM	(400)	260
Coupons on perpetual - net of tax	(27)	(34)
Dividend paid ⁽¹⁾	—	(90)
Basic net income for the period – Equity holders of Air France-KLM	(427)	136

(1) During the first half of 2023 and in the context of the exit of the French Recapitalization State Aid under the EU Covid-19 Temporary Framework, the Group paid a €90 million compensation to the French State required for the shares subscribed in April 2021. This payment was considered as a dividend payment and was therefore recognized in equity accordingly to IFRS principles and has been taken into consideration as a deduction from the net income to calculate the earnings per share.

RESULTS USED FOR THE CALCULATION OF DILUTED EARNINGS PER SHARE

Period from January 1 to June 30

(in € millions)

	2024	2023
Basic net income for the period – Equity holders of Air France-KLM	(427)	136
Consequence of potential ordinary shares on net income: interests paid on convertible bonds and amortization of equity component (after tax)	—	15
Net income for the period – Equity holders of Air France-KLM (taken for calculation of diluted earnings per share)	(427)	151

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

Period from January 1 to June 30	2024	2023
Weighted average number of:		
■ common shares issued	262,769,869	2,570,536,136
■ Treasury stock held regarding stock option plan and Other treasury stock	(137,068)	(1,244,317)
Number of shares used to calculate basic earnings per share	262,632,801	2,569,291,819
Number of potentially dilutive shares	—	249,709,585
Number of ordinary and potential ordinary shares used to calculate diluted earnings per share	262,632,801	2,819,001,404

As a reminder, Air France-KLM carried out in August 2023 the reverse share split of all outstanding shares of the Company and the capital reduction by reduction of the nominal value of each share and in December 2023 a capital increase as part of the “*Ensemble pour l'avenir*” employee share plan, impacting the weighted average number of share as of December 31, 2023.

Following the repayment of €452 million of OCEANE bonds on 25 March 2024 (refer to Note 3.1 “Significant events occurring during the period”), the number of potential dilutive shares linked to the outstanding OCEANE 2026 has therefore been decreased from 4,966,518 shares to 472,580 shares.

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

advance. This residual redemption amount is equivalent of 2,654,942 of bonds.

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

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

The potential conversion of these two instruments and their impact on earnings have not been taken into consideration as of June 30, 2024. Indeed, this would not have had the effect of increasing the loss per share.

As of June 30, 2024, taking into account the above items, the basic earnings per share amounts to €(1.63) and the diluted earnings per share amounts to €(1.63).

NOTE 15 TANGIBLE ASSETS

(in € millions)	Flight equipment				Other tangible assets					Total
	Owned aircraft	Assets in progress	Other	Total	Land and buildings	Equipment and machinery	Assets in progress	Other	Total	
GROSS VALUE										
December 31, 2023	17,742	1,731	2,510	21,983	2,799	1,044	191	1,089	5,123	27,106
June 30, 2024	18,318	2,057	2,678	23,053	2,835	1,051	242	1,055	5,182	28,236
DEPRECIATION										
December 31, 2023	(9,705)	–	(777)	(10,482)	(2,007)	(826)	–	(859)	(3,692)	(14,174)
June 30, 2024	(10,017)	–	(840)	(10,857)	(2,047)	(834)	–	(845)	(3,726)	(14,583)
NET VALUE										
December 31, 2023	8,037	1,731	1,733	11,501	792	218	191	230	1,431	12,932
June 30, 2024	8,301	2,057	1,839	12,197	788	217	242	210	1,456	13,653

NOTE 16 CAPITAL EXPENDITURES

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

Period from January 1 to June 30

(in € millions)	2024	2023
Acquisition of flight equipment	1,801	1,215
Acquisition of other tangible assets	145	88
Acquisition of intangible assets	86	76
Change in fixed assets liabilities	35	17
TOTAL	2,067	1,396

NOTE 17 RIGHT-OF-USE ASSETS AND LEASE DEBT

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

(in € millions)	Aircraft	Maintenance	Land & Real Estate	Others	Total
NET VALUE					
December 31, 2023	3,138	2,165	591	62	5,956
June 30, 2024	3,516	2,279	621	63	6,479

The table below presents the lease debt per category:

(in € millions)	As of June 30, 2024			As of December 31, 2023		
	Non- current	Current	Total	Non- current	Current	Total
Lease debt – Aircraft	3,256	702	3,958	2,796	682	3,478
Lease debt – Aircraft spare parts	76	55	131	79	49	128
Lease debt – Real estate	658	93	751	655	80	735
Lease debt – Other	52	9	61	50	18	68
Accrued interest	–	20	20	1	19	20
TOTAL – LEASE DEBT	4,042	879	4,921	3,581	848	4,429

NOTE 18 CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS

(in € millions)	As of June 30, 2024		As of December 31, 2023	
	Total	Of which: pledged or secured	Total	Of which: pledged or secured
Liquidity funds (SICAV) (assets – debt instruments)	1,201	7	2,450	7
Bank deposits (assets – debt instruments) and term accounts	2,371	50	1,887	50
Cash in hand	1,716	–	1,857	–
Cash and cash equivalents	5,288	57	6,194	57
Bank overdrafts	(10)		(13)	
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS	5,278	57	6,181	57

NOTE 19 EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM SA

19.1 Issued capital

As of June 30, 2024, the issued capital of Air France-KLM comprised 262,769,869 fully paid-up shares with a par value of €1 and the share capital of the Air France-KLM group amounts to €263 million. Each share with a nominal value of one euro is entitled to one vote.

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

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

	% of capital		% of voting rights	
	As of June 30, 2024	As of December 31, 2023	As of June 30, 2024	As of December 31, 2023
French State	28.0	28.0	27.5	28.4
Dutch State	9.1	9.1	13.3	10.3
CMA CGM	8.8	8.8	12.8	8.0
China Eastern Airlines	4.6	4.6	6.7	6.3
Employees and former employees	3.1	3.2	3.0	3.4
Delta Air Lines	2.8	2.8	4.1	3.8
SPAAR ⁽¹⁾	0.9	0.8	1.2	1.0
Treasury shares	–	0.1	–	–
Other	42.7	42.6	31.4	38.8
TOTAL	100	100	100	100

(1) Stichting Piloten Aandelen Air France-KLM.

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

As of June 30, 2024, all securities have been issued and paid up.

19.2 Perpetual

(in € millions)		December 31, 2023	Repayment – Nominal	Issuance – Nominal	Monetary change – Coupons	Non-monetary change	June 30, 2024
2023 perpetual super-subordinated bonds	Nominal	727	–	–	–	–	727
	Coupons	42	–	–	(52)	27	17
Last-rank indefinite subordinated bond convertible into new shares and/or existing shares	Nominal	305	–	–	–	–	305
	Coupons	2	–	–	(10)	10	2
TOTAL PERPETUAL – ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM		1,076	–	–	(62)	37	1,051
2022 perpetual super-subordinated bonds	Nominal	497	–	–	–	–	497
	Coupons	13	–	–	–	15	28
July 2023 perpetual super-subordinated bonds	Nominal	498	–	–	–	–	498
	Coupons	15	–	–	–	17	32
November 2023 perpetual super-subordinated bonds	Nominal	1,493	–	–	–	–	1,493
	Coupons	8	–	–	–	51	59
TOTAL PERPETUAL – NON-CONTROLLING INTERESTS		2,524	–	–	–	83	2,607
Total cash flows			–	–	(62)		

NOTE 20 PENSION ASSETS AND RETIREMENT BENEFITS

As of June 30, 2024, the discount rates used by the companies to calculate the defined benefit obligations are the following:

	As of June 30, 2024	As of December 31, 2023
Euro zone - duration 10 to 15 years	3.61 %	3.20 %
UK - duration 20 years and more	5.12 %	4.60 %

The inflation rates used are the following:

	As of June 30, 2024	As of December 31, 2023
Euro zone - duration 10 to 15 years	2.25 %	2.20 %
UK - duration 20 years and more	3.30 %	3.15 %

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

As of June 30, 2024, the remeasurement of defined benefit pension obligation is composed of (before tax):

As of June 30	2024	2023
Impact of the change in discount rate	98	29
Impact of the change in inflation rate	(15)	2
Difference between the expected and actual return on assets	(2)	20
TOTAL	81	51

Net of tax, the remeasurement of defined benefit pension obligation amounts to €75 million.

The impact of variations in discount rates on the defined benefit obligation has been calculated using the sensitivity analysis of the defined benefit pension obligation. The sensitivity analysis is outlined in the note 29.2 to the consolidated financial statements for the year ended December 31, 2023.

NOTE 21 RETURN OBLIGATION LIABILITY AND PROVISION FOR LEASED AIRCRAFT AND OTHER PROVISIONS

(in € millions)	Return obligation liability on leased aircraft	Maintenance on leased aircraft	Restructuring	Litigation	Provisions for CO ₂ quota surrenders	Others	Total
Amount as of January 1, 2023	3,836	161	192	426	142	132	4,889
Of which: Non-current	3,496	147	–	397	–	109	4,149
Current	340	14	192	29	142	23	740
Amount as of December 31, 2023	3,802	161	82	516	213	110	4,884
Of which: Non-current	3,532	148	–	36	–	89	3,805
Current	270	13	82	480	213	21	1,079
Amount as of June 30, 2024	4,093	169	57	515	259	121	5,214
Of which: Non-current	3,740	155	–	31	–	104	4,030
Current	353	14	57	484	259	17	1,184

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

21.1 Provisions

21.1.1 Return obligation liability and provision on leased aircraft

The discount rate used to calculate these restitution liabilities and provisions is 7.3% as of June 30, 2024 against 5.5% as of June 30, 2023 (see Note 12 "Net cost of financial debt and other financial income and expenses").

21.1.2 Restructuring provisions

The movements in restructuring provisions with a significant impact on the income statement are booked in "Other non-current income and expenses" (see Note 11 "Sales of aircraft equipment and other non-current income and expenses").

21.1.3 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.

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

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.

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

Air France, KLM and Martinair, a wholly-owned subsidiary of KLM since January 1, 2009, have been involved, since February 2006, with up to twenty-five other airlines in investigations initiated by 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, 2021, most of these investigations had been terminated following the entry into plea agreements between the three companies of the Group and the appropriate competition authorities, providing for the payment of settlement amounts or fines, with the exception of the proceeding initiated by the European Commission which is still pending.

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

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

The decision from the General Court in March 2022 confirmed the fines against Air France-KLM group companies. The Group companies appealed in June 2022 to the European Union Court of Justice and hearings were held before the European Court of Justice on April 18 and 19, 2024. Opinion of the Advocate General is expected on September 5, 2024 and final judgment of the European Court of Justice is expected to follow 2025. As of June 30, 2024, the Group has maintained a provision of €362 million covering the total amount of these fines (and including interests).

21.1.5 Case brought against KLM by (former) Martinair pilots

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

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

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

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

In 2022, KLM had booked a provision for a total amount of €22 million, unchanged in 2024.

21.1.6 Other provisions

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

21.2 Contingent liabilities

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

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

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

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

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

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

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

21.2.2 Other litigations

Rio-Paris AF447 flight

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

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

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

The date of appeal will be known after the fixation hearing which is not scheduled to date.

Litigations on State Aid

In 2020, the implementation of the measures to reinforce the Group's liquidity (i.e. (i) a loan guaranteed by the French State (PGE) in the amount of €4 billion and a €3 billion loan from the French State, as well as (ii) a revolving credit facility of €2.4 billion guaranteed by the Dutch State and a €1 billion loan from the Dutch State), were approved by the European Commission under the Covid-19 State Aid rules (decisions respectively of May 4, 2020 and July 13, 2020).

On April 6, 2021, the Group announced the first part of its overall recapitalization plan. Certain measures in this plan contained State Aid (so-called "Covid-19 recapitalization" program) which were accordingly notified by the French authorities to the European Commission, the latter approving them in its decision of April 5, 2021. This decision made the approval of the measures subject to a

number of commitments undertaken by the French State and leading notably to the allocation by Air France of landing and take-off slots to a designated third-party carrier at Orly airport.

Like most of the decisions with respect to airlines receiving State Aid in the context of the Covid-19 crisis, the European Commission's decisions granting support measures to Air France and KLM have been subject to annulment proceedings brought by Ryanair. On December 20, 2023 and February 7, 2024, the General Court of the European Union annulled the decisions of the European Commission mentioned above.

Uncertainty remains as to the legal and financial consequences of cancelling the decisions to grant State Aid until a final judgment is obtained. However, all the aid granted has already been repaid in full compliance with the associated constraints (commitments, behavioral measures, application of interest) to the applicable legal framework. Potential indirect consequences of the cancellation of the above-mentioned State aid could include the demand for illegality interest.

It shall be borne in mind that, in the course of 2022 and 2023, the Group repaid in full the aforementioned Covid-19 liquidity and recapitalization State aid for, which were subject to the aforementioned commitments and constraints. As a result, the Air France-KLM holding company, Air France and KLM are no longer liable for any Covid-19 recapitalization aid and are therefore fully released from the aforementioned undertakings and constraints which had been linked to this Covid-19 recapitalization aid.

Air France-KLM, Air France and KLM also lodged three appeals for annulment with the Court of Justice of the European Union against the three judgments of the General Court annulling the above-mentioned decisions handed down in December 2023 and February 2024. The European Commission also lodged three appeals against these judgments, and on July 10, 2024 re-approved the Group's liquidity support measures in a single decision confirming their compatibility with European law.

This new decision has no impact on the appeals lodged by the European Commission, Air France, KLM and Air France-KLM against the judgments of the General Court of the EU, which annulled the European Commission's initial decisions only because they were based, for the General Court, on an incorrect determination of the beneficiary of said State aid. The Court of Justice of the European Union has yet to rule on these appeals.

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

Except as indicated in 21.1 and 21.2, the company is not aware of any litigation, governmental, legal or arbitration proceedings (including any proceedings of which the issuer is aware, which are pending or which it is threatened with) which may have or have recently had a material effect on the company's financial position, results of operations, assets or profitability, for a period covering at least the last twelve months.

NOTE 22 FINANCIAL LIABILITIES

(in € millions)	June 30, 2024			December 31, 2023		
	Non current	Current	Total	Non current	Current	Total
Perpetual subordinated loan in Yen	116	–	116	128	–	128
Perpetual subordinated loan in Swiss francs	389	–	389	405	–	405
OCEANE (convertible bonds)	–	–	–	–	498	498
Sustainability-linked bonds	1,000	–	1,000	1,000	–	1,000
Plain vanilla Bonds	1,062	815	1,877	1,381	300	1,681
Debt on leases with bargain option	3,385	559	3,944	3,475	418	3,893
Other financial liabilities	1,074	328	1,402	1,148	330	1,478
Accrued interest	1	59	60	1	118	119
TOTAL – FINANCIAL LIABILITIES	7,027	1,761	8,788	7,538	1,664	9,202

CHANGE IN FINANCIAL LIABILITY

(in € millions)	December 31, 2023	New financial debt	Reimbursement of financial debt	Currency translation adjustment	Other	June 30, 2024
Perpetual loan in Japanese Yen and Swiss Francs	533	–	–	(28)	–	505
OCEANE (convertible bonds)	498	–	(500)	–	2	–
Sustainability-linked bonds	1,000	–	–	–	–	1,000
Plain vanilla Bonds	1,681	644	(453)	4	1	1,877
Debt on leases with bargain option	3,893	292	(224)	(39)	22	3,944
Other financial liabilities	1,478	–	(83)	–	7	1,402
Accrued interest	119	–	–	–	(59)	60
TOTAL	9,202	936	(1,260)	(63)	(27)	8,788

22.1 Bonds

22.1.1 OCEANE

Early repayment of OCEANE bonds

Early repayment of €452 million of OCEANE bonds:

As of March 25, 2024, Air France-KLM has repaid, at the request of the bondholders, €452 million of the outstanding €500 million of the bonds convertible into new shares and/or exchangeable for existing shares due March 25, 2026.

This amount is equivalent of 25,246,843 of bonds. This early redemption option on March 25, 2024 was part of the terms and conditions of the bonds.

Early repayment of the remaining €48 million of OCEANE bonds:

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

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

22.1.2 Plain vanilla bonds

Issuance of a €650 million bonds and tender offer on two series of existing notes

Issuance of a €650 million bonds:

As of May 23, 2024, Air France-KLM has made the issuance of new notes of a total principal amount of €650 million with a 5-year maturity and bearing coupon at an annual rate of 4.625% under its Euro Medium Term Note Program.

The net proceeds has been used to finalize the tender offer launched as of May 13, 2024 as described in the paragraph below.

Tender offer on two series of exiting notes:

On may 24, 2024, Air France-KLM finalized the tender offer on two series of existing notes announced on May 13, 2024:

- €750 million 1.875 per cent notes due 16 January 2025;
- €500 million 3.875 per cent notes due 1st July 2026.

On these two series, existing notes for a total principal amount of €452.7 million, representing 36.2% of the outstanding existing notes, have been tendered for purchase in the tender offer and €452.7 million have been accepted, of which €234.8 million of 2025 notes and €217.9 million of 2026 notes. As a result, the principal amount of these outstanding existing notes after completion of the tender offer will be €797.3 million, of which €515.2 million of 2025 notes and €282.1 million of 2026 notes.

Maturity analysis

The financial liabilities maturities break down as follows:

(in € millions)	June 30, 2024	December 31, 2023
Maturities in		
End of Year Y	829	—
Y+1	1,324	1,664
Y+2	1,555	1,548
Y+3	583	1,748
Y+4	938	572
Over 4 years	3,559	3,670
TOTAL	8,788	9,202

As of June 30, 2024, the KLM perpetual subordinated notes are included in the line "Over 4 years".

Credit lines

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

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

Air France-KLM and Air France

Air France-KLM and Air France as combined borrowers, signed a €1.2 billion Sustainability-Linked RCF. This facility included an accordion increase option executed during

the first quarter of 2024 for an amount of €90 million bringing the amount available to around €1.3 billion.

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

On July 18, 2024, a new amendment has been signed for Air France-KLM and Air France credit facility involving an extension of the maturity to July 2028 associated with a one-year extension option and an increase of the facility from €1.3 to €1.4 billion (see note 3.2 Subsequent events).

KLM

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

This facility had an initial 2027 maturity and included two one-year extension options. A one-year extension option for one year was applied, extending the maturity to 2028.

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

The undrawn portion as of June 30, 2024 amounts to €2.4 billion for the Air France-KLM Group.

NOTE 23 ALTERNATIVE PERFORMANCE INDICATORS

23.1 Operating free cash flow

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

Period from January 1 to June 30

(in € millions)	Notes	2024	2023 restated ⁽¹⁾
Net cash flow from operating activities		1,650	3,230
Purchase of property plant and equipment and intangible assets	16	(2,067)	(1,396)
Proceeds on disposal of property plant and equipment and intangible assets		373	211
Operating free cash flow		(44)	2,045
Exceptional payments made/(received) ⁽²⁾		850	119
Interest (paid) and received		(230)	(384)
Payments on lease debts		(442)	(421)
Recurring adjusted operating free cash flow		134	1,359

(1) See Note 2 of the notes to the financial statements

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

23.2 Net debt

(in € millions)	Notes	As of June 30, 2024	As of December 31, 2023
Current and non-current financial liabilities	22	8,788	9,202
Current and non-current lease debt		4,921	4,429
Accrued interest		(80)	(138)
Deposits related to financial liabilities		(100)	(107)
Deposits related to lease debt		(100)	(100)
Derivatives impact on debt		(23)	(1)
Gross financial liabilities (I)		13,406	13,285
Cash and cash equivalents	18	5,288	6,194
Marketable securities > 3 months		968	1,097
Bonds		968	966
Bank overdrafts	18	(10)	(13)
Net cash (II)		7,214	8,244
NET DEBT (I-II)		6,192	5,041

As of June 30, 2024, the net cash included €423 millions (compared to €419 millions on December 31, 2023) pledged or blocked.

In addition, the Group has to maintain a certain level of cash in certain operating entities. As of June 30, 2024, it amounts to €625 million (same amount as of December 31, 2023).

(in € millions)	Notes	As of June 30, 2024
Opening net debt		5,041
Operating free cash flow	23.1	44
Interest paid and received		230
Paid coupon on perpetual and on subordinated bonds convertible into new share and/or exchangeable for existing shares	19.2	62
New lease debts (new and renewed contracts)	17	835
Unrealized exchange gains and losses on aircraft lease financial debts through OCI		71
Impact of derivatives on net debt		(22)
Currency translation adjustment in the income statement		(69)
Other non-monetary variations of the net debt		—
CLOSING NET DEBT		6,192

NOTE 24 OTHER LIABILITIES

(in € millions)	As of June 30, 2024		As of December 31, 2023	
	Current	Non-current	Current	Non-current
Tax liabilities	373	526	412	637
Airlines taxes	1,089	—	908	—
Employee-related liabilities	1,303	462	1,991	597
Liabilities on fixed assets	11	14	56	7
Deferred income	960	38	919	32
Prepayments received	438	—	464	—
Other debts	333	134	252	103
TOTAL	4,507	1,174	5,002	1,376

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

NOTE 25 FLIGHT EQUIPMENT ORDERS

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

As of December 31			
(in € millions)		2024	2023
2nd semester year Y (6 months)		648	
Y+1		2,430	1,496
Y+2		2,589	2,853
Y+3		3,605	2,706
Y+4		3,128	3,743
After year Y+4		2,072	4,437
TOTAL		14,472	15,235

These commitments mainly 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, 2024 decreased by 10 units compared with 31 December 2023 and stood at 200 aircraft.

This change is explained by the delivery of 10 aircraft.

Delivery calendar as of June 30, 2024

Aircraft type	To be delivered in						Total
	2nd Semester (6 months)	Y+1	Y+2	Y+3	Y+4	Beyond Y+4	
LONG-HAUL FLEET – PASSENGER							
A350	1	6	9	13	13	15	57
B787	1	4	–	–	–	–	5
LONG-HAUL FLEET – CARGO							
A350F	–	–	–	4	3	1	8
MEDIUM-HAUL FLEET							
A220	5	13	9	5	–	–	32
A320 Neo	–	2	8	12	19	2	43
A321 Neo	2	8	11	18	13	3	55
TOTAL	9	33	37	52	48	21	200

NOTE 26 RELATED PARTIES

There were no significant changes in the scope or amounts of related party transactions during the period, with the exception of the transactions with CMA-CGM described in note 3.1 "Significant events occurring during the period".

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3 Information and control

3.1 Certification by the person responsible

July 25, 2024

I certify, to the best of my knowledge, that the summary accounts for the past half-year are drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets, financial situation and results of the company and of all the companies included in it. consolidation, and that the attached half-yearly activity report presents a faithful picture of the important events occurring during the first six months of the financial year, their impact on the accounts, the main transactions between related parties and which it describes the main risks and the main uncertainties for the remaining six months of the financial year.

Benjamin Smith

Chief Executive Officer of Air France–KLM

3.2 Statutory auditors report

Air France-KLM S.A.

7, rue du Cirque, 75008 Paris

Statutory Auditors' Review Report on the 2024 Half-yearly Financial Information

For the period from January 1 to June 30, 2024

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Air France-KLM S.A., for the period from January 1, 2024 to June 30, 2024,*
- the verification of the information presented in the half-yearly management report.*

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matter set out in note 2 to the condensed half-yearly consolidated financial statements entitled "Restatement of the 2023 financial statements", which describes the change in accounting method related to the presentation of monetary items of the net financial debt cost in the consolidated cash flow statement.

II - Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense and Neuilly sur Seine, July 25, 2024

The Statutory Auditors

Paris La Défense, July 25, 2024

KPMG S.A.

Neuilly-sur-Seine, July 25, 2024

PricewaterhouseCoopers Audit

The statutory auditors
French original signed by

Valérie Besson
Partner

Eric Dupré
Partner

Philippe Vincent
Partner

Amélie Jeudi de Grissac
Partner



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GROUP