

AIR FRANCE-KLM S.A

STATUTORY
FINANCIAL
STATEMENTS

January 1st, 2024 – December 31, 2024

STATUTORY FINANCIAL STATEMENTS

Income statement

Year ending December 31, (in € millions)	Notes	2024	2023
Operating income	4	83	69
External expenses	5	(59)	(75)
Salaries and related costs	6	(23)	(20)
Other operating expenses		(2)	(3)
Total operating expenses		(84)	(98)
Income from current operations		(1)	(29)
Financial income		220	370
Financial expenses		(238)	(329)
Net financial income	7	(18)	41
Earnings before tax and non-recurring items		(19)	12
Non-recurring income		—	90
Non-recurring expenses		(1)	(112)
Non-recurring income/-(loss)	8	(1)	(22)
Income tax	9	116	140
NET INCOME/(LOSS)		96	130

Balance sheet

Assets (in € millions)	Notes	December 31, 2024	December 31, 2023
Tangibles fixed assets		2	2
Equity investments	10.2	7,801	7,684
Loans & receivables related to long-term investment	10.3	2,186	2,148
Other financial long-term investments		2	15
Fixed assets		9,991	9,849
Trade receivables	15	48	38
Other receivables	15	139	152
Marketable securities	11	950	1,658
Cash and cash equivalent		652	566
Prepaid expenses		4	3
Current assets		1,793	2,417
Issue costs		6	6
Bond redemption premium		7	5
Unrealized foreign exchange loss		9	
TOTAL ASSETS		11,806	12,277

Liabilities & equity (in € millions)	Notes	December 31, 2024	December 31, 2023
Capital	12.1	263	263
Additional paid-in capital	12.2	7,560	7,560
Legal reserve		70	70
Retained earnings		(20)	(147)
Income for the year	12.2	96	130
Shareholder's equity	12.2	7,969	7,876
Other equity	14	1,079	1,076
Provision for risks & liabilities	13	12	-
Financial debts	14	2,671	3,255
Trade payables and related accounts	15	29	25
Tax and social debts	15	13	14
Other liabilities	15	31	25
Liabilities	15	2,744	3,319
Unrealized foreign exchange gain		2	6
TOTAL LIABILITIES & EQUITY		11,806	12,277

Notes

The following information constitutes the notes to the financial statements for the year ended December 31, 2024. It is an integral part of the financial statements.

Air France-KLM SA, a public limited company (société anonyme, SIREN n° 552 043 002) with registered office at 7, rue du Cirque, 75008 Paris, is the parent company of the Air France-KLM group. It is listed for trading in Paris (Euronext) and Amsterdam (Euronext).

1. Change of accounting method

In order to harmonize the methods used by the Group and in accordance with ANC recommendation 2013-02, Air France-KLM has proceeded to a change in its accounting method. Provisions for post-employment benefit obligations are now booked in the statutory financial statements. Commitments existing at January 1, 2024 have been included in the financial statements, and all the impacts are presented in notes 12.2 and 13.

2. Accounting policies and procedures

Generally accepted accounting policies have been applied, consistent with the prudence principle and in accordance with the legal and regulatory provisions applicable in France and to the base assumptions whose aim is to provide a true and faithful representation of the company:

- going concern;
- consistent accounting methods from year to year;
- independence of financial periods;
- and in accordance with the general rules for establishing and presenting annual financial statements.

The basic method used to value items recorded in the financial statements is the historical cost method.

Value in use of its equity investments

In the current context, the company has paid particular attention to the value in use of its equity investments.

The main accounting methods used are the following:

■ Long-term investments

Investments in equity securities are presented on the balance sheet at their acquisition cost net of impairment, if any. A provision for impairment is recorded as soon as the fair value, which corresponds to the value in use, falls below the acquisition value. The fair value of securities is determined by taking into account the share of shareholders' equity, the outlook for profitability and the stock market values that can be used as a reference.

Transfer taxes, fees or commissions and legal fees related to the acquisition of securities are expensed, according to the option offered by the regulations.

Treasury shares not allocated to employees or to a capital decrease are booked in long-term investments. They are shown at the lower of their acquisition cost or fair value. The fair value is determined based on the average market price for the last month of the financial year. Impairment tests on future cash flows have been performed, based on assumptions that are identical to those of the consolidated financial statements;

■ Trade receivables

Trade receivables are valued at their nominal value. They are valued on a case-by-case basis and a provision is set up as required based on the assessed risks;

■ Provisions

The company recognizes a provision when there is a legal or constructive obligation to a third party that will result in an outflow of resources and can be reliably estimated. The amounts recognized as provisions take into account the timing of disbursements and are discounted where appropriate. The effect of the passage of time is recognized in financial income or expense;

■ Marketable securities

Marketable securities are shown on the balance sheet at the lower of their acquisition cost and their market value. In the case of listed shares, this market value is determined based on the market price at the end of the financial year.

Treasury shares invested as part of a liquidity agreement are valued at the lower of their acquisition price and fair value. The fair value is determined based on the last month average market price at the end of the financial year.

Negotiable debt securities (certificates of deposits, and bills issued by financial companies) are booked at their acquisition cost. Interest is booked as financial income, on a *pro-rata temporis basis*;

■ Foreign currency transactions

Operating expense and income transactions in foreign currencies are recognized at the average exchange rate for each relevant month by approximating the rate on the day of the transaction.

Trade payable and receivable in foreign currencies are valued at the exchange rate in effect at end year closing.

Unrealized losses and gains are recognized as assets and liabilities on the balance sheet. Provisions are established for unrealized losses, except for the following cases:

- transactions where the currency and the term contribute to an overall positive currency position and,
- currency hedging contracts concerning the payment of future investment deliveries;

■ Debts

Debts are valued at their nominal amount. The debt in foreign currency is valued at the closing rate Euro/Dollar;

■ Financial instruments

Financial derivative instruments are used to reduce exposure to interest rates risk and to foreign exchange. They are over the counter instruments with first class counterpart. Group management policy bans subscription of trading instruments;

■ Dividends received

Dividends are recognized as income – when they are approved by the competent bodies in the companies (i.e.: the Board of Directors or the General Shareholders' Meeting depending on the local regulations) – or according to the terms of the bylaws.

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 until February 28, 2025. CMA CGM stepped down from the Air France-KLM Board of Directors on March 31, 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 2026 bonds as of December 31, 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 in April 2023 a €1.2 billion Sustainability-Linked RCF. This facility included an accordion increase option executed during the first quarter of 2024 for an amount of €90 million bringing the amount available to around €1.3 billion.

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

Finally and as of July 18, 2024 a new amendment 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.

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 % notes due 16 January 2025;
- €500 million 3.875 % 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.

Acquisition of a non-controlling stake in the share capital of SAS AB

As of October 3, 2023, Air France-KLM had been selected by SAS AB's Board of Directors as the winning bidder in SAS's exit financing solicitation process, collectively with a consortium.

After the receipt of regulatory approvals in Europe and the United States, the Air France-KLM Group finalized as of August 28, 2024 the acquisition of a 19.9% non-controlling stake in the share capital of SAS AB.

The members of the Consortium (which also includes Castllake L.P. on behalf of certain funds or affiliates, Lind Invest ApS, and the Danish State) now effectively hold an aggregate 86.4% stake in the share capital of the reorganized SAS AB (exclusive of the recovery by the Danish State in its capacity as a creditor of SAS and pursuant to SAS's restructuring plans), having invested \$1.2 billion USD in the company, by subscribing for \$475.0 million USD of common shares and by purchasing \$725.0 million USD of senior secured convertible notes.

The Air France-KLM Group itself invested a total of \$144.5 million USD (circa €133 million) in SAS AB, by subscribing for \$109.5 million USD (circa €101 million) of common shares and by purchasing \$35.0 million USD (circa €32 million) of senior secured convertible notes.

As of December 31, 2024, the acquisition had the following impact on the balance sheet of Air France-KLM:

- the acquisition of the shares of SAS AB for a total amount of €101 million (including the deposit paid in 2023 for €13 million);
- the acquisition of the senior secured convertible notes for a total amount of €34 million (including unrealized currency gains)

3.2. Subsequent events

There have been no significant events since December 31, 2024.

4. Operating income

Period	2024	2023
Management fees (in € million)	55	44
Of which: Air France	34	28
Of which: KLM	21	16
Royalties (in € million)	23	21
Of which: Air France	14	13
Of which: KLM	9	8
Other operative income (in € million)	4	4
TOTAL	82	69

5. External expenses

Period	2024	2023
Fees and surveys	24	45
Insurance	2	3
Sub-Contracting and rent re-invoiced by Air France and KLM	27	22
Financial communication	1	1
Other	4	4
TOTAL	58	75

During the financial year 2024, the teams assigned to Air France-KLM holding company represent 84.3 Full Time Equivalent seconded from Air France and 25.4 full-time equivalent seconded from KLM.

6. Compensation of company's corporate officers

The remuneration recorded as period expenses for the Chief Executive Officer amounts to €3.51 million in 2024 compared to €3.22 million in 2023.

The compensation of the non-executive Chairman of the Board of Directors amounts to €0.22 million.

7. Net financial income

The Net financial Income section regroups interest paid or received, currency losses and gains, and allocations and reversal of financial provisions. The break-down is as follows.

Period	Notes	2024	2023
Interest on loans and other financial expenses		(209)	(324)
Of which: interest on OCEANE	14.2	—	(1)
Of which: interest on bonds	14.2	(133)	(123)
Of which: interest on perpetual subordinated loan	14.1	(75)	(72)
Of which: interest on PGE		—	(122)
Of which: others		(1)	(6)
Interest on loans		143	281
Of which: related companies		143	281
Other financial income		77	89
Of which: related companies		—	—
Of which: investment in mutual funds and certificates of deposit		77	89
Allocation to provisions		(29)	(5)
Of which: other provision		(12)	(2)
Of which: Air France-KLM Finance shares		(17)	(3)
TOTAL		(18)	41

Following the repayment of the PGE and OCEANE bonds, financial income and expenses have significantly decreased.

8. Non-recurring income (loss)

During the financial year 2024, there has been no significant exceptional transactions.

During the first half of 2023 and in the context of the Group's exit from the temporary framework linked to Covid-19, the Group paid compensation to the French State, required in respect of the shares subscribed in April 2021. Air France-KLM S.A. made the payment, for an amount of €90 million. As it was a mirror transaction, Air France-KLM received an amount of €90 million from Air France S.A.

As part of the global and final settlement of all amounts owed by AFKL to CMA CGM in connection with the global cooperation agreements and of all amounts owed by the CMA group to the AFKL group in connection with the global cooperation agreements, AFKL Holding paid a final global amount of twenty million euros to CMA CGM, which was recognised as an exceptional expense.

9. Income tax

Air France-KLM has benefited from the tax consolidation scheme since April 1, 2002. The consolidation scope, for which Air France-KLM is the parent company, mainly includes Air France, HOP! and Transavia France Companies.

The tax consolidation agreement is based on the so-called neutrality method and puts each member company of the tax group in the situation in which it would have been in without consolidation.

Air France-KLM has a tax losses carried forward of €1,029 million. The Group's cumulative tax losses, which can be carried forward indefinitely, amount to €14,496 million.

The subsidiaries recording a net earning, generated a bonus of €118 million in 2024, compared to a bonus of €140 million in 2023.

10. Long-Term Investments

10.1. Net book value

<i>(in € million)</i>	Notes	Beginning of year	Allocation	Reversal	End of Year
Equity investments	10.2	7,684	134	17	7,801
Loans & receivables related to long term investment	10.3	2,148	258	220	2,186
Other financial long-term investments		15	0	13	2
GROSS AMOUNT		9,847	392	250	9,989

10.2. Equity investments

<i>(in € million)</i>	Notes	December 31, 2024	December 31, 2023
Gross value			
Air France		6,492	6,492
KLM		824	824
Air France-KLM Finance		52	31
Transavia Company		4	4
Flying Blue Miles		356	356
BlueTeam XII		12	–
SAS		101	–
Total gross		7,841	7,707
Impairment			
Air France-KLM Finance		(40)	(23)
Total impairment		(40)	(23)
Net			
Air France		6,492	6,492
KLM		824	824
Air France-KLM Finance		12	8
Transavia Company		4	4
Flying Blue Miles		356	356
BlueTeam XII		12	–
SAS		101	–
TOTAL NET	10.1	7,801	7,684

10.3. Loans & receivables related to long-term investment

Gross value Notes (in € million)	Notes	Beginning of year	Allocation	Reversal	End of year
Air France		2,113	221	(218)	2,116
Air France-KLM Finance		35	2	(1)	36
Bigblank		4	–	–	4
SAS		—	35	(1)	34
TOTAL GROSS		2,152	258	(220)	2,190

Impairment	Impairment beginning of year	Allocation	Reversal	Impairment end of year
Bigblank	(4)	–	–	(4)
TOTAL IMPAIRMENT	(4)	–	–	(4)

Net	Net value beginning of year	Allocation	Reversal	Net value end of year	
Air France	2,113	221	(218)	2,116	
Air France-KLM Finance	35	2	(1)	36	
Bigblank	–	–	–	—	
SAS	–	35	(1)	34	
TOTAL NET	10.3	2,148	258	(220)	2,186

11. Marketable securities

(in € million)	December 31, 2024	December 31, 2023
GROSS VALUE		
Mutual funds, certificates of deposit & marketable term notes ⁽¹⁾	950	1,658
Securities Compagnia Aerea Italiana	355	355
Total Gross value	1,305	2,013
DEPRECIATION		
Securities Compagnia Aerea Italiana	(355)	(355)
Total Depreciation	(355)	(355)
TOTAL	950	1,658

(1) In 2024, all marketable securities are less than 3 months. In 2023, Air France-KLM owned €1,499 million of marketable securities for less than 3 months.

The net carrying amount for the marketable securities, mutual funds and certificates of deposit is the market value at closing date.

12. Shareholders' equity

12.1. Distribution of share capital and voting rights

The issued capital comprises 262,769,869 fully paid-up shares with a nominal value of one euro. Each share is entitled to one voting right. However, since April 3, 2016, any shareholder who has been owning registered shares for more than two years is entitled to double voting rights. The distribution is as follows:

As of December 31	Number of shares		% of capital		% of voting rights	
	2024	2023	2024	2023	2024	2023
French State	73,520,630	73,520,630	28.0	28.0	27.5	28.4
Dutch State	24,000,000	24,000,000	9.1	9.1	13.3	10.3
CMA CGM	23,134,825	23,134,825	8.8	8.8	12.8	8.0
China Eastern Airlines	12,023,544	12,023,544	4.6	4.6	6.7	6.3
Employees and former employees	8,101,493	8,461,524	3.1	3.2	3.0	3.4
Delta Air Lines	7,340,118	7,340,118	2.8	2.8	4.1	3.8
SPAAK ⁽¹⁾	2,241,065	2,241,065	0.9	0.8	1.2	1.0
Treasury shares	111,642	143,608	–	0.1	–	–
Public	112,296,552	111,904,555	42.7	42.6	31.4	38.8
TOTAL	262,769,869	262,769,869	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)" (see note 2).

As of December 31, 2024, all securities have been issued and paid up.

12.2. Statement of changes in shareholders' equity

(in € million)	Capital	Additional paid-in capital	Reserves	Earnings for the year	Shareholders' equity
As of December 31, 2022	2,570	5,217	(63)	(13)	7,711
Capital decrease (1)	(2,314)	2,314	—	—	—
Capital increase (2)	6	29	—	—	35
Allocation of earnings	—	—	(13)	13	—
Earnings for the period	—	—	—	130	130
As of December 31, 2023	263	7,560	(76)	130	7,876
Capital increase	—	—	—	—	—
Allocation of earnings	—	—	130	(130)	—
Change of method (3)	—	—	(3)	—	(3)
Earnings for the period	—	—	—	96	96
As of December 31, 2024	263	7,560	51	96	7,969

(1) As of August 31, 2023, Air France-KLM completed the reverse share split of all outstanding shares of the Company and the capital reduction by reduction of the nominal value of each share, as decided by the Board of Directors at its meeting on 4 July 2023 and in accordance with the 36th and 37th extraordinary resolutions of the Combined General Meeting of 7 June 2023.

(2) Within the framework of the 34th and 35th resolutions of the Annual General Meeting of June 7, 2023, on October 23, 2023, the Air France-KLM group launched "Partners for the future", an employee share purchase plan offered to around 75,000 eligible employees in around 20 countries.

(3) Following a change in accounting method during the year, the company's retained earnings were reduced by €3 million as a result of the recognition of provisions for pension obligations existing at the start of the year. See Note 13.

Eligible employees were able to subscribe at a 30% discounted price with the benefit of a matching contribution from the Air France-KLM group. The proposed shares could not exceed 3% of Air France-KLM's share capital.

On December 21, 2023, following this operation, 5,716,256 new shares with a value of one euro each were issued, increasing the share capital from 257,053,613 euros to 262,769,869 euros.

13. Provisions for risks and charges

(in € million)	Notes	Beginning of year	Allocation	Reversal	End of Year
Provisions for exchange loss		—	9	—	9
Pension obligations	12.2	—	3	—	3
TOTAL		—	12	—	12

Pension and similar benefit obligations

The Company's obligations in respect of termination benefits are determined using the projected unit credit method, taking into account changes in legislation affecting retirement age.

For defined-benefit plans meeting the following three conditions:

- The definitive acquisition of benefits is conditional on presence in the company at the time of retirement;
- The amount of benefits depends on length of service;

- The amount of benefits is capped at a certain number of consecutive years of service with the company.

Provisions must be set up on a straight-line basis over the last years of the employee's career that gave rise to the acquisition of new rights.

Gains and losses arising from changes in actuarial assumptions are recognized immediately in the income statement.

14. Financial debt and other equity

(in € million)	Notes	December 31, 2024	December 31, 2023
OTHER EQUITY			
Perpetual subordinated loan	14.1	1,033	1,033
Interest on Perpetual subordinated loan	14.1	45	43
Total Other equity		1,078	1,076
NON-CURRENT FINANCIAL DEBT			
Bonds	14.2	2,078	2,381
Miscellaneous loans & debts		—	—
Total non-current debt		2,078	2,381
CURRENT FINANCIAL DEBT			
Bonds	14.2	515	800
Accrued interest		78	74
Total current debt		593	874
Total financial debt		2,671	3,255
TOTAL FINANCIAL DEBT AND OTHER EQUITY		3,749	4,331

14.1. Perpetual subordinated loan

Perpetual loan with the French State

The €3 billion direct loan granted by the French State to Air France via Air France-KLM at the end of May 2020, converted on April 20, 2021 into a Perpetual subordinated notes of the same nominal amount, consisting of three perpetual tranches with a nominal amount of €1 billion each, has been totally repaid. The tranches with a first call option at 4 and 5 years were redeemed in full. The tranche with a first redemption option at 6 years has been partially repaid in the amount of €405 million in 2022 and fully repaid in the amount of €595 million in 2023. The financial operations from the beginning were as follows:

The subordinated shareholder loan ("ACC"), initially granted by the French State to Air France-KLM, had the following main characteristics:

A total amount of €3 billion; a four-year term, with two consecutive one-year extension options exercisable by Air France-KLM; a coupon payable annually or

capitalizable at Air France-KLM's option at a rate equal to 12-month EURIBOR (zero rate) plus a margin of 7% for the first four years, 7.5% for the fifth and 7.75% for the sixth.

On April 20, 2021, the French State subscribed to €3 billion of Subordinated Notes (TSS 2021) by way of set-off against the shareholder Loan Receivable ("ACC").

On June 16, 2022, the TSS 2021 was partially repaid in the amount of €1,630 billion following a capital increase.

On July 29, 2022, the TSS 2021 was partially repaid for an amount of €487 million following a refinancing of the maintenance spare parts inventory.

On December 9, 2022, the TSS 2021 was partially repaid in the amount of €287 million following the issue of hybrid convertible bonds ("HCB"). At the closing 2022, the outstanding amount of the TSS was €595 million.

On March 17, 2023, the TSS 2021 was partially repaid in the amount of €300 million following the issuance of a first tranche of a new Subordinated Notes (TSS 2023) qualified

as compensatory aid for Air France for the damage suffered as a result of Covid-19 between March 17 and June 30, 2020. These new €320 million unconstrained subordinated notes carry similar financial conditions to those redeemed on the same day, with a deferred call date and interest rate increase of a further two years (i.e. March 2029).

On April 19, 2023, the TSS 2021 was fully repaid in the amount of €295 million following the issuance of the second tranche of the new Subordinated Notes (TSS 2023) issued for an amount of €407 million.

At the closing 2024, the outstanding amount of the TSS 2023 was €728 million.

Deeply subordinated undated bonds convertible into new shares and/or exchangeable for existing shares

On November 23, 2022, Air France-KLM launches an offering of deeply subordinated undated bonds convertible into new shares and/or exchangeable for existing shares for a nominal amount of €305 million (HCB) within the limits of a maximum number of 200 million underlying shares. The offering has been conducted by way of a placement to qualified investors only. Net Proceeds of the offering were fully allocated to the repayment of the perpetual bonds held by the French State, issued in April 2021.

At the closing 2024, the outstanding amount of the HCB was €305 million.

14.2. Bonds

Bond	Issuing date	Amount issued (in millions)	Closing outstanding in euros (in millions)	Maturity date	Coupon
\$ Bond issued in 2016 ⁽¹⁾	15 Dec 2016	\$ 145	€ 146	15 Dec 2026	4.350%
€ OCEANE Bond in 2019	25 Mar 2019	€ 500	€—	25 Mar 2026	0.125%
€ Bond in 2020	16 Jan 2020	€ 750	€ 515	16 Jan 2025	1.875%
€ Bond in 2021	01 Jul 2021	€ 300	€—	01 Jul 2024	3.000%
€ Bond in 2021	01 Jul 2021	€ 500	€ 282	01 Jul 2026	3.875%
€ Bond in 2023	16 Jan 2023	€ 500	€ 500	31 May 2026	7.250%
€ Bond in 2023	16 Jan 2023	€ 500	€ 500	31 May 2028	8.125%
€ Bond in 2024	23 May 2024	€ 650	€ 650	23 May 2029	4.625%
Total			€ 2 593		
<i>Of which current</i>			€ 515		
<i>Of which non-current</i>			€ 2 078		

(1) Issuance bonds with Asian institutional investors by way of unlisted private placement.

On December 15, 2016, Air France-KLM issued -fully hedged- USD145 million senior notes by way of unlisted private placement to Asian institutional investors. Maturity is December 15, 2026 and annual coupon arises 4.35%. This loan is the object of a complete cover. (see Note 18.).

On March 25, 2019, Air France-KLM issued a bond in the form of a bonds convertible into and/or exchangeable for new or existing shares (OCEANE) of €500 million with a 7-year maturity. The coupon rate is 0.125%. Repayment at par, plus accrued interest, has been possible on March 25, 2024 at the request of the bond holders. Air France-KLM could enforce the cash reimbursement of these bonds by exercising a call option running from April 15, 2022 if the share price exceeds 130% of the nominal, i.e. €23.29, encouraging OCEANE bond holders to convert their bonds into Air France-KLM shares. On March 25, 2024, at the request of the bondholders, Air France-KLM redeemed €452 million out of the 500 million euros worth of bonds convertible into new shares and/or exchangeable for existing shares which were due on March 25, 2026. The remaining bonds in circulation for an amount of €48 million were redeemed in cash on May 10, 2024 following the exercise of the early redemption option by the bond issuer in accordance with the conditions set out in the OCEANE 2026 Regulations. Following these two transactions, no OCEANE bonds were outstanding at December 31, 2024.

On January 16, 2020, Air France-KLM issued a 5-year, €750 million bond. The coupon is 1.875%. A partial redemption of the bonds was carried out on May 24, 2024 for €234.8 million. At December 31, 2024, the outstanding bond to be repaid are €515.2 million.

On July 01, 2021, Air France-KLM issued an €800 million bond in two tranches, the first of €300 million with a 3-year maturity and a coupon of 3%, and the second of €500 million with a 5-year maturity and a coupon of 3.875%. Of the €500 million tranche, €217.9 million were partially redeemed on May 24, 2024. At December 31, 2024, the outstanding bond to be repaid are €282.1 million on this tranche. On July 01, 2024, the €300 million tranche was fully reimbursed.

On January 16, 2023, Air France-KLM issued an €1 billion bond in two tranches, the first of €500 million with a 3.5-year maturity and a coupon of 7.25%, and the second of €500 million with a 5.5-year maturity and a coupon of 8.125%.

On May 23, 2024 Air France-KLM has made the issuance of new notes for a total principal amount of €650 million with a 5-year maturity and bearing coupon at an annual rate of 4.265% under its Euro Medium Term Notes Program.

15. Maturity of receivables and debt

December 31, 2024

(in € millions)

Receivables	Gross amount	Up to one year	More than one year	Related companies
NON-CURRENT ASSETS				
Loans and receivables related to long-term investment (Note 10.3)	2,186	119	2,067	2,186
CURRENT ASSETS				
Trade receivables and related accounts	48	48	–	48
Other receivables (including tax receivables)	139	139	–	139
TOTAL	2,373	306	2,067	2,373

December 31, 2024

(in € millions)

Debt	Gross amount	Up to one year	More than one year	Related companies
Financial debt (Note 14)	2,671	78	2,593	–
Trade payables and related accounts	29	29	–	18
Tax and social debts	13	13	–	–
Other liabilities ⁽¹⁾	31	31	–	31
TOTAL	2,744	151	2,593	49

(1) Other liabilities comprise, mainly, outstanding capital payments for subsidiaries of Air France-KLM.

16. List of subsidiaries and equity investments

Companies or Groups of companies <i>(in € millions)</i>	Share of capital held	Carrying amount of shares held		Loans & advances granted and not reimbursed	Amount of security and guarantees given	Revenues (excl. tax) for financial year	Net profit or loss for financial year	Dividends booked during financial year
		Gross	Net					
Detailed information about individual investment whose gross value exceeds €15 million								
SUBSIDIARIES (HELD AT MORE THAN 50%)								
Société Air France (France) ⁽¹⁾	100 %	6,492	6,492	2,116	23	17,469	988	–
KLM (Netherlands) ⁽¹⁾	99.7 %	824	824	–	–	11,392	69	–
Flying Blue Miles ⁽¹⁾	98 %	356	356	–	–	815	84	–
Air France-KLM Finance ⁽¹⁾	100 %	52	12	35	–	–	(18)	–

(1) Statutory financial statements at December 31, 2024.

17. Items concerning related companies

As of December 31, 2024

(in € millions)

			Amount
Trade receivables & related accounts related to long term investment	Of which:	Air France	2,116
		Air France-KLM Finance	35
		SAS	34
Trade receivables & related accounts	Of which:	Air France	19
		KLM	27
Other receivables	Of which:	Air France	68
		Flying Blue Miles	33
		Blue Link International	2
		ACAM	8
Trade payable and related accounts	Of which:	Air France	9
		KLM	9
Other payables	Of which:	Air France- tax consolidation current account	–
		Other members of the tax group	1
		Unpaid instalments on equity - BlueTeam XII	9
		Unpaid instalments on equity - Air France-KLM Finance	21

18. Commitments

KLM shares

During the business combination of the Air France and KLM groups, the Dutch government undertook to reduce its stake in KLM proportionally to any reduction by the French government of its stake in Air France-KLM's capital. To this end, the Dutch government had to sell its cumulative preferred shares to Air France-KLM or to a Dutch foundation in the name of and on behalf of Air France-KLM, if the transfer had occurred during the first three years following the business combination.

In the latter case, the foundation would have issue, to the benefit of Air France-KLM, share certificates corresponding to the cumulative A preferred shares transferred to the foundation. These share certificates would have conferred to Air France-KLM all of the economic rights attached to the said shares, the voting rights attached to the said shares being exercised by the foundation until Air France exchanges the share certificates against the said shares.

At the end of the initial three-year period, Air France-KLM had the option to exchange the share certificates against the cumulative A preferred shares, which it could hold directly. As Air France-KLM decided in 2007 to maintain SAK I and SAK II foundations, Air France-KLM did not carry out this exchange. Furthermore, Air France-KLM can decide to dissolve the foundations at any time and at its sole discretion.

Moreover, the Dutch government has the right to sell to Air France-KLM at any time as many cumulative A preferred shares as it wants.

After the sale of 5,103,885 shares to Air France-KLM in April 2005 for €11.6 million, the acquisition price of the 3,708,615 cumulative A preferred shares still held by the Dutch government amounts to €8.4 million (i.e. a unit price of €2.27 per cumulative A preferred share, which has to be paid pro rata during any sale or transfer under the conditions above).

Hedges

The December 18, 2016, \$145 million bond is fully hedged by a cross currency swap. As of December 31, 2023, the fair value of this derivative instrument is €(5) million.

Other

Since January 2009, Air France-KLM has acted as a guarantor for Air France Company within the framework of its commitments to Aéroport de Paris in respect of civil leases. This guarantee has been renewed in July 2014, in September 2019 and more recently on September 27, 2024 for a period of 5 years. The guarantee is now expressly limited to €23 million (and, cumulatively, at a maximum of 3 months' rent per contract).

Air France-KLM guarantees the payment by Transavia Holland to a lessor, of outstanding operational leases until 2028 for an amount of \$104 million at December 31, 2023.

Commitments given subject to variable conditions and not valued

In the context of the acquisition of SAS AB (see Note 4.1 "Significant events occurring during the period"), specific provisions have been agreed upon between the members of the Consortium, whereby Air France-KLM's stake could be increased such that Air France-KLM may become a controlling shareholder, after a minimum of two years, subject to among other things, certain regulatory conditions and financial performance.

19. Litigation

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 was issued on September 5, 2024 and proposed to the Court to dismiss the appeal and final judgement of the European Court of Justice is expected to be issued in 2025. As of December 31, 2024, the Group has maintained a provision of €365 million covering the total amount of these fines (and including interests).

Those provisions are booked by each airlines and do not have any impact in the financial statements of Air France-KLM.

20. 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, with respect to some cases the Group is not in a position at this stage in these procedures, to give a reliable 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 our legal position procedures.

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

Following the initiation of various investigations by the competition authorities in 2006 and the European Commission decision in 2010, several collective and individual actions were brought by forwarders and 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.

Litigations on State Aid

In 2020, the implementation of the measures to reinforce the Group's liquidity (i.e. (i) for Air France, 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) for KLM, 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 provision by Air France of landing and take-off slots to a designated third-party carrier at Orly airport.

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

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

It shall be borne in mind that, in the course of 2022 and 2023 and pursuant to the applicable legal framework, the Group repaid in full the aforementioned Covid-19 liquidity and recapitalization State aid for, which were subject to the aforementioned commitments and constraints (commitments, behavioral measures, application of interest). As a result, the Air France-KLM holding company, Air France and KLM are therefore fully released from the aforementioned undertakings and constraints which had been linked to this Covid-19 recapitalization

aid. The potential indirect consequences of the annulment of the approval of state aid (subject to the possible success of the aforementioned appeals) could include a request for the recovery of unreimbursed benefits by the French authorities, in some cases limited to illegality interest only.

The European Commission, re-approved on July 10, 2024, the Group's liquidity support measures in a single decision confirming their compatibility with Union law. This new decision has no impact on the aforementioned appeals.

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

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

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

Except as indicated in 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.