

Statutory Financial Statements

January 1st, 2025 – December 31st, 2025

5.5 STATUTORY FINANCIAL STATEMENTS

5.5.1 INCOME STATEMENT

<i>(in € millions)</i>	Notes	2025	2024
Operating Income			
Production Sold (Services)		5	3
Net Revenue		5	3
Other Income		79	80
Total Operating Income	4	84	83
Operating Expenses			
Other Purchases and External Expenses ⁽¹⁾	5	(53)	(59)
Taxes, Duties, and Similar Payments		(3)	(2)
Wages	6	(16)	(14)
Social Security Contributions		(7)	(7)
Other Expenses		(2)	(2)
Depreciation and Amortization:		-	-
On Fixed Assets: Depreciation Expense		-	-
Provisions		-	-
Total Operating Expenses		(81)	(84)
NET OPERATING INCOME		3	(1)
Share of Profit on Joint Ventures:		-	-
Profit Attributed or Loss Transferred		-	-
Loss Incurred or Profit Transferred		-	-
Financial Income			
Investment Income ⁽²⁾		16	-
Other Securities and Receivables from Fixed Assets ⁽²⁾		153	160
Other Interest and Similar Income ⁽²⁾		16	30
Net Gains on Sale of Marketable Securities and Treasury Instruments		13	30
Total financial income		198	220
Financial expenses			
Depreciation, amortization, and provisions		(4)	(20)
Interest and similar expenses ⁽³⁾		(240)	(209)
Negative exchange rate differences		6	(9)
Total financial expenses		(238)	(238)
NET FINANCIAL INCOME	7	(40)	(18)
EARNINGS BEFORE TAX AND NON-RECURRING ITEMS			
		(37)	(19)
Non-recurring income		-	-
Non-recurring expense		-	(1)
NET NON-RECURRING INCOME		-	(1)
Employee profit-sharing		-	-
Income tax	8	167	116
Total income		282	303
Total expense		(319)	323
PROFIT OR LOSS		130	96
⁽¹⁾ Including			
Equipment lease payments		-	-
Real estate lease payments		-	-
⁽²⁾ Of which income relating to related entities		83	67
⁽³⁾ Of which interest relating to related entities		(15)	-

5. FINANCIAL REPORT

5.5.2 BALANCE SHEET

Assets	Notes	December 31, 2025			December 31,
		Gross	Depreciation	Net	2024 Net
Intangible fixed assets					
Tangible fixed assets					
Other tangible fixed assets		3	1	2	1
Tangible fixed assets under construction, advances and down payments		–	–	–	–
Financial fixed assets ⁽¹⁾					
Equity investments		8,886	42	8,844	7,801
Receivables related to investments		1,854	4	1,850	2,152
Loans		30	–	30	34
Other financial long-term investments		2	–	2	2
Total Fixed assets	9	10,775	(47)	10,728	9,991
⁽¹⁾ Of which less than one year old		581		581	84
Inventories and work in progress					
		–	–	–	–
Receivables ⁽²⁾					
Trade receivables and related accounts	14	53	–	53	48
Other receivables	14	226	–	226	139
Prepaid expenses		1	–	1	4
Marketable securities					
Treasury shares		–	–	–	–
Other securities	10	1,644	(355)	1,289	950
Cash and cash equivalents		681	–	681	652
Total Current assets		2,605	(355)	2,250	1,793
Issue costs		10	–	10	6
Bond redemption premium		9	–	9	7
Exchange differences and valuation differences - Assets		2	–	2	9
TOTAL ASSETS		13,402	(402)	13,000	11,806
⁽²⁾ Of which less than of one year		280	–	280	191

Liabilities & equity

<i>(in € millions)</i>	Notes	December 31, 2025	December 31, 2024
Capital		263	263
Additional paid-in capital		7,560	7,560
Reserves			
Legal reserve		70	70
Regulated reserves		1	1
Retained earnings		75	(20)
Profit/(Loss) for the year		130	96
Total Equity	11	8,099	7,970
Other equity		1,281	1,078
Total Other equity	13	1,281	1,078
Provisions for liabilities		3	9
Provisions for expenses		3	3
Total Provisions	12	6	12
Financial debts	13	2,633	2,671
Other loans and financial debts ⁽²⁾		-	-
Trade payables and related accounts	14	37	29
Tax and social debts	14	20	13
Liabilities on fixed assets and related accounts	14	10	30
Other liabilities	14	900	1
Deferred income		-	-
Total Liabilities⁽¹⁾	14	3,600	2,744
Exchange differences and valuation differences - Liabilities		14	2
TOTAL LIABILITIES & EQUITY		13,000	11,806
(1) Of which are due within one year (excluding advances and down payments received on orders)		1,041	636
(2) Of which participating loans		-	-

5.5.3 NOTES

The following information constitutes the notes to the financial statements for the year ended December 31, 2025. 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

Air France-KLM has applied ANC Regulation No. 2022-06 on the modernisation of financial statements, approved on December 30, 2023, amending the PCG and applicable starting January 1, 2025. The accounts closed on December 31, 2025 are prepared and presented in accordance with the provisions of this regulation. The accounts for the financial year ended December 31, 2024 have not been restated retrospectively in accordance with the new rules, but reclassifications and regroupings have been made in the comparative column '31-12-2024', between balance sheet or income statement lines, to comply with the new format of the financial statements.

Due to the elimination of the charge transfer technique as of January 1, 2025, transactions previously recognised under 'Operating income' are now recognised under 'Personnel expenses'. If this presentation had been applied in 2024, it would not have had a significant impact on the presentation of the income statement.

As of January 1, 2025, in accordance with Article 513-5 of the PCC, the definition of non-recurring income has changed. This change results in the reclassification of transactions previously recognised in non-recurring income to operating income. If this presentation had been applied in 2024, it would not have had a significant impact on the presentation of the income statement.

The balance sheet and income statement for the financial year ended December 31, 2024, as approved and published, are reproduced in Note 20.

ANC Regulation No. 2025-02, approved on July 31, 2025, amends the PCG and applies to the 2025 financial year. It introduces provisions relating to the exceptional contribution on profits and the tax on capital reductions through share cancellations introduced by the Finance Act for 2025 (Articles 48 and 95 of Act No. 2025-127 of February 14, 2025).

The exceptional contribution on profits is recorded according to the same rules as the income tax for the financial year in question. No impact on the entity for 2025.

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.

No significant reclassifications were noted during the financial year.

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 prorata 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

Issue of €500 million of hybrid bonds

Air France-KLM has placed €500 million of hybrid bonds on 15 May 2025, with a fixed annual coupon of 5.75% (yield of 5.875%) until the first reset date, on August 21, 2030.

Extension of revolving credit facilities (“RCF”) linked to ESG KPIs

Air France-KLM and 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 had 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.

This last extension option was exercised in June 2025, bringing the maturity date to 2029.

Process for acquiring a majority stake in SAS

Air France-KLM Group initiated proceedings to take a majority stake in SAS. The Group currently holds a 19.9% stake in the Scandinavian carrier and since the summer of 2024, it has implemented a commercial cooperation between SAS, Air France and KLM in the form of extended codeshare and interline agreements, further strengthened by SAS joining the SkyTeam alliance.

Provided all the necessary conditions are met, Air France-KLM would fully acquire the stakes held by Castlake and Lind Invest, bringing its own stake to 60.5%. The Danish State would retain its 26.4% stake in SAS and its seats on the Board of Directors.

Subject to the obtaining of all the necessary regulatory clearances and satisfaction of all conditions precedents, the ambition is to close in the second half of 2026.

The acquisition of this majority stake would give Air France-KLM control of SAS, which would become a subsidiary of the Air France-KLM Group. The Group would hold the majority of seats on the airline's Board of Directors.

Air France-KLM and SAS remain for now commercial competitors.

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Implementation of a Liquidity Contract

Air France-KLM implemented as of August 1, 2025 a liquidity contract on its own ordinary shares with an initial term of 12 months and renewed automatically for successive 12-month periods.

The purpose of this agreement is for Rothschild Martin Maurel to act as a market maker for Air France-KLM shares on the regulated market of Euronext Paris to promote the liquidity of transactions and the regularity of the listing of Air France-KLM shares.

To implement this contract, €10 million have been allocated to the liquidity account.

Issuance of €500 million of bonds

Air France-KLM has placed €500 million of senior unsecured bonds on August 28, 2025, with a maturity of 5 years and a coupon of 3.75% (yield of 3.866%) under its EMTN program.

The cash inflow occurred on September 4, 2025.

Redemption of the 2022 last-rank indefinite subordinated bond convertible into new shares and/or existing shares for a nominal amount of €305 million

On October 15, Air France-KLM Group notified the holders of last-rank indefinite subordinated bond convertible into new shares and/or existing shares its intention to redeem all of the outstanding hybrid Bonds from the First Hard Call Date at a price per hybrid Bonds equal to par (€100,000) plus accrued interest of 1,625 euro.

The payment occurred on Monday 24 November 2025 for a nominal value of €305 million to which were added €4,9 millions of accrued interest.

Acquisition of a 2.3% Stake in the Capital of Airline WestJet

On October 22, 2025, Air France-KLM finalized the acquisition of a 2.3% stake in the capital of Canadian airline WestJet for a total amount of \$49 million. This transaction, initially announced on May 9, 2025, remained subject to certain approvals.

Air France-KLM purchased this stake from its joint venture partner Delta Air Lines, which acquired a minority stake of 15% in WestJet as part of a separate transaction also finalized on October 22 (which also included Korean Air's acquisition of a 10% stake in WestJet).

The stakes acquired by the three airlines thus represent a total of 25% of WestJet's capital (with 12.7% for Delta Air Lines, 10% for Korean Air, and 2.3% for Air France-KLM), sold by funds and co-investors affiliated with Onex Partners.

3.2. Subsequent events

Issuance of €650 million of bonds within the EMTN program

Air France-KLM has placed €650 million of senior unsecured bonds on January 8, 2026, with a maturity of 5 years and a fixed annual coupon of 3.875% (yield of 4.033%) under its EMTN program.

4. Operating income

<i>(in € millions)</i>	2025	2024
Management fees	56	55
<i>Of which: Air France</i>	31	34
<i>Of which: KLM</i>	24	21
<i>Of which Flying Blue Miles</i>	1	—
Royalties	23	23
<i>Of which: Air France</i>	14	14
<i>Of which: KLM</i>	9	9
Other operative income	5	4
TOTAL	84	82

5. External expenses

<i>(in € millions)</i>	2025	2024
Fees and surveys	18	24
Insurance	2	2
Sub-Contracting and rent re-invoiced by Air France and KLM	27	27
Financial communication	1	1
Other	5	5
TOTAL	53	59

Subcontracting expenses include expenses relating to the provision of Air France and KLM personnel. During the financial year 2025, the teams assigned to Air France-KLM holding company represent 97.7 Full Time Equivalent seconded from Air France and 21.3 full-time equivalent seconded from KLM.

6. Compensation of company's corporate officers

For the 2025 financial year, the company's workforce is classified as follows:

Average number of employees during the year	2025
Workers	-
Employees, technicians, supervisors	-
Managers and engineers	35,3
Total	35,3

The remuneration recorded as period expenses for the Chief Executive Officer amounts to €4.25 million in 2025 compared to €3.47 million in 2024. The compensation of the non-executives Chairwomen of the Board of Directors amounts to €0.35 million in 2025.

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 breakdown is as follows.

<i>(in € millions)</i>	Notes	2025	2024
Interest on loans & other financial expenses		(240)	(209)
Including interest on bonds	13.2	(135)	(133)
Including interest on perpetual subordinated securities	13.1	(90)	(75)
Including current account interest within the group		(15)	-
Including other		-	(1)
Dividends		16	-
Interest on loans		142	143
Including related companies		142	143
Other financial income		40	77
Including related companies		-	-
Including income from financial investments		40	77
Provisions movements		2	(29)
Including other provisions movements		4	(12)
Including provisions movement on Air France-KLM Finance securities		(2)	(17)
TOTAL		(40)	(18)

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8. Income tax

Air France-KLM has benefited from the tax consolidation regime since April 1, 2002. The scope of tax consolidation, of which it is the parent company, primarily includes Air France, HOP!, and Transavia France. The tax consolidation agreement is based on the neutrality method and places each company within the tax

group in the position it would have been in had it not been consolidated.

As of the end of 2025, Air France-KLM has a tax loss carryforward of €1,057 million. The Group's tax losses, which can be carried forward indefinitely, amount to €14,213 million.

Income tax

<i>(in € millions)</i>	2025	2024
Income tax received from consolidated subsidiaries	238	118
Income tax of the tax group	(68)	–
Other ⁽¹⁾	(3)	(2)
TOTAL	167	116

⁽¹⁾ Loss of charitable donation tax credit

At the end of 2025, Air France-KLM has a stock of tax credits amounting to 17 million euros.

Tax credit

<i>(in € millions)</i>	2025
Charitable donation tax credit	8
Research tax credit	9
Family tax credit	–
TOTAL	17

9. Table of fixed assets, amortization and depreciation

Schedule of Fixed Assets - General Framework

<i>(in € millions)</i>	Gross amount at the beginning of the fiscal year	Allocation	Reversal	Gross amount at the end of the financial year
Intangible fixed assets	–	–	–	–
Tangible fixed assets	2	1	–	3
Other tangible fixed assets	2	1	–	3
Financial fixed assets	10,033	1,051	312	10,772
Equity investments	7,841	1,045	–	8,886
Loans & receivables related to long term investment	2,156	6	308	1,854
Loans	34	–	4	30
Other financial long-term investments	2	–	–	2
TOTAL	10,035	1,052	312	10,775

Depreciation Schedule - General Framework

Sections and movements	Duration of use	Depreciation method	Accumulated depreciation at the beginning of the fiscal year	Increases: Allocations for the fiscal year	Decreases	Accumulated depreciation at the end of the fiscal year
Intangible assets						
Tangible assets						
Other tangible assets	3 à 10 ans	Linéaire	1	–		1
Financial assets						

Depreciation Schedule

<i>(in € millions)</i>	Depreciation at the beginning of the fiscal year	Increases: allocations for the financial year	Decreases: resumption of the exercise	Depreciation at year-end
Intangible Assets	–	–	–	–
Tangible Assets	1	–	–	1
Financial Assets	–	–	–	–
Investments	40	2	–	42
Receivables Related to Investments	4	–	–	4
Inventories and Work in Progress	–	–	–	–
Receivables	–	–	–	–
TOTAL	45	2	–	47

10. Marketable securities

<i>(in € millions)</i>	December 31, 2025	December 31, 2024
GROSS VALUE		
Mutual funds, certificates of deposit & marketable term notes ⁽¹⁾	1,289	950
Securities Compagnia Aerea Italiana	355	355
Total Gross value	1,644	1,305
DEPRECIATION		
Securities Compagnia Aerea Italiana	(355)	(355)
Total Depreciation	(355)	(355)
NET TOTAL	1,289	950

(1) All marketable securities are less than three months.

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

11. Shareholders' equity

11.1. 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:

	In number of shares		As a percentage of the capital		As a percentage of voting rights	
	2025	2024	2025	2024	2025	2024
As of December 31, 2025						
French State	73,520,630	73,520,630	28.0	28.0	28.9	27.5
Dutch State	24,000,000	24,000,000	9.1	9.1	12.8	13.3
CMA CGM	23,134,825	23,134,825	8.8	8.8	12.3	12.8
China Eastern Airlines	12,023,544	12,023,544	4.6	4.6	6.4	6.7
Employees and former employees	7,797,528	8,101,493	3.0	3.1	4.2	3.0
Delta Air Lines	7,340,118	7,340,118	2.8	2.8	3.9	4.1
SPAACK (1)	2,241,065	2,241,065	0.9	0.9	1.2	1.2
Shares held by the group	148,204	111,642	–	–	–	–
Public	112,563,955	112,296,552	42.8	42.7	30.3	31.4
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). As of December 31, 2025, all securities have been issued and paid up.

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11.2. Statement of changes in shareholders' equity

<i>(in € millions)</i>	Capital	Additional paid-in capital	Reserves	Earnings for the year	Shareholders' equity
As of December 31, 2023	263	7,560	(76)	130	7,876
Allocation of earnings	–	–	130	(130)	–
Change of method ⁽¹⁾	–	–	(3)	–	(3)
Earnings for the period	–	–	–	96	96
As of December 31, 2024	263	7,560	51	96	7,969
Allocation of earnings	–	–	96	(96)	–
Earnings for the period	–	–	–	130	130
As of December 31, 2025	263	7,560	147	130	8,099

(1) 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.

12. Provisions for risks and charges

<i>(en millions d'euros)</i>	Beginning of year	Allocation	Reversal Used	Unused	End of Year
Provisions for risks	9	3	9	–	3
Provisions for expenses	3	–	–	–	3
<i>Including pension provisions</i>	3	–	–	–	3
TOTAL	12	3	9	–	6

Provision for risks

This refers to the unrealized exchange loss.

Provision for expenses

Retirement commitments and similar benefits

The Company's commitments for severance payments are determined using the projected credit unit method, taking into account legislative changes impacting the retirement age. For defined benefit plans that meet the following three conditions:

- the final acquisition of benefits is conditional upon being employed by the company at the time of retirement;
- the amount of benefits depends on seniority;
- the amount of benefits is capped at a certain number of consecutive years of service with the company.

Provisions must be established on a straight-line basis over the last years of the employee's career that resulted in the acquisition of new rights.

Gains and losses resulting from changes in actuarial assumptions are recognized immediately in profit or loss.

13. Financial debt and other equity

<i>(in € millions)</i>	Notes	December 31, 2025	December 31, 2024
OTHER EQUITY			
Perpetual subordinated loan	13.1	1,228	1,033
Interest on Perpetual subordinated loan	13.1	53	45
Total Other equity		1,281	1,078
NON-CURRENT FINANCIAL DEBT			
Bonds	13.2	1,650	2,078
Total non-current debt		1,650	2,078
CURRENT FINANCIAL DEBT			
Bonds	13.2	905	515
Accrued interest		78	78
Total current debt		983	593
Total financial debt		2,633	2,671
TOTAL FINANCIAL DEBT AND OTHER EQUITY		3,914	3,749

13.1. 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 four and five years were redeemed in full. The tranche with a first redemption option at six 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 2025, 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.

As of November 23, 2025, all of these bonds have been repaid.

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Hybrid bonds

On May 15, 2025, Air France-KLM successfully issued €500 million of hybrid bonds with a fixed annual coupon of 5.75% (yield of 5.875%) until the first reset date (the "Hybrid Bonds"). These perpetual, subordinated, senior-ranking Hybrid Bonds will be rated BB by Fitch and B+ by S&P, and will be recognized as

equity at 50% by both rating agencies. The net proceeds from the Hybrid Bond issuance will be used for the Company's general financing needs, including the potential refinancing of existing subordinated instruments within the Group. At the close of 2025, the outstanding amount of these Hybrid Bonds will be €500 million.

13.2. 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	€ 123	15 Dec 2026	4.350%
€ Bond in 2020	16 Jan 2020	€ 750	-	16 Jan 2025	1.875%
€ 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%
€ Bond in 2025	4 Sep 2025	€ 500	€ 500	4 Sep 2030	3.750%
TOTAL			€ 2 555		
Of which current			€ 905		
Of which non-current			€ 1 650		

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

On December 15, 2016, Air France-KLM issued fully-hedged US\$145 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 17).

On January 16, 2020, Air France-KLM issued a five-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. On January 16 2025, the outstanding balance has been repaid in full.

On July 1, 2021, Air France-KLM issued an €800 million bond in two tranches, the first of €300 million with a three-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 five-year maturity and bearing coupon at an annual rate of 4.265% under its Euro Medium Term Notes Program.

On September 4, 2025, Air France-KLM issued a €500 million bond with a five-year maturity bearing interest at a rate of 3.750% per annum under its Euro Medium Term Notes program.

14. Maturity of receivables and debt

Statement of receivables due dates at the end of the financial year

<i>(in € millions)</i>	As of December 31, 2025		
	Gross amount	Deadline: one year at most	Deadline in more than a year
Fixed asset receivables			
Receivables related to equity securities	1,854	622	1,262
Loans	30		30
Current asset receivables			
Accounts receivable and related accounts	53	53	–
Other receivables (including receivables from the Treasury)	226	226	–
Prepaid expenses	1	1	–
TOTAL	2,164	902	1,262

Statement of Debt Maturities at Year-End

<i>(in € millions)</i>	As of December 31, 2025		
	Gross amount	Deadline: one year at most	Deadline in more than a year
Loans and Similar debts	2,633	78	2,555
Accounts Payable and Related Accounts	37	37	–
Tax and Social Security Liabilities	20	20	–
Liabilities on Fixed Assets and Related Accounts ⁽¹⁾	10	10	–
Other Liabilities ⁽²⁾	900	900	–
TOTAL	3,600	1,045	2,555

(1) Debts on fixed assets and related accounts consist solely of outstanding capital payments for Air France-KLM subsidiaries.

(2) The other debts correspond entirely to the cash pooling agreement signed with Flying Blue Miles.

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15. List of subsidiaries and equity investments

As of December 31, 2025	Equity	Share of capital held (in %)	Book value of securities held		Net amount of loans and advances granted	Amount of commitments made	Revenue excluding VAT for the last financial year	Results of the last completed financial year	Dividends received during the fiscal year
			Gross	Net					
<i>(in € millions)</i>									
Information concerning subsidiaries (over 50% of the share capital held by the company)									
Air France	1,291	100 %	7,492	7,492	1,728	23	18,274	857	–
KLM	1,192	99,7%	824	824	–	–	11,798	283	16
Air France-KLM Finance	6	100 %	52	10	35	–	–	(2)	–
Transavia Company	4	100 %	4	4	–	89	5	–	–
Flying Blue Miles	502	98 %	356	356	–	–	887	106	–
BlueTeam XII	58	100 %	57	57	–	–	–	–	–
Air France KLM International Mobility			–	–	–	–			–
Bigblank			–	–	4	–			–
BlueTeam V			–	–	–	–			–
BlueTeam VIII			–	–	6	–			–
BlueTeam XIV			–	–	–	–			–
Total subsidiaries			8,785	8,743	1,773	112			16
Information concerning investments (over 10% to 50% of the share capital held by the company)									
SAS			101	101	–	–			–
Total investments			101	101	–	–			–
TOTAL SUBSIDIARIES AND INVESTMENTS			8,886	8,844	1,773	112			16

16. Items concerning related companies

As of December 31, 2025

(in € millions)

			Montant
Trade receivables & related accounts related to long term investment	Of which:	Air France	1,728
		KLM	–
		Air France-KLM Finance	35
		SAS	34
		BlueTeam VIII	6
Trade receivables & related accounts	Of which:	Air France	–
		KLM	21
		Bigblank	1
Other receivables	Of which:	Air France	150
		KLM	–
		Flying Blue Miles	3
		Blue Link International	2
		ACAM	11
		Air France Brand House	29
Trade payable and related accounts	Of which:	Air France	6
		KLM	9
Other payables	Of which:	Air France- tax consolidation current account	–
		Other members of the tax group	–
		Unpaid instalments on equity - BlueTeam XII	10

17. 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 15, 2016, \$145 million bond (see Note 13.2. "Bonds") is fully hedged by a cross currency swap. As of December 31, 2025, the fair value of this derivative instrument is €(13) million.

Strengthened Stake in SAS AB

Air France-KLM has begun a process aimed at taking a majority stake in the capital of SAS. The Group currently holds 19.9% of the Scandinavian airline's capital and, in the summer of 2024, initiated a commercial cooperation between Air France, KLM, and SAS, based on expanded code-sharing and interline marketing agreements. This cooperation has been strengthened by SAS joining the SkyTeam alliance.

Subject to the fulfillment of all required conditions, Air France-KLM would proceed to acquire all shares held by Castlelake and Lind Invest, thus increasing its own stake in SAS to 60.5%. The Danish State would retain its 26.4% stake as well as its seats on the Board of Directors (see Note 3.1 "Significant events occurring during the period").

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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 five 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, 2025.

18. 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 some antitrust authorities around the world, 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 General Court decision in March 2022 confirmed the fines against Air France-KLM Group companies. The Group companies lodged appeals to the European Union Court of Justice and hearings were held before the European Court of Justice in 2024. In its opinion on September 2024, the Advocate General proposed to the court to dismiss the appeals. Final judgment of the European Court of Justice will be rendered on February 26, 2026. As of June 30, 2025, the Group has maintained a provision of €366 million covering the total amount of these fines (and including interests).

19. 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 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 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.

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), this latter decision having been replaced, after annulment for failure to state reasons, by a decision dated July 16, 2021).

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 Covid-19 State Aid, 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 judgment of the Tribunal, should have been the Group. 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 should be noted 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 including the recapitalization State aid, 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, since April 2023, from the aforementioned undertakings and constraints which had been linked to this Covid-19 recapitalization aid.

The European Commission, re-approved on July 10, 2024, the Group's liquidity support measures in a single decision, addressed to the French and Dutch States, confirming their compatibility with Union law. This decision was challenged again before the General Court of the European Union by Ryanair on April 14, 2025. Air France-KLM, Air France and KLM intervened, alongside the French and Dutch governments, in support of the European Commission's defense. The Court of Justice of the European Union has yet to rule on this appeal.

Moreover, 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, the Group was informed that Ryanair had filed an appeal before the Paris Administrative Court against the French State following the aforementioned 2023 and 2024 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. On July 3, 2025, Air France-KLM and Air France joined as parties to defend this action with the French State. They oppose any recovery, especially given that the States complied with the rules by notifying the aid and implementing it following the Commission's approval. The proceeding is ongoing.

In April 2025, the Group was also informed of similar proceedings brought by Ryanair against the Dutch authorities concerning the decision on aid granted to KLM in 2020. The Dutch Ministry of Finance dismissed this appeal, which is now being contested before the Administrative Court of The Hague. The proceeding is ongoing.

In view of the aforementioned new approval in July 2024 as regards the liquidity aid, these appeals could give rise only to the payment of so-called "illegality interest" for the period between the granting of this aid and its new approval in July 2024 (the principal amount of liquidity aid no longer being subject to any recovery), subject to the outcome of a forthcoming judgment of the General Court of the European Union on Ryanair's new appeal of April 2025 against this July 2024 decision. In respect of recapitalization measures, a recovery of an amount to be determined could be added to the amounts already reimbursed.

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 18. and 19., 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.

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20. 2024 Primary financial statements

20.1. Profit and Loss Statement

(en millions d'euros)

Year ending
December 31, 2024

Operating income	83
External expenses	(59)
Salaries and related costs	(23)
Other operating expenses	(2)
Operating expenses	(84)
Net operating income	(1)
Financial income	220
Financial expenses	(238)
Net financial income	(18)
Earnings before tax and non-recurring items	(19)
Non-recurring income	–
Non-recurring expenses	(1)
Net non-recurring income	(1)
Income tax	116
NET INCOME/(LOSS)	96

20.2. Balance Sheet

Assets

(in € millions)

	December 31, 2024
Tangibles fixed assets	2
Equity investments	7,801
Loans & receivables related to long-term investment	2,186
Other financial long-term investments	2
Fixed assets	9,991
Trade receivables	48
Other receivables	139
Marketable securities	950
Cash and cash equivalent	652
Prepaid expenses	4
Current assets	1,793
Issue costs	6
Bond redemption premium	7
Unrealized foreign exchange loss	9
TOTAL ASSETS	11,806

Liabilities & equity

(in € millions)

	December 31, 2024
Capital	263
Additional paid-in capital	7,560
Legal reserve	70
Regulated reserves	1
Retained earning	(20)
Profit/(Loss) for the year	96
Shareholder's equity	7,970
Other equity	1,078
Provision for risks & liabilities	12
Financial debts	2,671
Trade payables and related accounts	29
Tax and social debts	13
Other liabilities	31
Liabilities	2,744
Unrealized foreign exchange gain	2
TOTAL LIABILITIES & EQUITY	11,806