

# AIR FRANCE-KLM GROUP

## Interim consolidated financial information (unaudited)

January 1<sup>st</sup>, 2024 – September 30, 2024

Prepared in accordance with International Financial Reporting  
Standards ("IFRS") as adopted by the European Commission  
for use in the European Union

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## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated income statement

Period from January 1 to September 30

(in € millions)

	Notes	2024	2023
<b>Revenues from ordinary activities</b>		<b>23,582</b>	<b>22,612</b>
External expenses	5	(14,376)	(13,371)
Salaries and related costs	6	(6,997)	(6,311)
Taxes other than income taxes		(137)	(133)
Other current operating income and expenses	7	1,169	810
<b>EBITDA</b>		<b>3,241</b>	<b>3,607</b>
Amortization, depreciation and provisions	8	(2,037)	(1,838)
<b>Income from current operations</b>		<b>1,204</b>	<b>1,769</b>
Sales of aircraft equipment	9	25	33
Other non-current income and expenses	9	(118)	11
<b>Income from operating activities</b>		<b>1,111</b>	<b>1,813</b>
Interests expenses	10	(471)	(443)
Income from cash and cash equivalents	10	236	176
<b>Net cost of financial debt</b>	<b>10</b>	<b>(235)</b>	<b>(267)</b>
Other financial income and expenses	10	(198)	(156)
<b>Income before tax of consolidated companies</b>		<b>678</b>	<b>1,390</b>
Income taxes	11	(181)	(176)
<b>Net income of consolidated companies</b>		<b>497</b>	<b>1,214</b>
Share of profits (losses) of associates		13	7
<b>Net income for the period</b>		<b>510</b>	<b>1,221</b>
Net income – Non-controlling interests		130	31
Net income – Group part		380	1,190
<b>Earnings per share – Equity holders of Air France-KLM (in euros)</b>			
■ basic	12	1.29	0.45
■ diluted	12	1.24	0.45

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

## Consolidated statement of recognized income and expenses

Period from January 1 to September 30

(in € millions)

	2024	2023
<b>Net income</b>	<b>510</b>	<b>1,221</b>
Effective portion of changes in fair value hedge and cost of hedging recognized directly in other comprehensive income	(135)	258
Change in fair value and cost of hedging transferred to profit or loss	(35)	(24)
Exchange difference resulting from the translation	2	3
Deferred tax on items of comprehensive income that will be reclassified to profit or loss	40	(59)
<b>Total of other comprehensive income that will be reclassified to profit or loss</b>	<b>(128)</b>	<b>178</b>
Remeasurements of defined benefit pension plans	106	72
Fair value of equity instruments revalued through OCI	(5)	(3)
Deferred tax on items of comprehensive income that will not be reclassified to profit or loss	(5)	(8)
<b>Total of other comprehensive income that will not be reclassified to profit or loss</b>	<b>96</b>	<b>61</b>
<b>Total of other comprehensive income, after tax</b>	<b>(32)</b>	<b>239</b>
<b>RECOGNIZED INCOME AND EXPENSES</b>	<b>478</b>	<b>1,460</b>
■ Equity holders of Air France-KLM	348	1,429
■ Non-controlling interests	130	31

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

## Consolidated balance sheet

### ASSETS

(in € millions)

	Notes	September 30, 2024	December 31, 2023
Goodwill		224	224
Intangible assets		1,132	1,128
Flight equipment		12,607	11,501
Other property, plant and equipment		1,500	1,431
Right-of-use assets		6,652	5,956
Investments in equity associates		240	129
Pension assets		85	45
Other non-current financial assets		1,290	1,262
Non-current derivative financial assets		115	148
Deferred tax assets	11	643	698
Other non-current assets		151	153
<b>Total non-current assets</b>		<b>24,639</b>	<b>22,675</b>
Other current financial assets		1,155	1,292
Current derivative financial assets		46	122
Inventories		948	853
Trade receivables		2,219	2,152
Other current assets		1,261	1,120
Cash and cash equivalents		4,553	6,194
Assets held for sale		77	82
<b>Total current assets</b>		<b>10,259</b>	<b>11,815</b>
<b>TOTAL ASSETS</b>		<b>34,898</b>	<b>34,490</b>

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

## Consolidated balance sheet (continuation)

### LIABILITIES AND EQUITY

<i>(in € millions)</i>	Notes	September 30, 2024	December 31, 2023
Issued capital		263	263
Additional paid-in capital		7,560	7,560
Treasury shares		(24)	(25)
Perpetual	13	1,065	1,076
Reserves and retained earnings		(10,585)	(10,925)
<b>Equity attributable to equity holders of Air France-KLM</b>		<b>(1,721)</b>	<b>(2,051)</b>
Perpetual	13	2,584	2,524
Reserves and retained earnings		31	27
<b>Equity attributable to non-controlling interests</b>		<b>2,615</b>	<b>2,551</b>
<b>TOTAL EQUITY</b>		<b>894</b>	<b>500</b>
Pension provisions		1,678	1,685
Non-current return obligation liabilities and provisions for leased aircrafts and other provisions		4,007	3,805
Non-current financial liabilities	14	7,024	7,538
Non-current lease debt		4,034	3,581
Non-current derivative financial liabilities		86	56
Deferred tax liabilities	11	7	–
Other non-current liabilities	16	1,028	1,376
<b>Total non-current liabilities</b>		<b>17,864</b>	<b>18,041</b>
Current return obligation liabilities and provisions for leased aircrafts and other provisions		1,050	1,079
Current financial liabilities	14	1,577	1,664
Current lease debt		875	848
Current derivative financial liabilities		312	139
Trade payables		2,547	2,447
Deferred revenue on ticket sales		4,345	3,858
Frequent flyer programs		886	899
Other current liabilities	16	4,547	5,002
Bank overdrafts		1	13
<b>Total current liabilities</b>		<b>16,140</b>	<b>15,949</b>
<b>TOTAL LIABILITIES</b>		<b>34,004</b>	<b>33,990</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,898</b>	<b>34,490</b>

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

## Consolidated statement of changes in stockholders' equity

	Equity attributable to equity holders of Air France-KLM						Equity attributable to non-controlling interests			Total	
	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Perpetual bonds	Reserves and retained earnings	Sub-total Equity	Perpetual bonds	Reserves and retained earnings		Sub-total Equity
(in € millions)											
<b>December 31, 2022</b>	<b>2,570,536,136</b>	<b>2,571</b>	<b>5,217</b>	<b>(25)</b>	<b>933</b>	<b>(11,700)</b>	<b>(3,004)</b>	<b>510</b>	<b>14</b>	<b>524</b>	<b>(2,480)</b>
Other comprehensive income	-	-	-	-	-	239	239	-	-	-	<b>239</b>
Net result for the period	-	-	-	-	-	1,190	1,190	-	31	31	<b>1,221</b>
<b>Total of income and expenses recognized</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,429</b>	<b>1,429</b>	<b>-</b>	<b>31</b>	<b>31</b>	<b>1,460</b>
Purchase of treasury shares	-	-	-	(1)	-	-	(1)	-	-	-	<b>(1)</b>
Share-based payment	-	-	-	1	-	(1)	-	-	-	-	-
Reverse share split and share capital reduction	(2,313,482,523)	(2,314)	2,314	-	-	-	-	-	-	-	-
Capital increase subscribed by non-controlling interests	-	-	-	-	-	-	-	-	2	2	<b>2</b>
Perpetual	-	-	-	-	133	-	133	498	-	498	<b>631</b>
Coupons on perpetual	-	-	-	-	(4)	(53)	(57)	(2)	(28)	(30)	<b>(87)</b>
Compensation paid to the French State <sup>(1)</sup>	-	-	-	-	-	(90)	(90)	-	-	-	<b>(90)</b>
Other	-	-	-	-	-	1	1	-	-	-	<b>1</b>
<b>September 30, 2023</b>	<b>257,053,613</b>	<b>257</b>	<b>7,531</b>	<b>(25)</b>	<b>1,062</b>	<b>(10,414)</b>	<b>(1,589)</b>	<b>1,006</b>	<b>19</b>	<b>1,025</b>	<b>(564)</b>
<b>December 31, 2023</b>	<b>262,769,869</b>	<b>263</b>	<b>7,560</b>	<b>(25)</b>	<b>1,076</b>	<b>(10,925)</b>	<b>(2,051)</b>	<b>2,524</b>	<b>27</b>	<b>2,551</b>	<b>500</b>
Other comprehensive income	-	-	-	-	-	(32)	(32)	-	-	-	<b>(32)</b>
Net result for the period	-	-	-	-	-	380	380	-	130	130	<b>510</b>
<b>Total of income and expenses recognized</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>348</b>	<b>-</b>	<b>130</b>	<b>130</b>	<b>478</b>
Share-based payment	-	-	-	1	-	2	3	-	-	-	<b>3</b>
Coupons on perpetual	-	-	-	-	(11)	(56)	(67)	60	(124)	(64)	<b>(131)</b>
Tax on coupons on perpetual	-	-	-	-	-	46	46	-	-	-	<b>46</b>
Dividends paid	-	-	-	-	-	-	-	-	(1)	(1)	<b>(1)</b>
Other	-	-	-	-	-	-	-	-	(1)	(1)	<b>(1)</b>
<b>September 30, 2024</b>	<b>262,769,869</b>	<b>263</b>	<b>7,560</b>	<b>(24)</b>	<b>1,065</b>	<b>(10,585)</b>	<b>(1,721)</b>	<b>2,584</b>	<b>31</b>	<b>2,615</b>	<b>894</b>

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

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

## Consolidated statement of cash flows

Period from January 1 to September 30

<i>(in € millions)</i>	Notes	2024	2023 restated <sup>(1)</sup>
Net income		510	1,221
Amortization, depreciation and operating provisions	8	2,037	1,839
Financial provisions	10	212	157
Cost of net debt	10	235	267
Loss (gain) on disposals of tangible and intangible assets		(31)	(54)
Loss (gain) on disposals of subsidiaries and associates	9	(2)	–
Derivatives – non monetary result		19	(6)
Unrealized foreign exchange gains and losses		(97)	24
Share of (profits) losses of associates		(13)	(7)
Deferred taxes	11	99	78
Impairment		–	2
Other non-monetary items		21	(42)
<b>Cash flow from operating activities before change in working capital</b>		<b>2,990</b>	<b>3,479</b>
(Increase) / decrease in inventories		(106)	(81)
(Increase) / decrease in trade receivables		(44)	(491)
Increase / (decrease) in trade payables		102	324
Increase / (decrease) in advanced ticket sales		476	608
Change in other assets and liabilities		(850)	27
<b>Change in working capital requirement</b>		<b>(422)</b>	<b>387</b>
<b>CASH-FLOW FROM OPERATING ACTIVITIES</b>		<b>2,568</b>	<b>3,866</b>
Acquisition of subsidiaries, of shares in non-controlled entities		(92)	(2)
Acquisitions of warrants		–	(12)
Purchase of property plant and equipment and intangible assets		(2,931)	(2,280)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities		8	–
Proceeds on disposal of property plant and equipment and intangible assets	9	391	276
Interest received		221	151
Dividends received		2	3
Decrease (increase) in net investments, more than 3 months		137	112
<b>CASH-FLOW USED IN INVESTING ACTIVITIES</b>		<b>(2,264)</b>	<b>(1,752)</b>



# Air France-KLM Group

## Consolidated financial statements

### Period from January 1 to September 30

<i>(in € millions)</i>	Notes	2024	2023 restated <sup>(1)</sup>
Capital increase subscribed by non controlling interests		–	2
Payments to acquire treasury shares		–	(1)
Purchase of minority interest without change of control		(1)	–
Issuance of perpetual	13	–	1,226
Repayment of perpetual	13	–	(595)
Coupons on perpetual	13	(131)	(87)
Issuance of debt	14	1,147	1,798
Repayment on debt	14	(1,715)	(3,116)
Payments on lease debts		(666)	(625)
New loans		(103)	(298)
Repayment on loans		65	127
Interest paid		(532)	(582)
Dividends paid		(1)	(90)
<b>CASH-FLOW FROM FINANCING ACTIVITIES</b>		<b>(1,937)</b>	<b>(2,241)</b>
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)		4	(16)
<b>Change in cash and cash equivalents and bank overdrafts</b>		<b>(1,629)</b>	<b>(143)</b>
<b>Cash and cash equivalents and bank overdrafts at beginning of period</b>		<b>6,181</b>	<b>6,623</b>
<b>Cash and cash equivalents and bank overdrafts at end of period</b>		<b>4,552</b>	<b>6,480</b>

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 1 **RESTATEMENT OF THE 2023 FINANCIAL STATEMENTS**

The net cost of financial debt of Air France-KLM Group is detailed in Note 10 "Net cost of financial debt and other financial income and expenses" and mainly comprises income from cash and cash equivalents, interest on financial liabilities, interest on lease liabilities and capitalized interest and may be cash or non-cash related items.

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

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

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

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

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

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

### IMPACT ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Period from January 1 to September 30, 2023 <i>(in € millions)</i>	Published consolidated cash flow statement	Change in disclosure	Restated consolidated cash flow statement
Cost of net debt	–	267	267
Other non-monetary items	(166)	124	(42)
<b>Cash flow from operating activities before change in working capital</b>	<b>3,088</b>	<b>391</b>	<b>3,479</b>
Change in other assets and liabilities	(13)	40	27
<b>Change in working capital requirement</b>	<b>347</b>	<b>40</b>	<b>387</b>
<b>CASH-FLOW FROM OPERATING ACTIVITIES</b>	<b>3,435</b>	<b>431</b>	<b>3,866</b>
Interests received	–	151	151
<b>CASH-FLOW USED IN INVESTING ACTIVITIES</b>	<b>(1,903)</b>	<b>151</b>	<b>(1,752)</b>
Interests paid	–	(582)	(582)
<b>CASH-FLOW USED IN FINANCING ACTIVITIES</b>	<b>(1,659)</b>	<b>(582)</b>	<b>(2,241)</b>

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

## NOTE 2 SIGNIFICANT EVENTS

### 2.1 Significant events occurring during the period

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

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

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

#### Sales of KLM Equipment Services B.V.

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

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

- Recognition of a proceeds of €30 million within the "Cash flow used in investing activities" in the consolidated cash flow statement (including €8 million from the sale of shares and €22 million from the sale of equipment to TCR);
- Recognition of a gain on disposal of €2 million within the "Other non-current income and expenses" in the consolidated income statement (linked to the sale of the shares taking into account the net book value of KLM Equipment Service B.V. in the consolidated financial statements at the date of the disposal).

#### Early repayment of OCEANE bonds

##### Early repayment of €452 million of OCEANE bonds:

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

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

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

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

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

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

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

##### Air France-KLM et Air France:

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

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

##### KLM:

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

As of July 18, 2024, Air France-KLM and Air France revolving credit facility has been also renegotiated (see paragraph "Renegotiation of Air France-KLM and Air France revolving credit facility ("RCF") linked to ESG KPIs" above).

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

##### Issuance of a €650 million bonds:

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

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

##### Tender offer on two series of exiting notes:

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

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

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

As a result, the principal amount of outstanding existing notes after completion of the tender offer will be €797.3

million, of which €515.2 million of 2025 notes and €282.1 million of 2026 notes.

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

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.

### 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 September 30, 2024, the acquisition had the following impact on the Group’s consolidated statement of cash flow:

- the acquisition of the shares of SAS AB for a total amount of €88 million within the “Cash flow used in investing activities” in the consolidated cash flow statement (and after taking into account the payment of a deposit of €13 million already made in 2023) ;
- the acquisition of the senior secured convertible notes for a total amount of €32 million within the “Cash flow used in financing activities” in the consolidated cash flow statement.

Based on the analysis of the features of the transaction including the shareholders’ agreement, the Group does not have the control of SAS AB either within the meaning of EU merger regulation nor based on IFRS 10. However despite they remain business competitors, the Air France-KLM Group meets the requirements of IAS 28 to account SAS AB for using the equity method since the acquisition date.

## 2.2 Subsequent events

There have been no significant events since September 30, 2024.

### NOTE 3 ACCOUNTING POLICIES

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

The interim consolidated financial information as of September 30, 2024 must be read in connection with the annual consolidated financial statements for the year ended on December 31, 2023. They have been established in accordance with the accounting principles used by the Group for the consolidated financial statements 2023, except for standards and interpretations adopted by the European Union applicable as from January 1, 2024.

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

- amendment to IFRS 16 concerning the measurement method for a sale and leaseback transaction after the transaction date with variable lease payments,

- amendment to IAS 1 concerning the current/non-current classification of liabilities with restrictive covenants.

These amendments have no significant impact for the Group.

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

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

The condensed interim consolidated financial statements as of September 30 2024 were reviewed by the Board of Directors on November 6, 2024.

### NOTE 4 INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

#### Business segments (Note 4.1)

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

The Group is organized around the following segments:

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

The results of the business segments are those that are either directly attributable or that can be allocated on a

reasonable basis to these business segments. Amounts allocated to business segments mainly correspond to the EBITDA, current operating income and to the income from operating activities. Other elements of the income statement are presented in the "non-allocated" column.

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

#### Geographical segments (Note 4.2)

##### Activity by origin of sales area (Note 4.2.1)

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

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

##### Activity by destination (Note 4.2.2)

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

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

## 4.1 Information by business segment

### Year ended September 30, 2024

<i>(in € millions)</i>	Network	Maintenance	Transavia	Other	Non-allocated	Total
Total sales	19,646	3,657	2,424	216	–	25,943
Intersegment sales	(18)	(2,150)	(3)	(192)	–	(2,363)
<b>External sales</b>	<b>19,628</b>	<b>1,507</b>	<b>2,421</b>	<b>24</b>	<b>–</b>	<b>23,580</b>
Other revenues	–	–	–	2	–	2
<b>Revenues from ordinary activities</b>	<b>19,628</b>	<b>1,507</b>	<b>2,421</b>	<b>26</b>	<b>–</b>	<b>23,582</b>
EBITDA	2,524	400	305	12	–	3,241
Income from current operations	989	123	86	6	–	1,204
Income from operating activities	895	122	86	8	–	1,111
Share of profits (losses) of associates	2	3	–	8	–	13
Net cost of financial debt and other financial income and expenses	–	–	–	–	(433)	(433)
Income taxes	–	–	–	–	(181)	(181)
<b>NET INCOME</b>	<b>897</b>	<b>125</b>	<b>86</b>	<b>16</b>	<b>(614)</b>	<b>510</b>

### Year ended September 30, 2023

<i>(in € millions)</i>	Network	Maintenance	Transavia	Other	Non-allocated	Total
Total sales	19,314	3,034	2,104	193	–	24,645
Intersegment sales	(21)	(1,844)	(1)	(168)	–	(2,034)
<b>External sales</b>	<b>19,293</b>	<b>1,190</b>	<b>2,103</b>	<b>25</b>	<b>–</b>	<b>22,611</b>
Other revenues	–	–	–	1	–	1
<b>Revenues from ordinary activities</b>	<b>19,293</b>	<b>1,190</b>	<b>2,103</b>	<b>26</b>	<b>–</b>	<b>22,612</b>
EBITDA	3,079	311	206	11	–	3,607
Income from current operations	1,634	125	16	(6)	–	1,769
Income from operating activities	1,668	124	18	3	–	1,813
Share of profits (losses) of associates	1	3	–	3	–	7
Net cost of financial debt and other financial income and expenses	–	–	–	–	(423)	(423)
Income taxes	–	–	–	–	(176)	(176)
<b>NET INCOME</b>	<b>1,669</b>	<b>127</b>	<b>18</b>	<b>6</b>	<b>(599)</b>	<b>1,221</b>

## 4.2 Information by geographical area

### 4.2.1 Activity by origin of sales area

#### EXTERNAL SALES BY GEOGRAPHICAL AREA

Year ended September 30, 2024

<i>(in € millions)</i>	France, including French overseas departments	Benelux, including Dutch Caribbean & Surinam	Europe (excl. France and Benelux)	Rest of the world	Total
Transportation	4,965	2,370	3,913	7,558	18,806
Other sales <sup>(1)</sup>	385	206	100	131	822
<b>Total Network</b>	<b>5,350</b>	<b>2,576</b>	<b>4,013</b>	<b>7,689</b>	<b>19,628</b>
Transportation	924	1,305	164	61	2,454
Other sales <sup>(1)</sup>	(12)	(19)	(1)	(1)	(33)
<b>Total Transavia</b>	<b>912</b>	<b>1,286</b>	<b>163</b>	<b>60</b>	<b>2,421</b>
Maintenance	825	575	18	89	1,507
Others	6	17	1	-	24
<b>TOTAL</b>	<b>7,093</b>	<b>4,454</b>	<b>4,195</b>	<b>7,838</b>	<b>23,580</b>

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

Year ended September 30, 2023

<i>(in € millions)</i>	France, including French overseas departments	Benelux, including Dutch Caribbean & Surinam	Europe (excl. France and Benelux)	Rest of the world	Total
Transportation	5,091	2,072	3,822	7,523	18,508
Other sales <sup>(1)</sup>	369	185	102	129	785
<b>Total Network</b>	<b>5,460</b>	<b>2,257</b>	<b>3,924</b>	<b>7,652</b>	<b>19,293</b>
Transportation	808	1,124	170	43	2,145
Other sales <sup>(1)</sup>	(8)	(31)	(2)	(1)	(42)
<b>Total Transavia</b>	<b>800</b>	<b>1,093</b>	<b>168</b>	<b>42</b>	<b>2,103</b>
Maintenance	585	496	22	87	1,190
Others	7	16	2	-	25
<b>TOTAL</b>	<b>6,852</b>	<b>3,862</b>	<b>4,116</b>	<b>7,781</b>	<b>22,611</b>

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



## 4.2.2 Activity by destination

### TRAFFIC SALES BY GEOGRAPHICAL AREA OF DESTINATION

Year ended September 30, 2024

<i>(in € millions)</i>	Metropolitan France	Europe (excl. France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (excl. North Africa) Middle East	North America, Mexico	South America, excl. Mexico	Asia, New Caledonia	Total
Network	990	4,489	1,393	2,399	4,746	1,933	2,856	18,806
Transavia	104	2,184	–	166	–	–	–	2,454
<b>TOTAL TRANSPORTATION</b>	<b>1,094</b>	<b>6,673</b>	<b>1,393</b>	<b>2,565</b>	<b>4,746</b>	<b>1,933</b>	<b>2,856</b>	<b>21,260</b>

Year ended September 30, 2023

<i>(in € millions)</i>	Metropolitan France	Europe (excl. France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (excl. North Africa) Middle East	North America, Mexico	South America, excl. Mexico	Asia, New Caledonia	Total
Network	1,050	4,387	1,418	2,448	4,640	2,060	2,505	18,508
Transavia	111	1,878	–	156	–	–	–	2,145
<b>TOTAL TRANSPORTATION</b>	<b>1,161</b>	<b>6,265</b>	<b>1,418</b>	<b>2,604</b>	<b>4,640</b>	<b>2,060</b>	<b>2,505</b>	<b>20,653</b>

## NOTE 5 EXTERNAL EXPENSES

Period from January 1 to September 30

<i>(in € millions)</i>	2024	2023
Aircraft fuel	5,197	5,254
Sustainable aviation fuel	166	106
CO <sub>2</sub> quotas	191	139
Chartering costs	380	410
Landing fees and air route charges	1,545	1,458
Catering	686	618
Handling charges	1,534	1,393
Aircraft maintenance costs	2,379	1,831
Commercial and distribution costs	810	785
Other external expenses	1,488	1,377
<b>TOTAL</b>	<b>14,376</b>	<b>13,371</b>

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

The hedges covering this currency exposure are presented in Note 7 “Other current operating income and expenses”.

## NOTE 6 SALARIES AND NUMBER OF EMPLOYEES

### Period from January 1 to September 30

<i>(in € millions)</i>	2024	2023
Wages and salaries	4,938	4,382
Social contributions	925	830
Pension costs on defined contribution plans	725	645
Pension costs of defined benefit plans	114	109
Cost of temporary employees	206	174
Profit sharing	29	122
Payment linked with shares	1	–
Other expenses	59	49
<b>TOTAL</b>	<b>6,997</b>	<b>6,311</b>

### Pension costs on defined contribution plans

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

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

### AVERAGE NUMBER OF EMPLOYEES

Period from January 1 to September 30	2024	2023
Flight deck crew	8,976	8,497
Cabin crew	22,558	21,849
Ground staff	46,579	44,844
Temporary employees	2,485	2,250
<b>TOTAL</b>	<b>80,598</b>	<b>77,440</b>

## NOTE 7 OTHER CURRENT OPERATING INCOME AND EXPENSES

### Period from January 1 to September 30

<i>(in € millions)</i>	2024	2023
Capitalized production	1,029	758
Joint operation of routes	(3)	(30)
Operations-related currency hedges	25	59
Other	118	23
<b>TOTAL</b>	<b>1,169</b>	<b>810</b>

**NOTE 8 AMORTIZATION, DEPRECIATION AND PROVISIONS**

Period from January 1 to September 30

(in € millions)

	2024	2023
<b>AMORTIZATION</b>		
Intangible assets	125	121
Flight equipment	898	803
Other property, plant and equipment	135	134
Right-of-use assets	942	893
<b>Sub-Total</b>	<b>2,100</b>	<b>1,951</b>
<b>DEPRECIATION AND PROVISIONS</b>		
Inventories	3	5
Trade receivables	(26)	(13)
Risks and contingencies	(40)	(105)
<b>Sub-Total</b>	<b>(63)</b>	<b>(113)</b>
<b>TOTAL</b>	<b>2,037</b>	<b>1,838</b>

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

**NOTE 9 SALES OF AIRCRAFT EQUIPMENT AND OTHER NON-CURRENT INCOME AND EXPENSES**

Period from January 1 to September 30

(in € millions)

	2024	2023
Sales and leaseback	2	7
Other aeronautical sales	23	26
<b>Sales of aeronautical assets</b>	<b>25</b>	<b>33</b>
<b>Other non-current income and expenses</b>	<b>(118)</b>	<b>11</b>

**Nine-month period ended September 30, 2024****Sales of aircraft equipment**

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

**Other aeronautical sales**

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

**Other non-current income and expenses**

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

**Nine-month period ended September 30, 2023****Sales of aircraft equipment**

The impact of aircraft sales and leasebacks resulted in a profit of €7 million in the income statement and a result on disposal of €202 million in the cash flow statement as of September 30, 2023.

**Other aeronautical sales**

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

**Other non-current income and expenses**

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

## NOTE 10 NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

### Period from January 1 to September 30

<i>(in € millions)</i>	<b>2024</b>	<b>2023</b>
Income from marketable securities	110	95
Other financial income	126	81
<b>Income from cash and cash equivalents</b>	<b>236</b>	<b>176</b>
Interest on financial liabilities	(244)	(367)
Interest on lease debt	(215)	(195)
Capitalized interests	38	30
Other non-monetary items	(18)	78
Other financial expenses	(32)	11
<b>Interest charges</b>	<b>(471)</b>	<b>(443)</b>
<b>Net cost of financial debt</b>	<b>(235)</b>	<b>(267)</b>
Foreign exchange gains (losses), net	54	10
Financial instruments	(19)	6
Net (charge)/release to provisions	(5)	(5)
Undiscounting of provision	(206)	(152)
Other	(22)	(15)
<b>Other financial income and expenses</b>	<b>(198)</b>	<b>(156)</b>
<b>TOTAL</b>	<b>(433)</b>	<b>(423)</b>

### Net cost of financial debt

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

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

### Foreign exchange gains (losses)

As of September 30, 2024, the foreign exchange gain includes an unrealized currency gain of €97 million composed of:

- an unrealized gain of €54 million on return obligation liabilities and provisions on aircraft in US dollars;
- an unrealized gain, net of exchange rate derivatives, of €31 million on the net debt, mainly composed of a gain of €9 million on US dollar, a gain of €9 million on Japanese Yen and a gain of €8 million on Swiss Franc;
- an unrealized gain of €11 million on other assets and liabilities mainly due to US dollars on the working capital.

As of September 30, 2023, the foreign exchange gain included mainly an unrealized currency loss of €(24) million composed of:

- an unrealized loss of €(22) million on return obligation liabilities and provisions on aircraft in US dollars;
- an unrealized gain of €44 million on the net debt, mainly composed of a loss of €(14) million on US Dollar, a gain of €70 million on Japanese Yen ;
- an unrealized loss of €(46) million on other assets and liabilities mainly due to US dollars on the working capital.

### Undiscounting of provision

The rate used to undiscount the long term return obligation liability and provision for leased aircraft and other provisions non current is 7.3% in 2024 against 5.5% in 2023.

**NOTE 11 INCOME TAXES**

The tax charge at Group level is as follows :

**Period from January 1 to September 30**

<i>(in € millions)</i>	2024	2023
Total income tax income/(expense)	(181)	(176)
Tax on items recognized in equity <sup>(1)</sup>	81	(67)

*(1) Including €46 million of tax on coupons on perpetual*

**Period from January 1 to September 30**

<i>(in € millions)</i>	2024
Income before tax of consolidated companies	678
Total income tax income/(expense)	(181)
Effective tax rate	27 %

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

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

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

**NOTE 12 EARNINGS PER SHARE****RESULTS USED FOR THE CALCULATION OF BASIC EARNINGS PER SHARE****Period from January 1 to September 30**

<i>(in € millions)</i>	2024	2023
Net income for the period – Equity holders of Air France-KLM	380	1,190
Coupons on perpetual - net of tax	(42)	(53)
Dividend paid <sup>(1)</sup>	–	(90)
<b>Basic net income for the period – Equity holders of Air France-KLM</b>	<b>338</b>	<b>1,047</b>

*(1) As of September 30, 2023 and in the context of the exit of the French Recapitalization State Aid under the EU Covid-19 Temporary Framework, the Group paid a €90 million compensation to the French State required for the shares subscribed in April 2021. This payment was considered as a dividend payment and was therefore recognized in equity accordingly to IFRS principles and has been taken into consideration as a deduction from the net income to calculate the earnings per share.*

**RESULTS USED FOR THE CALCULATION OF DILUTED EARNINGS PER SHARE****Period from January 1 to September 30**

<i>(in € millions)</i>	2024	2023
Basic net income for the period – Equity holders of Air France-KLM	338	1,047
Consequence of potential ordinary shares on net income: interests paid on convertible bonds and amortization of equity component (after tax)	14	–
<b>Net income for the period – Equity holders of Air France-KLM (taken for calculation of diluted earnings per share)</b>	<b>352</b>	<b>1,047</b>

# Air France-KLM Group

## Notes to the consolidated financial statements

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

Period from January 1 to September 30	2024	2023
Weighted average number of:		
■ common shares issued	262,769,869	2,315,372,622
■ Treasury stock held regarding stock option plan and Other treasury stock	(130,503)	(1,166,629)
<b>Number of shares used to calculate basic earnings per share</b>	<b>262,639,366</b>	<b>2,314,205,993</b>
Number of potentially dilutive shares	21,603,858	—
<b>Number of ordinary and potential ordinary shares used to calculate diluted earnings per share</b>	<b>284,243,224</b>	<b>2,314,205,993</b>

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

Following the repayment of €452 million of OCEANE bonds on 25 March 2024 (refer to Note 2.1 “Significant events occurring during the period”), the number of potential dilutive shares linked to the outstanding OCEANE 2026 has therefore been decreased from 4,966,518 shares to 472,580 shares.

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

applicable law. These remaining bonds were repaid in advance. This residual redemption amount is equivalent of 2,654,942 of bonds.

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

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

The potential conversion of these two instruments and their impact on earnings have been taken into consideration to determine diluted earnings per share.

As of September 30, 2024, taking into account the above items, the basic earnings per share amounts to €1.29 and the diluted earnings per share amounts to €1.24.

### NOTE 13 PERPETUAL

(in € millions)		December 31, 2023	Repayment – Nominal	Issuance – Nominal	Monetary change – Coupons	Non-monetary change	September 30, 2024
2023 perpetual super-subordinated bonds	Nominal	727	–	–	–	–	727
	Coupons	42	–	–	(52)	41	31
Last-rank indefinite subordinated bond convertible into new shares and/or existing shares	Nominal	305	–	–	–	–	305
	Coupons	2	–	–	(15)	15	2
<b>TOTAL PERPETUAL – ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM</b>		<b>1,076</b>	<b>–</b>	<b>–</b>	<b>(67)</b>	<b>56</b>	<b>1,065</b>
2022 perpetual super-subordinated bonds	Nominal	497	–	–	–	–	497
	Coupons	13	–	–	(30)	22	5
July 2023 perpetual super-subordinated bonds	Nominal	498	–	–	–	–	498
	Coupons	15	–	–	(34)	26	7
November 2023 perpetual super-subordinated bonds	Nominal	1,493	–	–	–	–	1,493
	Coupons	8	–	–	–	76	84
<b>TOTAL PERPETUAL – NON-CONTROLLING INTERESTS</b>		<b>2,524</b>	<b>–</b>	<b>–</b>	<b>(64)</b>	<b>124</b>	<b>2,584</b>
Total cash flows			–	–	(131)		

**NOTE 14 FINANCIAL LIABILITIES**

<i>(in € millions)</i>	September 30, 2024			December 31, 2023		
	Non current	Current	Total	Non current	Current	Total
Perpetual subordinated loan in Yen	125	–	125	128	–	128
Perpetual subordinated loan in Swiss francs	397	–	397	405	–	405
OCEANE (convertible bonds)	–	–	–	–	498	498
Sustainability-linked bonds	1,000	–	1,000	1,000	–	1,000
Plain vanilla Bonds	1,062	515	1,577	1,381	300	1,681
Debt on leases with bargain option	3,461	588	4,049	3,475	418	3,893
Other financial liabilities	978	395	1,373	1,148	330	1,478
Accrued interest	1	79	80	1	118	119
<b>TOTAL – FINANCIAL LIABILITIES</b>	<b>7,024</b>	<b>1,577</b>	<b>8,601</b>	<b>7,538</b>	<b>1,664</b>	<b>9,202</b>

**CHANGE IN FINANCIAL LIABILITY**

<i>(in € millions)</i>	December 31, 2023	New financial debt	Reimbursement of financial debt	Currency translation adjustment	Other	September 30, 2024
Perpetual loan in Japanese Yen and Swiss Francs	533	–	–	(11)	–	522
OCEANE (convertible bonds)	498	–	(500)	–	2	–
Sustainability-linked bonds	1,000	–	–	–	–	1,000
Plain vanilla Bonds	1,681	644	(753)	5	–	1,577
Debt on leases with bargain option	3,893	502	(355)	(17)	26	4,049
Other financial liabilities	1,478	1	(107)	(2)	3	1,373
Accrued interest	119	–	–	–	(39)	80
<b>TOTAL</b>	<b>9,202</b>	<b>1,147</b>	<b>(1,715)</b>	<b>(25)</b>	<b>(8)</b>	<b>8,601</b>

**14.1 Bonds****14.1.1 OCEANE****Early repayment of OCEANE bonds**

Early repayment of €452 million of OCEANE bonds:

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

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

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

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

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

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

**14.1.2 Plain vanilla bonds****Issuance of a €650 million bonds and tender offer on two series of existing notes**

Issuance of a €650 million bonds:

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

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

## Air France-KLM Group

### Notes to the consolidated financial statements

#### Tender offer on two series of exiting notes:

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

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

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

accepted, of which €234.8 million of 2025 notes and €217.9 million of 2026 notes. As a result, the principal amount of these outstanding existing notes after completion of the tender offer will be €797.3 million, of which €515.2 million of 2025 notes and €282.1 million of 2026 notes.

#### Repayment of the €300 million bond issued in 2021

On July 1st, 2024 Air France-KLM has repaid a €300 million matured bond issued in 2021.

## Maturity analysis

The financial liabilities maturities break down as follows:

(in € millions)	September 30, 2024	December 31, 2023
Maturities in		
End of Year Y	392	-
Y+1	1,339	1,664
Y+2	1,564	1,548
Y+3	595	1,748
Y+4	950	572
Over 4 years	3,761	3,670
<b>TOTAL</b>	<b>8,601</b>	<b>9,202</b>

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

## Credit lines

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

For each facility, a set of ESG linked Key Performance Indicators are embedded in the financing cost. These indicators are in line with Air France-KLM and the two airlines' commitment to sustainable development and a gradual decarbonization of activities. The two RCF's include a financing cost margin adjustment mechanism (upward or downward) conditional to the independent achievement of these dedicated Indicators (reduction of the unit CO<sub>2</sub> emission, increase of the share of Sustainable Aviation Fuel, among others).

### Air France-KLM and Air France

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

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

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

### KLM

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

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

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

The undrawn portion as of September 30, 2024 amounts to €2.5 billion for the Air France-KLM Group.



## NOTE 15 ALTERNATIVE PERFORMANCE INDICATORS

### 15.1 Operating free cash flow

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

#### Period from January 1 to September 30

<i>(in € millions)</i>	<b>2024</b>	<b>2023 restated<sup>(1)</sup></b>
Net cash flow from operating activities	2,568	3,866
Purchase of property plant and equipment and intangible assets	(2,931)	(2,280)
Proceeds on disposal of property plant and equipment and intangible assets	391	276
<b>Operating free cash flow</b>	<b>28</b>	<b>1,862</b>
Exceptional payments made/(received) <sup>(2)</sup>	972	223
Interest (paid) and received	(311)	(431)
Payments on lease debts	(666)	(625)
<b>Recurring adjusted operating free cash flow</b>	<b>23</b>	<b>1,029</b>

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

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

### 15.2 Net debt

<i>(in € millions)</i>	<b>Notes</b>	<b>As of September 30, 2024</b>	<b>As of December 31, 2023</b>
Current and non-current financial liabilities	14	8,601	9,202
Current and non-current lease debt		4,909	4,429
Accrued interest		(100)	(138)
Deposits related to financial liabilities		(100)	(107)
Deposits related to lease debt		(93)	(100)
Derivatives impact on debt		5	(1)
<b>Gross financial liabilities (I)</b>		<b>13,222</b>	<b>13,285</b>
Cash and cash equivalents		4,553	6,194
Marketable securities > 3 months		962	1,097
Bonds		1,010	966
Bank overdrafts		(1)	(13)
<b>Net cash (II)</b>		<b>6,524</b>	<b>8,244</b>
<b>NET DEBT (I-II)</b>		<b>6,698</b>	<b>5,041</b>

As of September 30, 2024, the net cash included €425 millions (compared to €419 millions on December 31, 2023) pledged or blocked.

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

# Air France-KLM Group

## Notes to the consolidated financial statements

<i>(in € millions)</i>	Notes	As of September 30, 2024
<b>Opening net debt</b>		<b>5,041</b>
Operating free cash flow	15.1	(28)
Interest paid / (received)		311
Paid coupon on perpetual and on subordinated bonds convertible into new share and/or exchangeable for existing shares	13	131
Purchase of SAS shares (equity affiliate)		88
Other various purchase of shares		4
Proceeds on disposal of subsidiaries, of shares in non-controlled entities		(8)
New lease debts (new and renewed contracts)		1,233
Unrealized exchange gains and losses on aircraft lease financial debts through OCI		(66)
Impact of derivatives on net debt		3
Currency translation adjustment in the income statement		(39)
Other non-monetary variations of the net debt		28
<b>CLOSING NET DEBT</b>		<b>6,698</b>

## NOTE 16 OTHER LIABILITIES

<i>(in € millions)</i>	As of September 30, 2024		As of December 31, 2023	
	Current	Non-current	Current	Non-current
Tax liabilities	382	470	412	637
Airlines taxes	847	–	908	–
Employee-related liabilities	1,465	395	1,991	597
Liabilities on fixed assets	32	12	56	7
Deferred income	953	37	919	32
Prepayments received	537	–	464	–
Other debts	331	114	252	103
<b>TOTAL</b>	<b>4,547</b>	<b>1,028</b>	<b>5,002</b>	<b>1,376</b>

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



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