

**UNAUDITED INTERIM CONSOLIDATED FINANCIAL
INFORMATION**

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

January 1, 2022 – March 31, 2022

Air France-KLM Group

Table of contents

CONSOLIDATED INCOME STATEMENT (unaudited)	- 3 -
CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES (unaudited).....	- 4 -
CONSOLIDATED BALANCE SHEET (unaudited)	- 5 -
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (unaudited)	- 7 -
CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited).....	- 8 -
OPERATING FREE CASH-FLOW (UNAUDITED).....	- 9 -
1. RESTATEMENT OF ACCOUNTS 2021	- 11 -
2. SIGNIFICANT EVENTS	- 12 -
2.1. Going concern	- 12 -
2.2. Events that occurred in the period	- 13 -
2.3. Subsequent events	- 14 -
3. ACCOUNTING PRINCIPLES.....	- 14 -
4. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA	- 14 -
4.1. Information by business segment	- 16 -
4.2. Information by geographical area.....	- 16 -
5. EXTERNAL EXPENSES	- 18 -
6. SALARIES AND NUMBER OF EMPLOYEES	- 18 -
7. AMORTIZATION, DEPRECIATION AND PROVISIONS	- 19 -
8. OTHER INCOME AND EXPENSES	- 19 -
9. SALES OF AERONAUTICAL ASSETS AND OTHER NON-CURRENT INCOME AND EXPENSES ..	- 20 -
10. NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES.....	- 21 -
11. INCOME TAXES	- 22 -
11.1. Income tax charge	- 22 -
11.2. Effective tax rate	- 23 -
12. CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS	- 23 -
13. FINANCIAL LIABILITIES	- 24 -
14. NET DEBT	- 25 -
15. DEFERRED REVENUE ON TICKET SALES	- 26 -
16. OTHER LIABILITIES.....	- 26 -

Air France-KLM Group

CONSOLIDATED INCOME STATEMENT (unaudited)

<i>In € millions</i>			
Period from January 1 to March 31	<i>Notes</i>	2022	2021 restated ⁽¹⁾
Revenues	4	4,445	2,161
External expenses	5	(2,909)	(1,698)
Salaries and related costs	6	(1,522)	(1,167)
Taxes other than income taxes		(47)	(41)
Other income and expenses	8	254	117
EBITDA		221	(628)
Amortization, depreciation and provisions	7	(571)	(552)
Income from current operations		(350)	(1,180)
Sales of aircraft equipment	9	-	(3)
Other non-current income and expenses	9	(6)	(4)
Income from operating activities		(356)	(1,187)
Cost of financial debt	10	(141)	(189)
Income from cash and cash equivalents	10	(2)	1
Net cost of financial debt		(143)	(188)
Other financial income and expenses	10	(47)	(90)
Income before tax		(546)	(1,465)
Income taxes	11	(4)	(11)
Net income of consolidated companies		(550)	(1,476)
Share of profits (losses) of associates		(2)	(7)
Net income from continuing operations		(552)	(1,483)
Net income for the period		(552)	(1,483)
<i>Non-controlling interests</i>		-	(1)
<i>Net income - Group part</i>		(552)	(1,482)
Earnings per share – Equity holders of Air France-KLM (in euros)			
- basic		(0.94)	(3.46)
- diluted		(0.94)	(3.46)

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

⁽¹⁾ See note 1 in notes to the consolidated financial statements.

Air France-KLM Group

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES (unaudited)

<i>In € millions</i>		
Period from January 1 to March 31	2022	2021 restated ⁽¹⁾
Net income for the period	(552)	(1,483)
Cash flow hedges and cost of hedging		
Effective portion of changes in fair value hedge and cost of hedging recognized directly in other comprehensive income	423	114
Change in fair value and cost of hedging transferred to profit or loss	(238)	9
Currency translation adjustment	4	1
Deferred tax on items of comprehensive income that will be reclassified to profit or loss	(49)	(33)
Total of other comprehensive income that will be reclassified to profit or loss	140	91
Remeasurements of defined benefit pension plans	19	420
Fair value of equity instruments revalued through OCI	3	(3)
Deferred tax on items of comprehensive income that will not be reclassified to profit or loss	(10)	(100)
Total of other comprehensive income that will not be reclassified to profit or loss	12	317
Total of other comprehensive income, after tax	152	408
Recognized income and expenses	(400)	(1,075)
- Equity holders of Air France-KLM	(400)	(1,075)
- Non-controlling interests	-	-

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

⁽¹⁾ See note 1 in notes to the consolidated financial statements.

Air France-KLM Group

CONSOLIDATED BALANCE SHEET (unaudited)

Assets		March 31,	December 31,
<i>In € millions</i>	<i>Notes</i>	2022	2021
Goodwill		222	222
Intangible assets		1,251	1,235
Flight equipment		10,537	10,466
Other property, plant and equipment		1,378	1,402
Right-of-use assets		5,205	5,148
Investments in equity associates		107	109
Other non-current financial assets		1,026	951
Non-current derivatives financial assets		190	143
Deferred tax assets		223	278
Total non-current assets		20,139	19,954
Assets held for sale		76	74
Other current financial assets		487	484
Current derivatives financial assets		747	469
Inventories		620	567
Trade receivables		1,952	1,511
Other current assets		1,126	966
Cash and cash equivalents	<i>12</i>	7,219	6,658
Total current assets		12,227	10,729
Total assets		32,366	30,683

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

Air France-KLM Group

CONSOLIDATED BALANCE SHEET (unaudited) (continued)

Liabilities and equity		March 31, 2022	December 31, 2021
<i>In € millions</i>	<i>Notes</i>		
Issued capital		643	643
Additional paid-in capital		4,949	4,949
Treasury shares		(25)	(25)
Perpetual bonds		3,205	3,151
Reserves and retained earnings		(12,996)	(12,542)
Equity attributable to equity holders of Air France-KLM		(4,224)	(3,824)
Non-controlling interests		8	8
Total equity		(4,216)	(3,816)
Pension provisions		1,937	1,939
Non-current return obligation liability and other provisions		4,100	4,055
Non-current financial liabilities	<i>13</i>	11,438	11,274
Non-current lease debt		3,021	2,924
Non-current derivatives financial liabilities		11	25
Deferred tax liabilities		4	1
Other non-current liabilities	<i>16</i>	2,538	2,555
Total non-current liabilities		23,049	22,773
Current return obligation liability and other provisions		851	885
Current financial liabilities	<i>13</i>	1,068	1,215
Current lease debt		826	825
Current derivatives financial liabilities		37	46
Trade payables		2,329	1,850
Deferred revenue on ticket sales	<i>15</i>	3,903	2,644
Frequent flyer programs		873	888
Other current liabilities	<i>16</i>	3,643	3,369
Bank overdrafts	<i>12</i>	3	4
Total current liabilities		13,533	11,726
Total liabilities		36,582	34,499
Total equity and liabilities		32,366	30,683

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

Air France-KLM Group

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (unaudited)

<i>In € millions</i>	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Perpetual	Reserves and retained earnings	Equity attributable to holders of Air France-KLM	Non-controlling interests	Total equity
December 31, 2020	428,634,035	429	4,139	(25)	-	(9,970)	(5,427)	9	(5,418)
Change in accounting policy						76	76		76
January 1, 2021- Restated⁽¹⁾	428,634,035	429	4,139	(25)	-	(9,894)	(5,351)	9	(5,342)
<i>Other comprehensive income</i>						407	407	1	408
Net result for the period						(1,482)	(1,482)	(1)	(1,483)
Total of income and expenses recognized						(1,075)	(1,075)	-	(1,075)
Other		-	-	-	-	(1)	(1)	-	(1)
March 31, 2021 - Restated⁽¹⁾	428,634,035	429	4,139	(25)	-	(10,970)	(6,427)	9	(6,418)
December 31, 2021	642,634,034	643	4,949	(25)	3,151	(12,542)	(3,824)	8	(3,816)
<i>Other comprehensive income</i>						152	152	-	152
Net result for the period						(552)	(552)	-	(552)
Total of income and expenses recognized						(400)	(400)	-	(400)
Coupons on perpetual					54	(54)	-	-	-
March 31, 2022	642,634,034	643	4,949	(25)	3,205	(12,996)	(4,224)	8	(4,216)

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

⁽¹⁾ See note 1 in notes to the consolidated financial statements.

Air France-KLM Group

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

Period from January 1 to March 31	<i>Notes</i>	2022	2021
<i>In € millions</i>			restated ⁽¹⁾
Net income from continuing operations		(552)	(1,483)
Amortization, depreciation and operating provisions		571	553
Financial provisions		35	27
Loss (gain) on disposals of tangible and intangible assets		-	3
Derivatives – non monetary result		(5)	(41)
Unrealized foreign exchange gains and losses, net		31	125
Impairment		5	8
Other non-monetary items		(32)	4
Share of (profits) losses of associates		2	7
Deferred taxes		1	7
Financial capacity		56	(790)
(Increase) / decrease in inventories		(48)	8
(Increase) / decrease in trade receivables		(411)	(72)
Increase / (decrease) in trade payables		492	(85)
Increase / (decrease) in advanced ticket sales		1,245	(153)
Change in other receivables and payables		47	210
Change in working capital requirement		1,325	(92)
Net cash flow from operating activities (A)		1,381	(882)
Acquisition of subsidiaries, of shares in non-controlled entities		-	(4)
Purchase of property plant and equipment and intangible assets (B)		(704)	(466)
Proceeds on disposal of property plant and equipment and intangible assets (C)		171	220
Decrease (increase) in net investments, more than 3 months		5	1
Net cash flow used in investing activities		(528)	(249)
Issuance of debt	<i>13</i>	291	302
Repayment on debt	<i>13</i>	(304)	(331)
Payments on lease debts (D)		(218)	(216)
New loans		(87)	(18)
Repayment on loans		22	20
Net cash flow from financing activities		(296)	(243)
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)		5	7
Change in cash and cash equivalents and bank overdrafts		562	(1,367)
Cash and cash equivalents and bank overdrafts at beginning of period	<i>12</i>	6,654	6,422
Cash and cash equivalents and bank overdrafts at end of period	<i>12</i>	7,216	5,055

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

⁽¹⁾ See note 1 in notes to the consolidated financial statements.

Air France-KLM Group

OPERATING FREE CASH-FLOW (UNAUDITED)

Period from January 1 to March 31	<i>Notes</i>	2022	2021
<i>in € millions</i>			
Net cash flow from operating activities	<i>A</i>	1,381	(882)
Purchase of property plant and equipment and intangible assets	<i>B</i>	(704)	(466)
Proceeds on disposal of property plant and equipment and intangible assets	<i>C</i>	171	220
Operating free cash flow	<i>14</i>	848	(1,128)
Payments on lease debts	<i>D</i>	(218)	(216)
Operating free cash flow adjusted		630	(1,344)

**NOTES TO THE INTERIM CONSOLIDATED
FINANCIAL INFORMATION**

Air France-KLM Group

1. RESTATEMENT OF ACCOUNTS 2021

Since January 1, 2021, the Air France-KLM Group has applied the IFRIC decision relating to IAS 19 "Employee benefits", described in note 5.1 Accounting policies of the notes to the consolidated financial statements of December 31, 2021.

This change has been applied retrospectively to the financial information presented in the prior periods in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The impacts on the comparative periods are presented below.

Only the items impacted by the changes in accounting policies are presented.

Impact on the consolidated income statement

In € millions	Published accounts	IFRIC IAS 19	Restated accounts
Period from January 1 to March 31, 2021			
Salaries and related costs	(1 166)	(1)	(1 167)
EBITDA	(627)	(1)	(628)
Income from current operations	(1 179)	(1)	(1 180)
Income from operating activities	(1 186)	(1)	(1 187)
Income before tax of consolidated companies	(1 464)	(1)	(1 465)
Income taxes	(11)	-	(11)
Net income of consolidated companies	(1 475)	(1)	(1 476)
Net income	(1 482)	(1)	(1 483)
Earnings per share (basic)	(3.46)	-	(3.46)
Earnings per share (diluted)	(3.46)	-	(3.46)

Impact on the consolidated statement of recognized income and expenses

In € millions	Published accounts	IFRIC IAS 19	Restated accounts
Period from January 1 to March 31, 2021			
Net income for the period	(1 482)	(1)	(1 483)
Total of other comprehensive income that will not be reclassified to profit or loss	91	-	91
Total of other comprehensive income, after tax	317	-	317
Recognized income and expenses	(1 074)	(1)	(1 075)
• Equity holders of Air France-KLM	(1 074)	(1)	(1 075)
• Non-controlling interests	-	-	-

Air France-KLM Group

Impact on the consolidated balance sheet

In € millions	Published accounts	IFRIC IAS 19	Restated accounts
Balance sheet as of March 31, 2021			
Asset	29 316	(30)	29 286
Deferred tax	257	(30)	227
Equity and liabilities	29 316	(30)	29 286
Retirement provisions	2 105	(105)	2 000
Equity	(6 493)	75	(6 418)
• Holders of Air France-KLM	(6 502)	75	(6 427)
• Non-controlling interests	9	-	9

Impact on the consolidated statement of cash flows

In € millions	Published accounts	IFRIC IAS 19	Restated accounts
Period from January 1 to March 31, 2021			
Net income	(1 482)	(1)	(1 483)
Other non-monetary items	3	1	4
Financial capacity	(790)	-	(790)

2. SIGNIFICANT EVENTS

2.1. Going concern

Since the beginning of 2020, the worldwide spread of Covid-19 has had a major impact on air traffic around the world. The very stringent conditions on global travel adopted by many countries as of March 2020 resulted in a drastic reduction in air traffic. Recovery began in the second half of 2021 and continues to go on through the first part of 2022.

In addition, the Ukrainian crisis is having an impact on the Group's business, which has announced that it has suspended services and overflights to Ukraine and Russia in February 2022 until further notice. These routes represented less than 1% of the Group's Network business in terms of revenue. The impact of route extensions to China, Japan and South Korea is also currently limited. The Group's maintenance activities for Russian airlines have also been suspended, generating a minor impact. Finally, although the Ukrainian crisis is pushing oil prices to high levels, the Group's fuel hedging policy is limiting the impact on the Group's consolidated financial statements as of March 31, 2022 and for the next quarters of 2022. While the impact of such an increase could be significant if prices were to remain at the levels prevailing since the beginning of the crisis, the uncertainties surrounding the outcome of the conflict do not allow for a precise assessment at this stage.

At the same time, the strong measures taken by the Group to mitigate the effect of Covid-19 on its business since the beginning of the pandemic are continuing and are adapted to the evolution of the situation that the Group is following closely. These actions include, amongst others, adapting capacity to the demand trends, cash preservation, systematic refinancing of new aircraft delivered and salary measures.

Capacity adaptation and costs reduction

Available seat-kilometers for the Passenger network and Transavia were 68 percent higher in the first quarter of 2022 compared to the first quarter of 2021, in response to the resumption of demand, and has reached 75 percent of the first quarter 2019 level for Passenger network and near 2019 capacity for Transavia.

Revenue per passenger-kilometers jumped by 208 percent in the first quarter of 2022 compared to the first quarter of 2021. The cargo business continued to benefit from a buoyant environment with available ton-kilometers up 11 per cent compared to the first quarter of 2021. As a result, total revenues increased by 106 percent compared to last year and amounted to €4 445 million.

Air France-KLM Group

In parallel, external expenses amount to €(2,909) million, an increase of 71 percent compared to 2021, mainly because of fuel costs. Fuel costs amount to €(996) million as of March 31, 2022 against €(463) million as of March 31, 2021, an increase of 115 percent due to changes in capacity and higher fuel prices. Excluding fuel, external expenses increased only by 55 percent.

In addition, the continuation of the partial activity mechanisms in France, implemented from March 23, 2020, the "Temporary Emergency Bridging Measures for Sustained Employment" (NOW) program in the Netherlands, applicable from March 1, 2020, as well as the continuation of the restructuring plans and the reduction in workforce initiated in 2020 and 2021 (see note 4.2. Events occurring during the period in the notes to the consolidated financial statements for the year ended December 31, 2021) continued to contribute to limiting salaries and related costs. The total salaries and related costs amounts to €(1,522) million as of March 31, 2022 €(1,167) million as of March 31, 2021 and €(1,916) million as of March 31, 2020 in the beginning of Covid. The "Temporary Emergency Bridging Measures for Sustained Employment (NOW)" program in the Netherlands ended on March 31, 2022.

Liquidity position

As of March 31, 2022, the Group's total liquidity amounted to €10.76 billion, of which €8.3 billion in net cash excluding undrawn credit lines (see note 14. Net debt) and €2.46 billion in undrawn credit lines (see note 33.3 Financial support from the French and Dutch States and 33.7 Credit lines from the notes to financial statements as of December 31, 2021).

At the same time, the Group continues to pursue its additional financing projects, to improve equity or quasi-equity and provide new liquidity, within the framework of the extraordinary resolutions voted at the Annual Shareholders' Meeting on May 26, 2021. It is also working on various additional options to restore Air France's equity to the legally required level.

Going concern

In determining the appropriate basis for preparing the interim consolidated financial statements for the period ended March 31, 2022, the going concern has been assessed by evaluating the financial forecasts over a time horizon of at least one year and by analyzing, in particular, the commercial position of the Group within the context of the current Covid-19 pandemic and the Ukrainian crisis.

As mentioned above, the Group had total cash at hand of €10.76 billion as of March 31, 2022 (see the "Liquidity position" paragraph), an improvement of €0.6 billion compared to December 31, 2021.

Furthermore, despite the uncertainties related to the current context, the improvement of the sanitary situation since the end of 2021 as well as of the cash position, the continuing recovery of activity and the limited impact of the Ukrainian crisis on the consolidated financial statements as of March 31, 2022 have led to the preparation of the interim consolidated financial information as of March 31, 2022 on a going-concern basis, in accordance with approach taken for the consolidated financial statements as of December 31, 2021. (see note 4.1 related to consolidated financial statement as of December 31, 2021).

2.2. Events that occurred in the period

Signature of purchase contracts of A320neo

End of February 2022, purchases contracts of 100 Airbus A320neo Family aircraft were signed between Airbus and KLM N.V., Transavia Netherlands and Transavia France. This signature has been followed, early April 2022, by entering into exclusive negotiations with CFM International for the engine configuration of this future fleet of aircraft.

Appeal against the European Commission's decision in the air cargo sector rejected

On March 30, 2022, Air France – KLM has taken note of the EU General Court's judgement on the appeal filed against the decision of the European Commission of 17 March 2017 for practices considered to be anti-competitive in the air cargo sector.

The practices in question date back more than twenty years ago and had already been condemned in a decision of the European Commission in 2010 but annulled by the General Court of the European Union in 2015 due to a contradiction between the grounds and the operative part of the decision.

The Group is analyzing this decision in view of an appeal before the Court of Justice. Provisions of €351.8 million including interest in the accounts on March 31 2022 are in accordance with these fines.

Air France-KLM Group

2.3. Subsequent events

On May 3, 2022, KLM repaid €311 million under its revolving credit facility guaranteed by the Dutch State (see note 33.3 Financial support from the French and Dutch States from the notes to financial statements as of December 31, 2021) . At the end of the transaction, the outstanding amount of this credit line at KLM amounts to €354 million.

3. ACCOUNTING PRINCIPLES

Pursuant to the European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of December 31, 2021 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.

The interim consolidated financial information as of March 31, 2022 must be read in connection with the annual consolidated financial statements for the year ended on December 31, 2021. They have been established in accordance with the accounting principles used by the Group for the consolidated financial statements 2021, except for standards and interpretations adopted by the European Union applicable as from January 1, 2022.

A working group has been set up within the Group to perform analyses with regard to the Agenda Decision relating to the “Accounting for customization and / or configuration costs in SaaS arrangements” and assess the impacts of its implementation. Any changes resulting from the application of this IFRIC ruling will be accounted for retrospectively in accordance with IAS 8 on changes in accounting policies.

The preparation of the interim consolidated financial information, in accordance with IFRS, requires Management to make estimates and use assumptions that affect the amounts recognized in the primary financial statements and accompanying notes at the closing date.

The main areas of estimates relate to the:

- revenue recognition linked to deferred revenue on ticket sales;
- Flying Blue frequent flyer program;
- financial instruments;
- intangible and tangible assets;
- lease contracts;
- employee benefits;
- return obligation liability and provision for leased aircraft;
- other provisions; and
- current and deferred tax.

The Management of the Group management makes these estimates and assessments continuously on the basis of its past experience and various other factors considered to be reasonable that constitute the basis for these assumptions. The interim consolidated financial information for the period have thus been established taking into consideration the current context of public health and geopolitical crisis and on the basis of financial parameters available at the closing date.

The interim consolidated financial information as of March 31, 2022 were reviewed by the Board of Directors on May 4, 2022.

4. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

Business segments

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

The Group is organized around the following segments:

Air France-KLM Group

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 sales of cargo capacity to third parties and the transportation of shipments on behalf of the Group by other airlines.

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

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

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

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

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

Geographical segments

• Activity by origin of sales area

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

- Metropolitan France
- Benelux
- Europe (excluding France and Benelux)
- Rest of the world

The format for presenting activities by zone of origin of sales has been revised to take into account the Group's new commercial organization.

Only segment revenue is allocated by geographical sales area.

• Activity by destination

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

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

Air France-KLM Group

4.1. Information by business segment

• Period ended March 31, 2022

<i>In € millions</i>	Network	Maintenance	Transavia	Other	Non allocated	Total
Total sales	3,900	831	249	47	-	5,027
Intersegment sales	(6)	(534)	-	(42)	-	(582)
External sales	3,894	297	249	5	-	4,445
EBITDA	150	93	(35)	13	-	221
Income from current operations	(309)	43	(92)	8	-	(350)
Income from operating activities	(315)	43	(92)	8	-	(356)
Share of profits (losses) of associates	-	1	-	(3)	-	(2)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(190)	(190)
Income taxes	-	-	-	-	(4)	(4)
Net income	(315)	44	(92)	5	(194)	(552)

• Period ended March 31, 2021 restated ⁽¹⁾

<i>In € millions</i>	Network	Maintenance	Transavia	Other	Non allocated	Total
Total sales	1,864	622	37	36	-	2,559
Intersegment sales	(6)	(363)	-	(29)	-	(398)
External sales	1,858	259	37	7	-	2,161
EBITDA	(621)	56	(77)	14	-	(628)
Income from current operations	(1,060)	(8)	(120)	8	-	(1,180)
Income from operating activities	(1,066)	(9)	(120)	8	-	(1,187)
Share of profits (losses) of associates	-	1	-	(8)	-	(7)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(278)	(278)
Income taxes	-	-	-	-	(11)	(11)
Net income	(1,066)	(8)	(120)	-	(289)	(1,483)

⁽¹⁾ See note 1 in notes to the consolidated financial statements.

4.2. Information by geographical area

External sales by geographical area

• Period ended March 31, 2022

<i>In € millions</i>	Metropolitan France	Benelux	Europe (except France and Benelux)	Long Haul / Other	Total
Transportation	1,145	446	913	1,171	3,675
Other sales	65	47	47	60	219
Total Network	1,210	493	960	1,231	3,894
Transportation	79	146	22	4	251
Other sales	(3)	1	-	-	(2)
Total Transavia	76	147	22	4	249
Maintenance	138	132	5	22	297
Others	1	4	-	-	5
Total	1,425	776	987	1,257	4,445

Air France-KLM Group

- Period ended March 31, 2021 restated ⁽¹⁾

<i>In € millions</i>	Metropo- litan France	Benelux	Europe (except France and Benelux)	Long Haul / Other	Total
Transportation	488	189	425	610	1,712
Other sales	53	26	38	29	146
Total Network	541	215	463	639	1,858
Transportation	14	20	3	-	37
Other sales	-	-	-	-	-
Total Transavia	14	20	3	-	37
Maintenance	153	83	6	17	259
Others	2	5	-	-	7
Total	710	323	472	656	2,161

⁽¹⁾ The format for the presenting activities by zone of origin of sales has been revised to take into account the Group's new commercial organization.

Traffic sales by geographical area of destination

- Period ended March 31, 2022

<i>In € millions</i>	Metropolitan France	Europe (except France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (except North Africa) Middle East	North America, Mexico	South America, except Mexico	Asia, New Caledonia	Total
Network	194	646	454	603	859	512	407	3,675
Transavia	14	218	-	19	-	-	-	251
Total	208	864	454	622	859	512	407	3,926

- Period ended March 31, 2021

<i>In € millions</i>	Metropolitan France	Europe (except France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (except North Africa) Middle East	North America, Mexico	South America, except Mexico	Asia, New Caledonia	Total
Network	120	200	193	339	340	239	281	1,712
Transavia	4	31	-	2	-	-	-	37
Total	124	231	193	341	340	239	281	1,749

Air France-KLM Group

5. EXTERNAL EXPENSES

<i>In € millions</i>	2022	2021
Period from January 1 to March 31		
Aircraft fuel	996	463
Chartering costs	101	69
Landing fees and air route charges	348	215
Catering	142	58
Handling charges and other operating costs	320	191
Aircraft maintenance costs	515	345
Commercial and distribution costs	154	59
Other external expenses	333	298
Total	2,909	1,698
<i>Excluding aircraft fuel</i>	<i>1,913</i>	<i>1,235</i>

6. SALARIES AND NUMBER OF EMPLOYEES

Salaries and related costs

<i>In € millions</i>	2022	2021
Period from January 1 to March 31		restated ⁽¹⁾
Wages and salaries	1,177	1,065
Social contributions	214	203
Pensions costs on defined contribution plans	179	121
Pensions costs of defined benefit plan	34	75
Cost of temporary employees	34	12
Profit sharing and payment linked with shares	-	(14)
Temporary Emergency Bridging Measure for Sustained Employment	(140)	(320)
Other	24	25
Total	1,522	1,167

⁽¹⁾ See note 1 in notes to the consolidated financial statements.

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

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

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

As of March 31, 2022, the impact of these measures amounts to €71 million (€223 million as of March 31, 2021).

The line “Temporary Emergency Bridging Measure for Sustained Employment (NOW)” includes the compensation received from the Dutch State for the KLM Group’s labor expenses during the period from January 1 until March 31, 2022. This compensation amounts to €140 million (versus €320 million for the period from January 1 until March 31, 2021).

Air France-KLM Group

Average number of employees

Period from January 1 to March 31	2022	2021
Flight deck crew	8,068	8,252
Cabin crew	19,813	19,971
Ground staff	43,408	47,714
Temporary employees	1,585	537
Total*	72,874	76,474

**Excluding partial activity impact*

The decrease in average headcount is mainly due to the completion of the restructuring plans implemented in the years 2020 and 2021 (see note 12. Other non-current income and expenses of the notes to the consolidated financial statements as of December 31, 2021).

7. AMORTIZATION, DEPRECIATION AND PROVISIONS

<i>In € millions</i>	2022	2021
Period from January 1 to March 31		
Amortization		
Intangible assets	46	48
Flight equipment	263	241
Other property, plant and equipment	44	45
Right-of-Use assets	285	259
	638	593
Depreciation and provisions		
Inventories	(11)	7
Trade receivables	(9)	13
Risks and contingencies	(47)	(61)
	(67)	(41)
Total	571	552

8. OTHER INCOME AND EXPENSES

<i>In € millions</i>	2022	2021
Period from January 1 to March 31		
Capitalized production	229	127
Joint operation of routes	-	(1)
Operations-related currency hedges	9	2
Emission trade schemes (ETS)	(11)	(6)
Other	27	(5)
Other income and expenses	254	117

Air France-KLM Group

9. SALES OF AERONAUTICAL ASSETS AND OTHER NON-CURRENT INCOME AND EXPENSES

<i>In € millions</i>	2022	2021
Period from January 1 to March 31		
Sales and leaseback	(5)	(5)
Other aeronautical sales	5	2
Sales of aeronautical assets	-	(3)
Restructuring costs	1	(1)
Accelerated depreciation of fleet	(5)	(8)
Other	(2)	5
Other non-current income and expenses	(6)	(4)

- **Period ended March 31, 2022**

Sales of aircraft equipment

The impact of aircraft sales and leasebacks resulted in an expense of €(5) million in the income statement and a result on disposal of €157 million in the cash flow statement as of March 31, 2022.

Impairment of fleet

This line includes the difference between the initial depreciation plan and the accelerated depreciation following the early phase-out of the CRJ aircraft from the HOP! fleet for €(5) million. Depreciation slopes have been revised so that the net book value as of the date of the aircraft's phase-out expected in 2022 converges with the estimated market value. As of March 31, 2022, 14 CRJ are still in the Group's fleet.

- **Period ended March 31, 2021**

Sales of aircraft equipment

The impact of aircraft sales and leasebacks resulted in an expense of €(5) million in the income statement and a result on disposal of €115 million in the cash flow statement as of March 31, 2021.

Impairment of fleet

This line includes the difference between the initial depreciation plan and the accelerated depreciation following the early phase-out of the CRJ aircraft from the HOP! fleet for €(6) million.

Air France-KLM Group

10. NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

<i>In € millions</i>	2022	2021
Period from January 1 to March 31		
Income from marketable securities	(6)	(4)
Other financial income	4	5
Financial income	(2)	1
Interest on financial debt	(76)	(106)
Interest on lease debt	(65)	(60)
Capitalized interests	7	6
Other non-monetary items	(4)	(27)
Other financial expenses	(3)	(2)
Gross cost of financial debt	(141)	(189)
Net cost of financial debt	(143)	(188)
Foreign exchange gains (losses), net	(17)	(98)
Financial instruments	5	35
Net (charge)/release to provisions	(2)	-
Undiscounting of provisions	(32)	(27)
Other	(1)	-
Other financial income and expenses	(47)	(90)
Total	(190)	(278)

Financial income

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

Foreign exchange gain (losses)

As of March 31, 2022, the foreign exchange result mainly includes an unrealized currency loss of €(40) million, composed of a €(61) million loss on return obligation liabilities and provisions for the restitution of leased aircraft in US dollars, and a gain of €17 million on debt, mainly composed of a loss of €(9) million on debt in US dollars and a gain of €25 million on debt in Japanese yen.

As of March 31, 2021, the foreign exchange losses mainly include an unrealized currency loss of €(138) million which corresponds to a loss on return obligation liabilities and provisions on aircraft in US dollars.

Undiscounting of provision

The rate used to undiscount the return obligation liability and provision for leased aircraft and other long term provisions is 3.6 percent in 2022 against 3.4 percent in 2021.

Air France-KLM Group

11. INCOME TAXES

11.1. Income tax charge

<i>In € millions</i>	2022	2021
Period from January 1 to March 31		
Current tax (expense) / income	(4)	(3)
Change in temporary differences	-	(8)
(Use / de-recognition) / recognition of tax loss carry forwards	-	-
Deferred tax income / (expense)	-	(8)
Total	(4)	(11)

The current income tax charge relates to the amounts paid or payable in the short term to the tax authorities for the period, in accordance with the regulations prevailing in various countries and any applicable treaties.

- **French fiscal group**

In France, the corporate tax rate is 25.83 percent for 2022 (versus 28.41 percent for 2021). Tax losses can be carried forward for an unlimited period. However, the amount of fiscal loss recoverable each year is limited to 50 percent of the profit for the period beyond the first million euros. The Group limits its recoverability horizon on the deferred tax losses of the French fiscal group to a period of five years, consistent with its strategic plan.

The deferred tax assets position on tax losses remains stable versus December 31, 2021 at €285 million resulting from the medium and long-term uncertainty of the pace of recovery in activity leading the Group to keep its deferred tax asset recognition policy unchanged.

Subsequently, an amount of €97 million of deferred tax assets related to tax losses and temporary differences has not been recognized for the period ended March 31, 2022 (including €83 million through income statement).

- **Dutch fiscal group**

In the Netherlands, the tax rate is 25.8 percent in 2022 (versus 25 percent in 2021).

Under income tax law in the Netherlands, the maximum future period for utilising tax losses carried forward is indefinite as from January 1, 2022. However, the amount of fiscal loss recoverable each year is limited to 50 percent of the profit for the period beyond the first million euros.

The deferred tax assets position on tax losses remains stable versus December 31, 2021 at €57 million.

In view of the medium and long-term uncertainty of the pace of recovery in activity, the Group has limited the recognition of deferred tax assets for additional tax losses in the period. Subsequently, an amount of €20 million of deferred tax assets has not been recognized for the three-month period ended March 31, 2022.

Air France-KLM Group

11.2. Effective tax rate

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

<i>In € millions</i>	2022	2021
Period from January 1 to March 31		restated ⁽¹⁾
Income before tax	(546)	(1,465)
Standard tax rate in France	25.83%	28.41%
Theoretical tax calculated based on the standard tax rate in France	141	416
Differences in French / foreign tax rates	(2)	(18)
Non-deductible expenses or non-taxable income	(42)	(18)
Write-off of deferred tax assets	(103)	(392)
CVAE impact	(2)	(1)
Other	4	2
Income tax expenses	(4)	(11)
Effective tax rate	-0.7%	-0.7%

⁽¹⁾ See note 1 in notes to the consolidated financial statements.

12. CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS

<i>In € millions</i>	As of March 31,	As of December
	2022	31,
		2021
Liquidity funds (SICAV) (assets at fair value through profit and loss)	4,135	3,688
Bank deposits and term accounts (assets at fair value through profit and loss)	1,265	1,113
Cash in hand	1,819	1,857
Total cash and cash equivalents	7,219	6,658
Bank overdrafts	(3)	(4)
Cash, cash equivalents and bank overdrafts	7,216	6,654

Air France-KLM Group

13. FINANCIAL LIABILITIES

<i>In € millions</i>	As of March 31, 2022			As of December 31, 2021		
	Non current	Current	Total	Non current	Current	Total
Perpetual subordinated loan in Japanese yens	148	-	148	153	-	153
Perpetual subordinated loan in Swiss francs	365	-	365	363	-	363
OCEANE (convertible bonds)	479	-	479	476	-	476
Bonds	1,681	361	2,042	1,678	361	2,039
Debt on financial leases with bargain option	3,033	394	3,427	2,901	404	3,305
Loans guaranteed by the French and the Dutch States	4,303	-	4,303	4,310	-	4,310
States loan	279	-	279	278	-	278
Other debt	1,150	167	1,317	1,114	340	1,454
Accrued interest	-	146	146	1	110	111
Total - Financial liabilities	11,438	1,068	12,506	11,274	1,215	12,489

Change in financial liability

<i>In € millions</i>	December 31, 2021	New financial liability	Non monetary change	Reimbursement of financial liability	Currency translation adjustment	Other	March 31 2022
Perpetual subordinated loan in Japanese yens and Swiss francs	516	-	-	-	(3)	-	513
OCEANE	476	-	3	-	-	-	479
Bonds	2,039	-	-	-	3	-	2,042
Debt on financial leases with bargain option	3,305	242	3	(110)	(12)	(1)	3,427
Loans guaranteed by the French and the Dutch states	4,310	-	(7)	-	-	-	4,303
States loans	278	-	1	-	-	-	279
Other long-term debt	1,454	49	6	(194)	1	1	1,317
Accrued interest	111	-	-	-	-	35	146
Total - Financial liabilities	12,489	291	6	(304)	(11)	35	12,506

Air France-KLM Group

Maturity Analysis

The financial liability maturities breaks down as follows:

In € millions	As of March 31, As of December 31,	
	2022	2021
Maturities in		
year Y	934	-
Y+1	1,460	1,215
Y+2	2,787	1,401
Y+3	3,488	2,767
Y+4	1,408	3,470
Over 4 years	2,429	3,636
Total	12,506	12,489

The perpetual subordinated loan in Swiss francs and Japanese yens are included in the line "Over 4 years".

14. NET DEBT

<i>In € millions</i>	<i>Notes</i>	March 31, 2022	December 31, 2021
Current and non-current financial liabilities	13	12,506	12,489
Current and non-current lease debt		3,847	3,749
Accrued interest		(162)	(128)
Deposits related to financial liabilities		(101)	(99)
Deposits related to lease debt		(89)	(85)
Derivatives impact on debt		(18)	(14)
Gross financial liability (I)		15,983	15,912
Cash and cash equivalents	12	7,219	6,658
Marketable securities ⁽¹⁾		185	189
Pledged liquidity ⁽¹⁾		323	324
Triple A bonds ⁽¹⁾		604	529
Bank overdrafts	12	(3)	(4)
Liquidities net of undrawn credit lines (II)		8,328	7,696
Net debt (I-II)		7,655	8,216

(1) Included in "Others financial assets".

Air France-KLM Group

<i>In € millions</i>	March 31, 2022 3 months	December 31, 2021 12 months
Opening net debt	8,216	11,049
Operating free cash, cash flow excluding discontinued activities	(848)	(231)
Perpetual reclassified from financial liabilities	-	(2,997)
Increase of equity	-	(1,024)
Disposal of subsidiaries, of shares in non-controlled entities	-	(75)
Acquisition of subsidiaries, of shares in non-controlled entities	-	2
Lease debts (new and renewed contracts)	279	1,150
Unrealised exchange gains and losses on lease financial debts through OCI	39	159
Impact of derivatives on net debt	(2)	(22)
Effect of Effective Interest Rate methodology on States loans	(3)	126
Foreign exchange impact through income statement	(18)	42
Amortization of OCEANE optional part	3	11
Other non monetary variation of net debt	(12)	26
Closing net debt	7,655	8,216

15. DEFERRED REVENUE ON TICKET SALES

Due to the Covid-19 crisis and resulting borders closures, the Group has been forced to reduce capacity and cancel a significant number of flights. In such an eventuality, customers can either ask for the refund of their tickets or the issuance of a voucher.

As of march 31, 2022, this line includes €350 million of vouchers that can be used for future flights (or, for some, which can be refunded) versus €387 million as of December 31, 2021.

16. OTHER LIABILITIES

<i>In € millions</i>	As of March 31, 2022		As of December 31, 2021	
	Current	Non-current	Current	Non-current
Tax liabilities (including corporation tax)	1,072	1,005	794	1,060
Employee-related liabilities	955	1,389	960	1,355
Non-current asset payables	29	-	70	-
Deferred income	882	43	873	43
Prepayments received	394	-	390	-
Other	311	101	282	97
Total	3,643	2,538	3,369	2,555

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