

FOURTH QUARTER 2021
Operating result positive at 178 million euros, above fourth quarter 2019
Adjusted operating free cash flow positive at 225 million euros
thanks to EBITDA contribution**Fourth quarter:**

- Operating result at 178 million euros, higher than pre-Covid (Fourth quarter 2019) despite lower revenues but compensated by cost control and restructuring programs. Both Network and Maintenance activities showing a positive operating result
- Net income at -127 million euros, showing 874 million euros improvement compared to the same quarter last year supported by revenue at 4,838 million euros which is 2,475 million euros higher than last year Fourth quarter
- Air France-KLM ordered 100 Airbus A320neo family aircraft - with purchase rights for an additional 60 aircraft - for KLM and Transavia, and signed a letter of intention for the purchase of 4 Airbus A350F Full Freighter aircraft for Air France with purchase rights for 4 additional aircraft, to increase cargo capacity at Air France.

Full year:

In 2021, Air France-KLM continued to be flexible and agile in order to provide the right offer to its customers. The tremendous transformation and restructuring efforts performed during the Covid crisis paved the way to a sustained position as a European aviation leader. The Group was able to close 2021 with a positive EBITDA at 745 million euros, up 2,440 million euros compared to last year with a first semester impacted by lockdowns in France and the Netherlands, and worldwide travel restrictions in place. The recovery was visible since June which continued in the second semester and thanks to less tight travel restrictions the Group was able to capture the recovery in a profitable way. Net debt ended at 8.2 billion euros, a decrease of 2.8 billion euros compared to end of 2020 thanks to the first set of capital strengthening measures.

OUTLOOK

After a good start of the Fourth quarter and the reopening of the United States early November, the rise of the Omicron variant hampered in December the continuous increase in load factors for the Medium haul and Domestic traffic. Due to high infection rates in France and the Netherlands, some flights had to be canceled in January.

In this context, the Group expects capacity in Available Seat Kilometers for Air France-KLM Network passenger activity at an index in the range of 73% to 78% in the First quarter of 2022 compared to the First quarter of 2019.

For FY 2022 no guidance will be provided yet due to uncertainty concerning the sanitary situation and reopening of Japan and China.

As of December 31 2021, the Group has a sufficient 10.2 billion euros of liquidity and credit lines at disposal.

- For the First quarter 2022, the Group expects to have an EBITDA around break-even in the current international context,
- Full year 2022 Net Capex spending estimated at circa 2.5 billion euros, which is 80% fleet & fleet related and 20% related to IT/ground.

Mid 2021, Air France-KLM initiated the first step of its recapitalization plan to strengthen its balance sheet which had been impacted by Covid-19, raising a total of circa 4 billion euros, including the completion of a 1 billion euro capital increase and the conversion of the 3 billion euros French State loan into 3 perpetual bonds in April 2021. In line with market practice for perpetual bonds, Air France-KLM intends to pay discretionary coupons in alignment with point 77 bis of the European Commission's Covid-19 Temporary Framework.

In addition, Air France-KLM implemented several refinancing measures to improve its senior debt profile, notably with 800 million euros of dual tranche senior bonds issued late in July 2021. Part of the proceeds were allocated to repay 500 million euros of the 4 billion euros French State guaranteed loan ("PGE"). The maturity profile of the PGE was also spread over three installments (800m/1.3bn/1.3bn euros) and extended to May 2025 for the last installment.

Finally, Air France-KLM also set up an EMTN (Euro Medium Term Notes) programme, and obtained a solicited ESG rating from Standard & Poor's to pursue its forthcoming refinancing strategy and reaffirm its strategic ESG ambitions in the mid to long term.

Air France-KLM now plans to start a new step of equity strengthening measures, which could consist in:

- a capital increase with pre-emptive rights for shareholders;
- an issuance of quasi equity instruments such as straight and convertible perpetual bonds in order to accelerate the reimbursement of the State supports, since the proceeds of such instruments would be fully allocated to this purpose in alignment with point 77 bis of the European Commission's Covid-19 Temporary Framework cited above;
- additional equity strengthening measures, including an potential ongoing project to refinance assets for an amount up to 500 million euros, through private perpetual bonds classified as equity. The proceeds would be used to partially redeem State aids.

Air France-KLM intends to remain flexible on the transaction structures, as well as on the sequencing and the sizing of each instrument depending on market conditions.

Existing reference shareholders are supportive of these equity strengthening measures; some of them will consider participating, amongst which the French State and the Dutch State on a pro rata and in-kind basis, through partial offset of their respective outstanding support.

Air France-KLM is committed to repaying the States aids as soon as practicable to be relieved from the set of operational and strategic constraints of the European Commission's Temporary Framework.

Some of these measures are subject to the approval of the European Commission as well as legal and regulatory approvals.

In total, these equity and quasi-equity issuances could represent up to 4.0 billion euros.

This new step in the recapitalization plan measures intends to further restore the equity position, and aims to reach a targeted Net debt / EBITDA ratio between 2.0x and 2.5x by 2023 (excluding the Dutch shareholder loan which is currently accounted as debt), depending notably on the sizing of the contemplated measures.

Air France-KLM Group	Fourth quarter		Full Year	
	2021	Change ¹	2021	Change
Passengers (thousands)	15,881	+167.3%	44,669	+31.1%
Passenger Unit revenue per ASK ² (€ cts)	5.77	+87.0%	4.78	+6.1%
Operating result (€m)	178	+1,314	-1,626	+2,928
Net income – Group part (€m)	-127	+874	-3,292	+3,808
Adj. operating free cash flow (€m)	225	+2,340	-631	+5,030
Net debt at end of period ³ (€m)			8,216	-2,833

The Board of Directors of Air France-KLM, chaired by Mrs Anne-Marie Couderc, met on February 16, 2022 to approve the financial statements for the full year of 2021. Group CEO Mr. Benjamin Smith said: *“The fourth quarter 2021 marked a turning point for Air France-KLM. For the first time since the beginning of the pandemic, the Group posted better than pre-covid results, with a positive operating result. While the end of the quarter saw the return of travel restrictions along with the Omicron variant, the overall performance reflects both the pent-up demand for travel and the outcome of our transformation efforts. The crisis is not over yet, but this makes us optimistic for the future, as we accelerate said efforts to improve our performance from both an economical and environmental standpoint. The investments in fleet renewal across all of the Group’s airlines – including the joint order for 100 Airbus A320neo family aircraft with acquisition rights for an additional 60 aircraft and the LOI for 4 Airbus A350F Full Freighter aircraft - embody this goal and emphasize our dedication to preparing for the future today. I would like to thank our customers for their trust, and our employees for their unyielding commitment to the Group throughout another challenging yet rewarding year.”*

Business review

Network: Positive Operating result in the fourth quarter

Network	Fourth quarter			Full Year		
	2021	Change	Change constant currency	2021	Change	Change constant currency
Total revenues (€m)	4,242	+113.6%	+112.0%	12,253	+33.1%	+34.8%
Scheduled revenues (€m)	4,025	+121.4%	+119.3%	11,520	+34.4%	+36.3%
Operating result (€m)	146	+1,027	+1,032	-1,582	+2,140	+2,126

Fourth quarter 2021 revenues increased by 112.0% at constant currency to 4,242 million euros. The operating result was positive and amounted to 146 million euros, a 1,032 million euros increase at constant currency compared to last year.

Passenger network: Strong long haul performance, lockdown impact visible in December for Medium haul and Domestic

Passenger network	Fourth quarter			Full Year		
	2021	Change	Change constant currency	2021	Change	Change constant currency
Passengers (thousands)	12,840	+146.3%		35,855	+24.1%	
Capacity (ASK m)	53,485	+53.3%		176,019	+27.4%	
Traffic (RPK m)	37,710	+162.8%		101,092	+24.5%	
Load factor	70.5%	+29.4 pt		57.4%	-1.3 pt	
Total passenger revenues (€m)	3,223	+186.2%	+184.7%	8,666	+30.5%	+32.3%
Scheduled passenger revenues (€m)	3,131	+197.0%	+194.3%	8,353	+32.1%	+34.0%
Unit revenue per ASK (€ cts)	5.85	+93.8%	+92.0%	4.75	+3.7%	+5.2%

¹ The fourth quarter 2020 was highly impacted by worldwide travel restrictions

² Passenger unit revenue is the aggregate of Passenger network and Transavia unit revenues, change at constant currency

³ See appendix for the calculation of the net debt

Fourth quarter 2021, capacity in Available Seat Kilometers (ASK) was 53% higher than last year and at 72% of 2019 Fourth quarter level. Thanks to the Group's balanced network and the reopening of the Canada and the United States, the passenger network was in the middle of the Group's guidance provided during the Third quarter 2021 results presentation.

The unit revenue per ASK on all routes, except for Central and South America, was below 2019 levels in the Fourth quarter, driven by lower load factors. Yields on total long haul level was above Fourth quarter 2019 levels, intra Europe yields were close to the Fourth quarter 2019 level while Domestic France yields ended below Fourth quarter of 2019 level, resulting in a better yield compared to the Fourth quarter for the entire passenger network activity.

- North Atlantic has shown a strong increase in capacity and resilient traffic after the opening of the United States early November.
- On Caribbean and Indian Ocean, the Group continued to be strong with a capacity index above Fourth quarter 2019 level, despite protest in the French Antilles in November and December.
- Air France posted a strong Africa performance driven by East, West and Central Africa and KLM saw good results on the Eastern Africa routes. Arrival of Omicron variant in the Southern Africa zone impacted traffic at the end of November.
- Asia capacity and traffic were still low for both airlines, however a bit compensated by a positive yield.
- Central and South America showed healthy demand resulting in the same load factor as the Fourth quarter in 2019 and higher yields.
- Good dynamics for Short and Medium haul in October but slowdowns in November and December with a traffic not following capacity ramp-up due to border closures and additional restrictions.

During the Fourth quarter, Air France added one Airbus 350-900 and five Airbus A220-300 to its fleet while Air France phased out one Airbus A320, three Airbus A318, four Canadair Jet 700 and four Embraer 145. KLM phased out one Boeing B737-700 and KLM phased in three Embraer 195 E2. The Group will continue to introduce new generation aircraft to its fleet in order to improve its economic and environmental performance.

In 2021, Air France-KLM passenger activity was able to operate around 60% of 2019 capacity, with the first half of 2021 more impacted by travel restrictions. Short and medium-haul, African and Caribbean & Indian Ocean routes were the best performers.

Cargo: Strong fourth quarter yields resulting in higher unit revenue

Cargo business	Fourth quarter			Full Year		
	2021	Change	Change constant currency	2021	Change	Change constant currency
Tons (thousands)	264	-1.3%		1,053	+19.7%	
Capacity (ATK m)	3,106	+10.5%		11,469	+13.3%	
Traffic (RTK m)	2,002	-3.8%		8,058	+18.0%	
Load factor	64.5%	-9.6 pt		70.3%	+2.8 pt	
Total Cargo revenues (€m)	1,020	+18.6%	+17.4%	3,588	+39.7%	+41.4%
Scheduled cargo revenues (€m)	894	+17.1%	+15.9%	3,167	+41.0%	+42.6%
Unit revenue per ATK (€ cts)	28.80	+6.0%	+5.0%	27.61	+24.4%	+25.8%

Compared to the fourth quarter 2020, capacity increased by 10.5% in Available Ton Kilometers, mainly due to the increase in belly capacity, while traffic decreased by 3.8% resulting in a decrease of load factor by 9.6 points. Thanks to an increase in yield, which compensated the reduction in load factor, the unit revenue per ATK at constant currency improved by 5.0%.

Cargo capacity in the Fourth quarter is still 16% below the capacity in the Fourth quarter of 2019 while the demand remains high, resulting in total revenues that are 82% higher than in the Fourth quarter of 2019. This increase in revenues is mainly driven by a higher yield and 5 points higher load factor contributed as well.

In 2021, the cargo activity continued to post very strong performances with a 25.8% unit revenue increase at constant currency versus last year. Yields were continuously on a steep upward trend.

Strong demand is expected in Q1 2022 as global trade is booming, sea freight faces bottleneck, and the belly capacities are still constrained overall.

Transavia: Capacity close to pre-crisis level with a load factor of 80%

Transavia	Fourth quarter		Full Year	
	2021	Change	2021	Change
Passengers (thousands)	3,042	+316.8%	8,814	+70.1%
Capacity (ASK m)	6,452	+202.4%	20,097	+51.0%
Traffic (RPK m)	5,131	+287.9%	15,012	+52.7%
Load factor	79.5%	+17.5 pt	74.7%	+0.9 pt
Total passenger revenues (€m)	326	+283.6%	1,011	+66.9%
Unit revenue per ASK (€ cts)	5.06	+37.7%	5.05	+14.6%
Unit cost per ASK (€ cts)	5.64	-29.6%	5.80	-12.9%
Operating result (€m)	-37	+56	-150	+149

The Fourth quarter of 2021 had started well with encouraging load factors but December was impacted by the closure of the border of Morocco and imposed travel restrictions in several countries due to the rise of the Omicron variant. Despite these factors, capacity in the fourth quarter was close to the level of the Fourth quarter of 2019 and unit revenue even above Fourth quarter 2019 mainly driven by a strong yield improvement.

Compared to last year, the capacity in the Fourth quarter increased by 202.4% while traffic increased by 287.9% and the number of passengers increased even more, by 316.8%. The Operating result was negative at 37 million euros, although improved by 56 million euros compared to the Fourth quarter of 2020.

In the first half year of 2021, activity levels were quite low compared to 2020. The strong recovery of leisure traffic started in the second half of the year resulting in an increase of 51% in ASK's and an average load factor of 74.7% for the Full year 2021. Combined with a yield increase of 14% compared to 2020, the unit revenue per ASK rose by 14.6%. The Operating loss stood at 150 million euros for the full year 2021, which is an improvement of 149 million euros compared to 2020.

Maintenance business: Operating result positive for the Fourth quarter and Full Year 2021

Maintenance	Fourth quarter			Full Year		
	2021	Change	Change constant currency	2021	Change	Change constant currency
Total revenues (€m)	796	+32.1%		2,801	-2.0%	
Third-party revenues (€m)	263	-8.0%	-9.4%	1,023	-18.0%	-11.8%
Operating result (€m)	69	246	246	88	631	651
Operating margin (%)	8.7%	+38.0 pt	+37.7 pt	3.1%	+22.1 pt	+23.5 pt

The Fourth quarter operating result stood at 69 million euros, an increase of 246 million euros at constant currency versus the Fourth quarter 2020. Although the Fourth quarter 2020 result was heavily impacted by one off bookings related to the Covid-19 crisis, the improvement of the operating results is explained as well by less underactivity, cost control, savings and operational improvement.

Total revenues increased by 32.1% in the Fourth quarter while third party revenues decreased by 8.0% due to the use of green time by external customers in order to avoid shop visits. The increase in internal revenues is consistent with the activity increase of the Air France-KLM airlines compared to the Fourth quarter 2020.

Full year 2021 total revenues are close to Full year 2020 levels while the operating result increased by 651 million euros at a constant currency, resulting in an operating margin of 3.1%. The results of full year 2020 were heavily impacted by one-off bookings related to the Covid-19 crisis when the year 2021 has shown a better result driven by cost control, savings and operational improvement.

Air France-KLM Group: Operating result above Q4 2019

	Fourth quarter			Full Year		
	2021	Change*	Change* constant currency	2021	Change*	Change* constant currency
Capacity (ASK m)	59,937	+61.8%		196,116	+29.5%	
Traffic (RPK m)	42,841	+173.3%		116,104	+27.5%	
Passenger unit revenue per ASK (€ cts)	5.77	+88.6%	+87.0%	4.78	+4.7%	+6.1%
Group unit revenue per ASK (€ cts)	7.26	+41.8%	+40.5%	6.39	+5.7%	+7.1%
Group unit cost per ASK (€ cts) at constant fuel	6.96	-14.9%	-19.1%	7.22	-20.2%	-20.0%
Revenues (€m)	4,838	+104.7%	+103.1%	14,315	+29.1%	+31.6%
EBITDA (€m)	827	1,236	1,241	745	2,440	2,445
Operating result (€m)	178	1,314	1,319	-1,626	2,928	2,932
Operating margin (%)	3.7%	+51.8 pt	+51.6 pt	-11.4%	+29.7 pt	+30.5 pt
Net income - Group part (€m)	-127	+874		-3,292	+3,808	

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

In the Fourth quarter 2021, the Air France-KLM Group posted a positive operating result of 178 million euros, up by 1,319 million euros at a constant currency compared to last year, and was driven by an increase of capacity and unit cost reduction. In parallel, the increase of load factor generated an increase of the unit revenue.

Net income amounted to -127 million euros in the Fourth quarter 2021, an increase of 874 million euros compared to last year.

Full year 2021 showed a positive EBITDA of 745 million euros, coming from a positive second half of the year while the first half of the year was still impacted by severe travel restrictions due to the Covid-19 crisis.

Group Unit Cost down versus Q4 2019 despite 26% less capacity

Unit cost were down compared to the Fourth quarter 2019 despite the group capacity was 26% below the same quarter in 2019.

On a constant currency and fuel price basis, unit costs were down 19.1% in the Fourth quarter 2021 compared to the same quarter last year.

The reduction in salary cost compared to the Fourth quarter 2019 was mainly driven by a reduction in Full time employee (FTE), and supported by lower average salary cost and by government support on wages as well.

Fourth quarter: Adjusted Operating Free cash flow positive, for the third quarter in a row

In € million	Fourth quarter		Full Year	
	2021	Change	2021	Change
Cash flow before change in WCR and Voluntary Departure Plans, continuing operations (€m)	711	+1,619	220	+3,196
Cash out related to Voluntary Departure Plans (€m)	-78	-72	-296	-281
Change in Working Capital Requirement (WCR) (€m)	249	+750	1,610	+1,445
Net cash flow from operating activities (€m)	882	2,298	1,534	4,360
Net investments* (€m)	-449	-28	-1,303	+592
Operating free cash flow (€m)	433	+2,270	231	4,952
Repayment of lease debt	-208	+70	-862	+78
Adjusted operating free cash flow**	225	+2,340	-631	+5,030

* Sum of 'Purchase of property, plant and equipment and intangible assets' and 'Proceeds on disposal of property, plant and equipment and intangible assets' as presented in the consolidated cash flow statement.

** The "Adjusted operating free cash flow" is operating free cash flow after deducting the repayment of lease debt.

The Group generated an adjusted operating free cash flow in the Fourth quarter 2021 of 225 million euros, an increase of 2,340 million euros compared to last year, mainly driven by a positive EBITDA of 827 million euros.

In € million	31 Dec 2021	31 Dec 2020
Net debt	8,216	11,049
EBITDA <i>trailing 12 months</i>	745	-1,695
Net debt/EBITDA <i>trailing 12 months</i>	11.0 x	na

Q4: Positive operating result for both airlines

	Fourth quarter		Full Year	
	2021	Change	2021	Change
Air France Group Operating result (€m)	52	+1,043	-1,403	+1,992
<i>Operating margin (%)</i>	1.8%	+75.3 pt	-16.0%	+36.9 pt
KLM Group Operating result (€m)	127	+278	-227	+927
<i>Operating margin (%)</i>	6.2%	+19.6 pt	-3.7%	+18.8 pt

Guidance: Air France-KLM Group medium term operating margin objective unchanged

The Group continues its swift and quick transformation initiatives and confirms its medium-term financial ambition with the long-term focus of achieving increased competitiveness. To do this, the Group continues to optimize fleet, workforce, network, costs and reinforce its sustainability efforts.

The Group expects capacity in Available Seat Kilometers back to the 2019 levels in 2024.

Air France (excluding Transavia France subsidiary) decreased the number of FTE by 7,800 at the end of 2021 compared to December 2019. The voluntary departure plan continues at Air France (excluding Transavia France), and an additional 700 FTE will leave the company in 2022. KLM finalized the FTE reduction by the end of 2021 resulting in 5,500 less FTE.

Operating cost has been reduced in 2021, with 800 million euros structural benefits for KLM and 1.0 billion structural benefits for Air France by the end of 2021. Air France estimates to reach by the end of 2022 1.4 billion euros structural benefits versus 2019.

The reduction in FTE, amongst other key transformation initiatives, will drive the unit cost down 4% to 6% at constant fuel price when capacity are back to 2019 level.

The Group's medium-term financial ambition is maintained with an Operating Margin objective reconfirmed at 7% to 8% in 2024. The Adjusted Operating Free Cash Flow excluding exceptionals is expected positive in 2023. Exceptionals include the payment of the cargo claim and the deferrals of social charges accumulated during the Covid 19 period.

The Net debt/EBITDA target ratio of circa 3x in 2023 will be lowered to between 2x and 2.5x depending on the second step of recapitalization sizing.

The results presentation is available at www.airfranceklm.com on February 17, 2022 from 8:15 am CET.

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Income Statement

€m	Fourth quarter			Full Year		
	2021	2020	Change	2021	2020*	Change
Revenues from ordinary activities	4,838	2,363	+104.7%	14,315	11,088	+29.1%
Aircraft fuel	-937	-506	+85.2%	-2,748	-2,392	+14.9%
Chartering costs	-93	-72	+29.2%	-325	-253	+28.5%
Landing fees and route charges	-350	-226	+54.9%	-1,185	-969	+22.3%
Catering	-132	-59	+123.7%	-382	-294	+29.9%
Handling charges and other operating costs	-317	-188	+68.6%	-1,027	-833	+23.3%
Aircraft maintenance costs	-439	-375	+17.1%	-1,620	-1,618	+0.1%
Commercial and distribution costs	-130	-55	+136.4%	-385	-346	+11.3%
Other external expenses	-315	-342	-7.9%	-1,154	-1,275	-9.5%
Salaries and related costs	-1,529	-1,078	+41.8%	-5,343	-5,306	+0.7%
Taxes other than income taxes	-16	-29	-44.8%	-116	-137	-15.3%
Other income and expenses	247	158	+56.3%	715	640	+11.7%
EBITDA	827	-409	nm	745	-1,695	nm
Amortization, depreciation and provisions	-649	-727	-10.7%	-2,371	-2,859	-17.1%
Income from current operations	178	-1,136	nm	-1,626	-4,554	-64.3%
Sales of aircraft equipment	1	6	-83.3%	-19	37	nm
Other non-current income and expenses	19	-38	nm	-887	-1,513	-41%
Income from operating activities	198	-1,168	nm	-2,532	-6,030	-58.0%
Cost of financial debt	-247	-146	+69.2%	-730	-496	+47.2%
Income from cash and cash equivalent	0	1	-100.0%	2	19	-89.5%
Net cost of financial debt	-247	-145	+70.3%	-728	-477	+52.6%
Other financial income and expenses	-91	171	nm	-289	-451	-35.9%
Income before tax	-140	-1,142	-87.7%	-3,549	-6,958	-49.0%
Income taxes	26	146	-82.2%	282	-89	nm
Net income of consolidated companies	-114	-996	-88.6%	-3,267	-7,047	-53.6%
Share of profits (losses) of associates	-13	-6	+116.7%	-27	-58	-53.4%
Net income for the period	-127	-1,002	-87.3%	-3,294	-7,105	-53.6%
Minority interest	0	-1	-100.0%	-2	-5	-60.0%
Net income for the period – Group part	-127	-1,001	-87.3%	-3,292	-7,100	-53.6%

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Consolidated Balance Sheet

Assets		
<i>€m</i>	31 Dec 2021	31 Dec 2020*
Goodwill	222	215
Intangible assets	1,235	1,230
Flight equipment	10,466	11,031
Other property, plant and equipment	1,402	1,548
Right-of-use assets	5,148	4,678
Investments in equity associates	109	230
Pension assets	0	211
Other non-current financial assets	951	795
Non-current derivative financial assets	143	92
Deferred tax assets	278	252
Other non-current assets	0	4
Total non-current assets	19,954	20,286
Assets held for sale	74	0
Other current financial assets	484	607
Current derivative financial assets	469	160
Inventories	567	543
Trade receivables	1,511	1,248
Other current assets	966	914
Cash and cash equivalents	6,658	6,423
Total current assets	10,729	9,895
Total assets	30,683	30,181
Liabilities and equity		
<i>In million euros</i>		
	31 Dec 2021	31 Dec 2020*
Issued capital	643	429
Additional paid-in capital	4,949	4,139
Treasury shares	-25	-25
Perpetual	3,151	0
Reserves and retained earnings	-12,542	-9,894
Equity attributable to equity holders of Air France-KLM	-3,824	-5,351
Non-controlling interests	8	9
Total Equity	-3,816	-5,342
Pension provisions	1,939	2,041
Non-current return obligation liability and other provisions	4,055	3,670
Non-current financial liabilities	11,274	14,171
Non-current lease debt	2,924	2,425
Non-current derivative financial liabilities	25	122
Deferred tax liabilities	1	22
Other non-current liabilities	2,555	1,294
Total non-current liabilities	22,773	23,745
Provisions	885	1,337
Current financial liabilities	1,215	1,318
Current lease debt	825	839
Current derivative financial liabilities	46	363
Trade payables	1,850	1,435
Deferred revenue on ticket sales	2,644	2,394
Frequent flyer programs	888	916
Other current liabilities	3,369	3,175
Bank overdrafts	4	1
Total current liabilities	11,726	11,778
Total equity and liabilities	30,683	30,181

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Statement of Consolidated Cash Flows from 1st January until 31 December 2021

€m	31 Dec 2021	31 Dec 2020*
Net income	-3,294	-7,105
Amortization, depreciation and operating provisions	2,371	2,859
Financial provisions	115	183
Loss (gain) on disposals of tangible and intangible assets	18	-50
Loss (gain) on disposals of subsidiaries and associates	-26	1
Derivatives – non monetary result	-39	-27
Unrealized foreign exchange gains and losses, net	257	-290
Share of (profits) losses of associates	27	58
Deferred taxes	-284	159
Impairment	40	680
Other non-monetary items	739	541
Financial Capacity	-76	-2,991
(Increase) / decrease in inventories	-41	138
(Increase) / decrease in trade receivables	-239	760
Increase / (decrease) in trade payables	395	-898
Increase / (decrease) in advanced ticket sales	227	-837
Change in other receivables and payables	1,268	1,002
Change in working capital requirements	1,610	165
Net cash flow from operating activities	1,534	-2,826
Acquisition of subsidiaries, of shares in non-controlled entities	-4	-1
Purchase of property, plant and equipment and intangible assets	-2,202	-2,099
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	75	357
Proceeds on disposal of property, plant and equipment and intangible assets	899	204
Dividends received	2	0
Decrease (increase) in net investments, more than 3 months	-9	-44
Net cash flow used in investing activities	-1,239	-1,583
Increase of equity	1,024	0
Issuance of debt	1,724	11,437
Repayment on debt	-1,993	-3,388
Payments on lease debt	-862	-940
New loans	-188	-282
Repayment on loans	219	321
Dividends	-1	0
Net cash flow from financing activities	-77	7,147
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)	14	-27
Change in cash and cash equivalents and bank overdrafts	232	2,711
Cash and cash equivalents and bank overdrafts at beginning of period	6,422	3,711
Cash and cash equivalents and bank overdrafts at end of period	6,654	6,422

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Return on capital employed (ROCE)

<i>In million euros</i>	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
Goodwill and intangible assets	1,457	1,456	1,464	1,479	1,445	1,470	1,500	1,564
Flight equipment	10,466	10,478	10,645	10,800	11,031	11,009	10,919	11,465
Other property, plant and equipment	1,402	1,418	1,453	1,476	1,548	1,535	1,551	1,579
Right of use assets	5,148	5,061	5,033	4,795	4,678	4,789	4,938	5,119
Investments in equity associates	109	172	166	223	230	224	267	299
Financial assets excluding marketable securities and financial deposits	157	147	147	146	146	135	133	142
Provisions, excluding pension, cargo litigation and restructuring	-4,173	-4,180	-4,033	-4,083	-3,922	-4,002	-4,132	-4,191
WCR, excluding market value of derivatives	-8,262	-7,995	-7,745	-6,410	-6,505	-6,894	-6,779	-6,650
Capital employed	6,304	6,557	7,130	8,426	8,651	8,266	8,397	9,327
Average capital employed (A)	7,104				8,660			
Adjusted results from current operations	-1,626				-4,555			
- Dividends received	0				0			
- Share of profits (losses) of associates	-27				-58			
- Normative income tax	462				1,396			
Adjusted result from current operations after tax (B)	-1,191				-3,217			
ROCE, trailing 12 months (B/A)	-16.8%				-37.1%			

Net debt

€m	Balance sheet at	
	31 Dec 2021	31 Dec 2020
Financial debt	12,390	15,388
Repo on triple A bonds	0	-84
Lease debt	3,664	3,184
Currency hedge on financial debt	-14	27
Accrued interest	-128	-107
Gross financial debt (A)	15,912	18,408
Cash and cash equivalents	6,658	6,423
Marketable securities	1,042	193
Cash securities	0	309
Bonds AAA	0	518
Bank overdrafts	-4	-1
Others	0	1
Repo on triple A bonds	0	-84
Net cash (B)	7,696	7,359
Net debt (A) – (B)	8,216	11,049

Adjusted operating free cash flow

€m	Fourth quarter		Full Year	
	2021	2020	2021	2020
Net cash flow from operating activities, continued operations	882	-1,416	1,534	-2,826
Investment in property, plant, equipment and intangible assets	-659	-444	-2,202	-2,099
Proceeds on disposal of property, plant, equipment and intangible assets	210	23	899	204
Operating free cash flow	433	-1,837	231	-4,721
Payments on lease debt	-208	-278	-862	-940
Adjusted operating free cash flow	225	-2,115	-631	-5,661

Operating cash burn

	Fourth quarter		Full Year	
	2021	2020*	2021	2020*
EBITDA	827	-409	745	-1,695
Provisions (CO2 and other)	10	4	-6	-22
Correction of spare parts inventory	1	2	5	4
Addition to pension provisions	38	76	206	312
Reversal to pension provisions (cash-out)	-40	-104	-140	-246
Payment linked with shares	0	2	0	0
Sales of tangible and intangible assets (excluding aeronautical)	-1	1	30	41
Income from operation activities - cash impact	835	-428	840	-1,605
Restructuring costs	-78	-253	-296	-405
Other non-current income and expenses	-8	0	-74	-1
Cost of financial debt	-137	-128	-577	-446
Financial income	-3	-4	-14	-2
Realized foreign exchanges gain/loss	14	-21	63	7
Termination of trading hedges - cash	3	-93	-8	-589
Settlement of forwards derivatives - cash	-4	2	-3	3
Current income tax	5	3	-1	70
Other financial charges & expenses - cash	0	3	-8	-22
Other elements	5	4	2	0
Financial capacity	633	-913	-76	-2,991

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Unit cost: net cost per ASK

	Fourth quarter		Full Year	
	2021	2020*	2021	2020*
Revenues (in €m)	4,838	2,363	14,315	11,088
Income/(loss) from current operations (in €m) -/-	-178	1,136	1,626	4,554
Total operating expense (in €m)	4,660	3,499	15,941	15,642
Passenger network business – other revenues (in €m)	-92	-72	-313	-314
Cargo network business – other revenues (in €m)	-125	-96	-421	-322
Third-party revenues in the maintenance business (in €m)	-263	-286	-1,023	-1,248
Transavia - other revenues (in €m)	0	-7	3	-20
Third-party revenues of other businesses (in €m)	-7	-6	-27	-28
Net cost (in €m)	4,174	3,033	14,161	13,711
Capacity produced, reported in ASK ¹	59,937	37,034	196,116	151,480
Net cost per ASK (in € cents per ASK)	6.96	8.18	7.22	9.05
<i>Gross change</i>		-14.9%		-20.2%
Currency effect on net costs (in €m)		-22		116
<i>Change at constant currency</i>		-15.6%		-19.5%
Fuel price effect (in €m)		-134		-80
Net cost per ASK on a constant currency and fuel price basis (in € cents per ASK)	6.96	8.61	7.22	9.03
Change at constant currency and fuel price basis		-19.1%		-20.0%

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

(1) The capacity produced by the transportation activities is combined by adding the capacity of the Passenger network (in ASK) to that of Transavia (in ASK).

Group results

Air France Group

	Fourth quarter		Full Year	
	2021	Change	2021	Change
Revenue (in €m)	2,950	+118.7%	8,744	+36.3%
EBITDA (in €m)	463	+978	46	+1,655
Operating result (in m€)	52	+1,043	-1,403	+1,992
<i>Operating margin (%)</i>	1.8%	+75.3 pt	-16.0%	+36.9 pt
Operating cash flow before WCR and restructuring cash out (in €m)	392	+1,066	-318	-318
<i>Operating cash flow (before WCR and restructuring) margin</i>	13.3%	+63.3 pt	-3.6%	-3.6 pt

KLM Group

	Fourth quarter		Full Year	
	2021	Change	2021	Change
Revenue (in €m)	2,038	+79.5%	6,065	+18.5%
EBITDA (in €m)	365	+264	695	+769
Operating result (in m€)	127	+278	-227	+927
<i>Operating margin (%)</i>	6.2%	+19.6 pt	-3.7%	+18.8 pt
Operating cash flow before WCR and restructuring cash out (in €m)	329	+311	525	+525
<i>Operating cash flow (before WCR and restructuring) margin</i>	16.1%	+14.6 pt	8.7%	+8.7 pt

NB: Sum of individual airline results does not add up to Air France-KLM total due to intercompany eliminations at Group level

Group fleet at 31 December 2021

Aircraft type	AF (incl. HOP)	KL (incl. KLC & MP)	Transavia	Owned	Finance lease	Operating lease	Total	In operation	Change / 31/12/20
B747-400									
B777-300	43	16		18	17	24	59	59	2
B777-200	21	15		26		10	36	36	-4
B787-9	10	13		5	6	12	23	23	
B787-10		6		3	3		6	5	
A380-800	8			4	1	3	8		
A350-900	12			3	5	4	12	12	6
A340-300									
A330-300		5				5	5	4	-1
A330-200	15	6		11		10	21	21	
Total Long-Haul	109	61	0	70	32	68	170	160	3
B737-900		5		5			5	5	
B737-800		31	89	31	10	79	120	116	10
B737-700		10	4	6	1	7	14	14	-6
A321	19			11		8	19	19	-1
A320	43			4	4	35	43	42	-2
A319	30			12		18	30	28	-5
A318	15			7		8	15	12	-6
A220-300	6			4		2	6	6	6
Total Medium-Haul	113	46	93	80	15	157	252	242	-4
ATR72-600									
ATR72-500									
ATR42-500									
Canadair Jet 1000	14			14			14	11	-3
Canadair Jet 700	1			1			1		-9
Embraer 195 E2		7				7	7	7	7
Embraer 190	18	31		16	5	28	49	47	-2
Embraer 175		17		3	14		17	17	
Embraer 170	15			10		5	15	15	
Embraer 145	5			5			5		
Total Regional	53	55	0	49	19	40	108	97	-7
B747-400ERF		3		3			3	3	
B747-400BCF		1		1			1	1	
B777-F	2					2	2	2	
Total Cargo	2	4	0	4	0	2	6	6	0
Total	277	166	93	203	66	267	536	505	-8

FOURTH QUARTER 2021 TRAFFIC

Passenger network activity*

Total Passenger network*	Q4			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	12,840	5,213	146.3%	35,855	28,890	24.1%
Revenue pax-kilometers (m RPK)	37,710	14,351	162.8%	101,092	81,212	24.5%
Available seat-kilometers (m ASK)	53,485	34,900	53.3%	176,019	138,168	27.4%
Load factor (%)	70.5%	41.1%	29.4	57.4%	58.8%	(1.3)
Long-haul						
Passengers carried ('000s)	4,147	1,593	160.4%	11,038	8,670	27.3%
Revenue pax-kilometers (m RPK)	30,065	11,240	167.5%	78,353	64,003	22.4%
Available seat-kilometers (m ASK)	42,899	29,778	44.0%	143,359	112,554	27.4%
Load factor (%)	70.1%	37.7%	32.4	54.7%	56.9%	(2.2)
North America						
Passengers carried ('000s)	1,248	307	306.0%	3,100	2,183	42.0%
Revenue pax-kilometers (m RPK)	8,971	2,260	296.9%	22,405	15,652	43.1%
Available seat-kilometers (m ASK)	13,461	8,001	68.2%	42,630	31,374	35.8%
Load factor (%)	66.6%	28.2%	38.4	52.6%	49.9%	2.7
Latin America						
Passengers carried ('000s)	562	187	200.9%	1,293	1,151	12.3%
Revenue pax-kilometers (m RPK)	5,420	1,799	201.3%	12,455	10,943	13.8%
Available seat-kilometers (m ASK)	6,590	4,903	34.4%	23,212	18,372	26.3%
Load factor (%)	82.2%	36.7%	45.6	53.7%	59.6%	(5.9)
Asia / Pacific						
Passengers carried ('000s)	334	173	93.1%	945	1,534	(38.4%)
Revenue pax-kilometers (m RPK)	2,855	1,491	91.5%	8,067	13,294	(39.3%)
Available seat-kilometers (m ASK)	6,206	6,326	(1.9%)	24,238	27,028	(10.3%)
Load factor (%)	46.0%	23.6%	22.4	33.3%	49.2%	(15.9)
Africa / Middle East						
Passengers carried ('000s)	1,117	534	109.3%	3,339	2,097	59.3%
Revenue pax-kilometers (m RPK)	6,080	2,815	116.0%	17,771	11,626	52.8%
Available seat-kilometers (m ASK)	8,353	5,728	45.8%	28,497	18,042	57.9%
Load factor (%)	72.8%	49.1%	23.7	62.4%	64.4%	(2.1)
Caribbean / Indian Ocean						
Passengers carried ('000s)	887	392	126.1%	2,362	1,705	38.5%
Revenue pax-kilometers (m RPK)	6,738	2,875	134.4%	17,656	12,488	41.4%
Available seat-kilometers (m ASK)	8,280	4,820	71.8%	24,782	17,738	39.7%
Load factor (%)	81.4%	59.7%	21.7	71.2%	70.4%	0.8
Short and Medium-haul						
Passengers carried ('000s)	8,693	3,620	140.1%	24,817	20,220	22.7%
Revenue pax-kilometers (m RPK)	7,646	3,111	145.8%	22,739	17,209	32.1%
Available seat-kilometers (m ASK)	10,596	5,122	106.9%	32,660	25,613	27.5%
Load factor (%)	72.2%	60.7%	11.4	69.6%	67.2%	2.4

* Air France and KLM

Transavia activity

Transavia	Q4			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	3,042	730	316.8%	8,814	5,182	70.1%
Revenue pax-kilometers (m RPK)	5,131	1,323	287.9%	15,012	9,828	52.7%
Available seat-kilometers (m ASK)	6,452	2,134	202.4%	20,097	13,312	51.0%
Load factor (%)	79.5%	62.0%	17.5	74.7%	73.8%	0.9

Total group passenger activity**

Total group**	Q4			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	15,881	5,942	167.3%	44,669	34,072	31.1%
Revenue pax-kilometers (m RPK)	42,841	15,674	173.3%	116,104	91,041	27.5%
Available seat-kilometers (m ASK)	59,937	37,038	61.8%	196,116	151,528	29.5%
Load factor (%)	71.5%	42.3%	29.2	59.2%	60.1%	(0.9)

** Air France, KLM and Transavia

Cargo activity

Total Group	Q4			Year to date		
	2021	2020	Variation	2021	2020	Variation
Revenue tonne-km (m RTK)	2,002	2,084	(3.9%)	8,058	6,828	18.0%
Available tonne-km (m ATK)	3,106	2,703	14.9%	11,469	9,746	17.7%
Load factor (%)	64.5%	77.1%	(12.6)	70.3%	70.1%	0.2

Air France activity

Total Passenger network activity	Q4			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	7,644	3,018	153.3%	21,816	17,659	23.5%
Revenue pax-kilometers (m RPK)	22,153	7,946	178.8%	60,180	47,340	27.1%
Available seat-kilometers (m ASK)	30,327	16,416	84.7%	93,568	73,325	27.6%
Load factor (%)	73.0%	48.4%	24.6	64.3%	64.6%	(0.2)
Long-haul						
Passengers carried ('000s)	2,586	958	170.0%	6,988	5,206	34.2%
Revenue pax-kilometers (m RPK)	17,860	6,284	184.2%	47,127	36,933	27.6%
Available seat-kilometers (m ASK)	24,425	13,791	77.1%	75,071	58,162	29.1%
Load factor (%)	73.1%	45.6%	27.6	62.8%	63.5%	(0.7)
Short and Medium-haul						
Passengers carried ('000s)	5,058	2,060	145.5%	14,828	12,453	19.1%
Revenue pax-kilometers (m RPK)	4,293	1,662	158.4%	13,054	10,406	25.4%
Available seat-kilometers (m ASK)	5,902	2,625	124.9%	18,497	15,163	22.0%
Load factor (%)	72.7%	63.3%	9.4	70.6%	68.6%	1.9

Cargo activity	Q4			Year to date		
	2021	2020	Variation	2021	2020	Variation
Revenue tonne-km (m RTK)	956	842	13.5%	3,604	2,644	36.3%
Available tonne-km (m ATK)	1,677	1,237	35.5%	5,871	4,362	34.6%
Load factor (%)	57.0%	68.1%	(11.1)	61.4%	60.6%	0.8

KLM activity

Total Passenger network activity	Q4			Year to date		
	2021	2020	Variation	2021	2020	Variation
Passengers carried ('000s)	5,196	2,195	136.7%	14,039	11,231	25.0%
Revenue pax-kilometers (m RPK)	15,557	6,405	142.9%	40,912	33,873	20.8%
Available seat-kilometers (m ASK)	23,158	18,484	25.3%	82,452	64,842	27.2%
Load factor (%)	67.2%	34.7%	32.5	49.6%	52.2%	(2.6)
Long-haul						
Passengers carried ('000s)	1,561	635	145.9%	4,050	3,463	16.9%
Revenue pax-kilometers (m RPK)	12,204	4,956	146.3%	31,227	27,070	15.4%
Available seat-kilometers (m ASK)	18,464	15,986	15.5%	68,288	54,392	25.5%
Load factor (%)	66.1%	31.0%	35.1	45.7%	49.8%	(4.0)
Short and Medium-haul						
Passengers carried ('000s)	3,635	1,560	133.0%	9,989	7,767	28.6%
Revenue pax-kilometers (m RPK)	3,353	1,449	131.3%	9,685	6,803	42.4%
Available seat-kilometers (m ASK)	4,694	2,497	87.9%	14,163	10,450	35.5%
Load factor (%)	71.4%	58.0%	13.4	68.4%	65.1%	3.3

Cargo activity	Q4			Year to date		
	2021	2020	Variation	2021	2020	Variation
Revenue tonne-km (m RTK)	1,047	1,242	(15.7%)	4,454	4,184	6.4%
Available tonne-km (m ATK)	1,430	1,466	(2.5%)	5,598	5,385	4.0%
Load factor (%)	73.2%	84.7%	(11.5)	79.6%	77.7%	1.8