October 29, 2021

THIRD QUARTER 2021
Continuing recovery in capacity generates strong revenue growth and positive operating results for the first time since the start of the Covid-19 crisis, Adjusted operating free cash flow positive at 278 million euros thanks to EBITDA contribution

Third quarter:

- Revenue at 4,567 million euros, up 2,043 million compared to last year
- Operating result at 132 million euros, up 1,178 million euros compared to last year
- EBITDA improved to 796 million euros, an increase of 1,238 million euros compared to last year
- Strong performance of Transavia with an operational result of 105 million euros
- Net income at -192 million euros, up 1,473 million euros compared to last year
- Net debt at 8.1 billion euros, down by 2.9 billion euros compared to end of 2020 thanks to the first set of capital strengthening measures

OUTLOOK

After the announcement in September of the reopening of the United States for European citizens, bookings came quickly for November and even more for Christmas holiday. The reopening of Canada in early September was another important milestone for the recovery of the Group, as well as the reopening of Singapore as from October.

In this context, the Group expects capacity in Available Seat Kilometers for Air France-KLM Network passenger activity at index in the range of 70% to 75% in the Fourth quarter 2021 compared to 2019. EBITDA is expected to be positive in the Fourth quarter 2021 and slightly positive in Full Year 2021.

Due to the uncertainty regarding the reopening of the majority of the Asian countries, no capacity guidance will be provided for 2022.

Air France-KLM is considering the next steps of recapitalization measures to strengthen balance sheet. The reprofiling of the French Bank Loan “PGE”, the EMTN program (Euro Medium Term Note) which is now ready for use, and the finalization of a S&P solicited ESG rating tool, will be part of the liability management actions.
On the equity side, discussions are ongoing on KLM recapitalization measures on current shareholder loan and also on further capital strengthening measures for Air France-KLM. These could include instruments such as a Rights Issue and Quasi equity instruments.

Air France-KLM Group	**Third quarter**		**Nine months**	
	2021	***Change*[1]**	**2021**	***Change***
Passengers (thousands)	16,940	*+92.6%*	28,787	*+2.3%*
Passenger Unit revenue per ASK[2] (€ cts)	5.48	*+36.9%*	4.34	*-12.5%*
Operating result (€m)	132	*+1,178*	-1,800	*+1,614*
Net income – Group part (€m)	-192	*+1,473*	-3,161	*+2,917*
Adj. operating free cash flow (€m)	278	*+1,498*	-856	*+2,691*
Net debt at end of period[3] (€m)			8,121	-2,928

[1] *The third 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*

The Board of Directors of Air France-KLM, chaired by Mrs Anne-Marie Couderc, met on October 28, 2021 to approve the financial statements for the first nine months of 2021. Group CEO Mr. Benjamin Smith said:
"The Air France-KLM group had a good summer season thanks to the reopening of many countries. I would like to thank our employees who have enabled our customers to return to the skies in the best possible sanitary conditions. For the first time since the beginning of this Covid-19 crisis, the Q3 results show a positive operating result which encourages us to continue our efforts. The Covid-19 crisis is not yet over. Important continents such as Asia remain mainly closed and business travel is slowly recovering. This is why we must remain very agile and continue our transformation with the objective of improving both our economic and environmental performance. In this respect, the Air France-KLM Group has committed to setting greenhouse gas emission reduction targets in line with the Paris agreements and based on scientific data (through the science-based targets initiative). This new commitment comes in addition to our goal of zero net emissions by 2050".

Business review

Network: Recovery continued throughout the summer peak

Network	Third quarter			Nine months		
	2021	*Change*	*Change constant currency*	2021	*Change*	*Change constant currency*
Total revenues (€m)	3,791	*+89.1%*	*+89.8%*	8,011	*+11.0%*	*+13.0%*
Scheduled revenues (€m)	3,595	*+93.7%*	*+94.4%*	7,495	*+11.0%*	*+13.3%*
Operating result (€m)	-13	*+976*	*+968*	-1,728	*+1,113*	*+1,095*

Third quarter 2021 revenues increased by 89.8% at constant currency to 3,791 million euros. The operating result was close to break-even and amounted to -13 million euros, a 968 million euros increase at constant currency compared to last year.

Passenger network: All indicators showing positive results in the Third quarter

Passenger network	Third quarter			Nine months		
	2021	*Change*	*Change constant currency*	2021	*Change*	*Change constant currency*
Passengers (thousands)	12,694	*+87.1%*		23,015	*-2.8%*	
Capacity (ASK m)	52,532	*+63.7%*		122,535	*+18.7%*	
Traffic (RPK m)	34,019	*+147.4%*		63,382	*-5.2%*	
Load factor	64.8%	*+21.9 pt*		51.7%	*-13.0 pt*	
Total passenger revenues (€m)	2,956	*+122.5%*	*+123.2%*	5,443	*-1.2%*	*+0.4%*
Scheduled passenger revenues (€m)	2,866	*+126.7%*	*+127.3%*	5,223	*-0.9%*	*+1.1%*
Unit revenue per ASK (€ cts)	5.46	*+38.5%*	*+38.9%*	4.26	*-16.5%*	*-14.8%*

Third quarter 2021, the capacity in Available Seat Kilometers in the Third quarter was 63.7% higher than last year, however at 66% of 2019 Third quarter levels. Thanks to the Group's balanced network, less travel restrictions, for instance the reopening of Canada in September and the continuation of strong Cargo performance, the passenger network was in the upper limit of the Group's guidance provided during the Second quarter 2021 results presentation.

On most routes, the Group observed a decrease in unit revenue versus 2019 mainly due to lower load factors, while yields are close to 2019 levels for the entire passenger activity.

- North Atlantic peak summer has shown strong increase compared to June driven by the U.S point of sales. The Group also observes good performance on Mexican routes and in Canada after the lifting of border restrictions.

- On Caribbean and Indian Ocean, the Group posted a good performance despite sanitary restrictions on the French Antilles affecting especially September results.
- Africa performance was driven by West and Central African countries with yield on Africa above 2019 for Air France due to the limited industry capacity and benefiting from positive traffic mix.
- Asia capacity and traffic were still weak for both airlines due to the closure of almost all Asian countries.
- South American routes showed mixed results with a start of recovery driven by Andean and Central Americas
- The group posted encouraging short and medium-haul results in the peak summer driven by over-performing local leisure flows with same yield as 2019. Capacity redeployment to leisure areas and seasonal route openings enabled to leverage all leisure traffic opportunities. September confirms recovery of business motive traffic with stabilization of yield not far from 2019 levels.

During the Third quarter, Air France added one Airbus 350-900 to the fleet and received its first Airbus A220-300, KLM phased out two B737-700 and HOP decreased its aircraft in operation with two Canadair Jet 1000 and one Canadair Jet 700.

Cargo: High yield compensating the lower load factor in the Third quarter due to increase in capacity

Cargo business	Third quarter			Nine months		
	2021	***Change***	***Change constant currency***	**2021**	***Change***	***Change constant currency***
Tons (thousands)	247	*+12.5%*		789	*+28.9%*	
Capacity (ATK m)	3,052	*+20.3%*		8,363	*+14.4%*	
Traffic (RTK m)	1,889	*+8.9%*		6,055	*+27.6%*	
Load factor	61.9%	*-6.5 pt*		72.4%	*+7.5 pt*	
Total Cargo revenues (€m)	835	*+23.4%*	*+24.1%*	2,568	*+50.3%*	*+53.9%*
Scheduled cargo revenues (€m)	729	*+23.1%*	*+23.7%*	2,272	*+53.3%*	*+56.8%*
Unit revenue per ATK (€ cts)	23.89	*+2.3%*	*+2.9%*	27.17	*+34.0%*	*+37.0%*

Compared to the third quarter in 2020, capacity increased by 20.3% in Available Ton Kilometers and traffic increased by 8.9%. Additional belly capacity to leisure destinations could not be filled completely resulting in a reduction in load factor by 6.5 points. Thanks to an increase in yield, which compensated the reduction in load factor, the unit revenue per ATK at constant currency improved by 2.9%.
Cargo capacity this quarter is still 20% below the capacity in the Third quarter of 2019 while the demand remains high resulting in high revenues.

Strong demand is expected on Q4 as global trade is booming, sea freight faces bottleneck, and the belly capacities are still constrained overall.

The Sustainable Aviation Fuel (SAF) Cargo program welcomed 25 partners already, showing the sustainable commitment of Air France-KLM Cargo and its partners.

Transavia: Reaching close to 80% load factor in the Third quarter with strong capacity development

Transavia	Third quarter		Nine months	
	2021	Change	2021	Change
Passengers (thousands)	4,246	*+110.8%*	5,772	*+29.6%*
Capacity (ASK m)	9,393	*+56.3%*	13,645	*+22.1%*
Traffic (RPK m)	7,359	*+90.2%*	9,881	*+16.2%*
Load factor	78.3%	*+14.0 pt*	72.4%	*-3.7 pt*
Total passenger revenues (€m)	522	*+99.3%*	685	*+31.5%*
Unit revenue per ASK (€ cts)	5.59	*+27.7%*	5.04	*+11.0%*
Unit cost per ASK (€ cts)	4.47	*-3.0%*	5.87	*-8.2%*
Operating result (€m)	105	*+119*	-113	*+94*

The third quarter of 2021 showed a strong recovery in demand for leisure traffic in Europe, both from the Netherlands as well as France. With activity levels back to around 85% of the regular production, Transavia realized an Operating Profit of €105mln, with a healthy COI margin of 20,2%, moving towards Q3 2019 level of 26%.

Compared to last year, the capacity increased by 56.3% while traffic increased by 90.2% and the number of passengers more than doubled at an increase of 110.8%.

Transavia was able to continuously adjust and redesign the network to accommodate high leisure demand from both the Netherlands and France, with an increase of capacity to Greece, Spain and Portugal.

In the first nine months of 2021, the number of aircraft of Transavia France increased by ten as part of the growth strategy for Transavia France and will reach 61 aircraft in Summer 2022.

Maintenance business: Operating result positive for the Third quarter 2021

Maintenance	Third quarter			Nine months		
	2021	*Change*	*Change constant currency*	2021	*Change*	*Change constant currency*
Total revenues (€m)	703	*+14.2%*		2,005	*-11.1%*	
Third-party revenues (€m)	247	*0.0%*	*+3.0%*	761	*-21.0%*	*-12.5%*
Operating result (€m)	29	74	76	19	386	405
Operating margin (%)	4.1%	*+11.5 pt*	*+11.9 pt*	1.0%	*+17.2 pt*	*+18.9 pt*

The Third quarter operating result stood at 29 million euros, an increase of 76 million euros at constant currency versus the Third quarter 2020.

The operating result increase in the Third quarter is mainly explained by less underactivity, costs control, savings and operational improvement.

Total revenues increased by 14.2% in the Third quarter while third party revenues remained stable and internal revenues increased by 24%. This increase in internal revenues is aligned with the activity increase of the Air France-KLM airlines compared to the third quarter 2020. Both internal and third party engines revenues are impacted by green time usage. Nevertheless, some recovery signs are there and E&M business should increase its external activity over the coming months.

Air France-KLM Group: Positive Operating result in the Third quarter for the first time since the start of the Covid-19 crisis

	Third quarter			Nine months		
	2021	***Change***	***Change constant currency***	**2021**	***Change***	***Change constant currency***
Capacity (ASK m)	61,925	+62.5%		136,179	+19.0%	
Traffic (RPK m)	41,378	+134.8%		73,262	-2.8%	
Passenger unit revenue per ASK (€ cts)	5.48	+36.6%	+36.9%	4.34	-14.0%	-12.5%
Group unit revenue per ASK (€ cts)	6.65	+19.6%	+20.0%	6.01	-5.3%	-3.5%
Group unit cost per ASK (€ cts) at constant fuel	6.44	-22.5%	-24.4%	7.33	-21.4%	-19.7%
Revenues (€m)	4,567	+80.9%	+82.0%	9,477	+8.6%	+11.5%
EBITDA (€m)	796	1,238	1,232	-78	1,204	1,204
Operating result (€m)	132	1,178	1,172	-1,800	1,614	1,613
Operating margin (%)	2.9%	+44.3 pt	+44.3 pt	-19.0%	+20.1 pt	+21.2 pt
Net income - Group part (€m)	-192	+1,473		-3,161	+2,917	

In the Third quarter 2021, the Air France-KLM Group posted a positive operating result of 132 million euros, up by 1,178 million euros compared to last year driven by an increase of capacity leading to a reduction in unit cost. In parallel increase of load factor generated an increase of the unit revenue.

Net income amounted to -192 million euros in the Third quarter 2021, an increase of 1,473 million euros compared to last year. Last year Third quarter was heavily impacted by the recording of exceptional accounting items due to Covid-19 (mainly due to restructuring costs provision for Air France staff, HOP staff and Air France-KLM international commercial staff, but as well due to fleet impairment and fuel over hedge).

Third quarter 2021 unit cost decreased by 24%, thanks to an increase of capacity and FTE reductions

On a constant currency and fuel price basis, unit costs were down 24.4% in the third quarter 2021 compared to the same quarter last year.

All cost items increased in the Third quarter 2021 compared to last year due to an increase in capacity of 62.5%.
Group net employee cost were up 8.7% due to less government support driven by higher activity, and partly compensated by FTE reductions.

Third quarter: Adjusted Operating Free cash flow positive driven by Cash Flow from Operations

In € million	Third quarter		Nine months	
	2021	**Change**	**2021**	**Change**
Cash flow before change in WCR and Voluntary Departure Plans, continuing operations (€m)	671	*+1,396*	-491	*+1,572*
Cash out related to Voluntary Departure Plans (€m)	-93	*-87*	-218	*-203*
Change in Working Capital Requirement (WCR) (€m)	242	*+118*	1,361	*+695*
Net cash flow from operating activities (€m)	**820**	**1,427**	**652**	**2,064**
Net investments* (€m)	-321	*+41*	-854	*+619*
Operating free cash flow (€m)	**499**	***1,468***	**-202**	**2,683**
Repayment of lease debt	-221	*+30*	-654	*+8*
Adjusted operating free cash flow**	**278**	***1,498***	**-856**	***2,691***

** 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 adjusted operating free cash flow in the Third quarter 2021 of 278 million euros, an increase of 1,498 million euros compared to last year, mainly driven by a positive EBITDA of 796 million euros.

In € million	**30 Sep 2021**	**31 Dec 2020**
Net debt	8,121	11,049
EBITDA *trailing 12 months*	-485	-1,689
Net debt/EBITDA *trailing 12 months*	**na**	**na**

Q3: Both airlines performing significantly better than last year

	Third quarter		Nine months	
	2021	**Change**	**2021**	**Change**
Air France Group Operating result (€m)	-45	*+762*	-1,451	*+950*
Operating margin (%)	-1.6%	*+52.5 pt*	-25.0%	*+22.3 pt*
KLM Group Operating result (€m)	168	*+402*	-354	*+649*
Operating margin (%)	8.9%	*+29.4 pt*	-8.8%	*+16.4 pt*

OUTLOOK

After the announcement in September of the reopening of the United States for European citizens, bookings came quickly for November and even more for Christmas holiday. The reopening of Canada early September was another important milestone for the recovery of the Group, as well as the reopening of Singapore as from October.

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 70% to 75% in the Fourth quarter 2021 compared to 2019.

Due to the uncertainty of the reopening of the majority of the Asian countries no capacity guidance will be provided for 2022.

As of September 30 2021, the Group has 10.4 billion euros of liquidity and credit lines at disposal. This level can be considered sufficient, given the continuation of recovery throughout the summer. Cash requirements for 2021, will include:

- EBITDA is expected to be positive in the Fourth quarter 2021 and slightly positive in Full Year 2021
- Net Capex spending expected at 1.5 billion euros in 2021
- Restructuring cash out at 300 million euros in 2021

Air France-KLM is considering the next steps of recapitalization measures to strengthen balance sheet. The reprofiling of the French Bank Loan “PGE”, the EMTN program (Euro Medium Term Note) which is now ready for use, and the finalization of a S&P solicited ESG rating tool, will be part of the liability management actions.
On the equity side, discussions are ongoing on KLM recapitalization measures on current shareholder loan and also on further capital strengthening measures for Air France-KLM. These could include instruments such as a Rights Issue and Quasi equity instruments.

Air France-KLM receives a proactive and voluntary ESG Evaluation by Standard and Poor’s

Sustainability is a key element of the Group’s recovery strategy and an integral part of its structural transformation plan. Air France-KLM wants to lead the way towards responsible and sustainable aviation.

To this end, the Group has set itself ambitious targets to reduce its environmental footprint, deepen its social and societal contribution and set an example in terms of corporate governance.

To objectivize its ESG profile and enhance its strategy and practice, Air France-KLM proactively sought an independent ESG rating from Standard and Poor's.

This makes Air France-KLM the first airline Group to be evaluated by a solicited ESG rating.

S&P Global Ratings has assigned Air France-KLM an ESG Evaluation of 64/100.

With this rating, Air France-KLM compares well with the airline industry in terms of the management of its significant exposure to environmental challenges. S&P noted that the Group is adequately prepared to manage ESG related risks facing airlines over the near-to-medium term.

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The results presentation is available at **www.airfranceklm.com** on October 29, 2021 from 7:15 am CET.

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Income Statement

	Third quarter			Nine months		
€m	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Sales	**4,567**	**2,524**	***+80.9%***	**9,477**	**8,725**	***+8.6%***
Other revenues	0	0	*nm*	0	0	*nm*
Revenues	**4,567**	**2,524**	***+80.9%***	**9,477**	**8,725**	***+8.6%***
Aircraft fuel	-828	-489	*+69.3%*	-1,811	-1,886	*-4.0%*
Chartering costs	-85	-68	*+25.0%*	-232	-181	*+28.2%*
Landing fees and route charges	-374	-266	*+40.6%*	-835	-743	*+12.4%*
Catering	-124	-58	*+113.8%*	-250	-236	*+5.9%*
Handling charges and other operating costs	-307	-204	*+50.5%*	-710	-646	*+9.9%*
Aircraft maintenance costs	-389	-331	*+17.5%*	-1,181	-1,243	*-5.0%*
Commercial and distribution costs	-124	-61	*+103.3%*	-255	-291	*-12.4%*
Other external expenses	-292	-263	*+11.0%*	-839	-937	*-10.5%*
Salaries and related costs	-1,406	-1,293	*+8.7%*	-3,809	-4,224	*-9.8%*
Taxes other than income taxes	-30	-28	*+7.1%*	-100	-108	*-7.4%*
Other income and expenses	188	95	*+97.9%*	467	488	*-4.3%*
EBITDA	**796**	**-442**	***nm***	**-78**	**-1,282**	***-93.9%***
Amortization, depreciation and provisions	-664	-604	***+9.9%***	-1,722	-2,132	***-19.2%***
Income from current operations	**132**	**-1,046**	***nm***	**-1,800**	**-3,414**	***-47.3%***
Sales of aircraft equipment	-6	8	*nm*	-20	31	*nm*
Other non-current income and expenses	-54	-597	*-91.0%*	-906	-1,452	*-38%*
Income from operating activities	**72**	**-1,635**	***nm***	**-2,726**	**-4,835**	***-43.6%***
Cost of financial debt	-144	-136	*+5.9%*	-483	-350	*+38.0%*
Income from cash and cash equivalent	-1	5	*nm*	2	18	*-88.9%*
Net cost of financial debt	**-145**	**-131**	***+10.7%***	**-481**	**-332**	***+44.9%***
Other financial income and expenses	-114	111	*nm*	-199	-621	*-68.0%*
Income before tax	**-187**	**-1,655**	***-88.7%***	**-3,406**	**-5,788**	***-41.2%***
Income taxes	-7	12	*nm*	255	-242	*nm*
Net income of consolidated companies	**-194**	**-1,643**	***-88.2%***	**-3,151**	**-6,030**	***-47.7%***
Share of profits (losses) of associates	3	-22	*nm*	-13	-52	*-75.0%*
Net income for the period	**-191**	**-1,665**	***-88.5%***	**-3,164**	**-6,082**	***-48.0%***
Minority interest	-1	0	*nm*	-3	-4	*-25%*
Net income for the period – Group part	**-192**	**-1,665**	***-88.5%***	**-3,161**	**-6,078**	***-48.0%***

Consolidated Balance Sheet

Assets *€m*	**30 Sep 2021**	**31 Dec 2020**
Goodwill	221	215
Intangible assets	1,234	1,230
Flight equipment	10,478	11,031
Other property, plant and equipment	1,418	1,548
Right-of-use assets	5,061	4,678
Investments in equity associates	172	230
Derivatives assets long term	148	92
Pension assets	0	211
Other financial assets	851	795
Deferred tax assets	264	282
Other non-current assets	1	4
Total non-current assets	**19,848**	**20,316**
Other short-term financial assets	495	607
Derivatives assets short term	484	160
Inventories	580	543
Trade receivables	1,621	1,248
Other current assets	970	914
Cash and cash equivalents	6,992	6,423
Total current assets	**11,142**	**9,895**
Total assets	**30,990**	**30,211**

Liabilities and equity *In million euros*	**30 Sep 2021**	**31 Dec 2020**
Issued capital	643	429
Additional paid-in capital	4,949	4,139
Treasury shares	-25	-25
Perpetual	3,097	0
Reserves and retained earnings	-12,483	-9,970
Equity attributable to equity holders of Air France-KLM	**-3,819**	**-5,427**
Non-controlling interests	8	9
Total Equity	**-3,811**	**-5,418**
Pension provisions	2,163	2,147
Other provisions	4,223	3,670
Long-term debt	11,984	14,171
Lease financial debt	2,759	2,425
Derivatives liabilities long term	35	122
Deferred tax liabilities	5	22
Other non-current liabilities	2,727	1,294
Total non-current liabilities	**23,896**	**23,851**
Provisions	793	1,337
Current portion of long-term debt	832	1,318
Current portion of lease financial debt	801	839
Derivatives liabilities short term	36	363
Trade payables	1,875	1,435
Deferred revenue on ticket sales	2,548	2,394
Frequent flyer programs	899	916
Other current liabilities	3,119	3,175
Bank overdrafts	2	1
Total current liabilities	**10,905**	**11,778**
Total equity and liabilities	**30,990**	**30,211**

Statement of Consolidated Cash Flows from 1st January until 30 September 2021

€m	**30 Sep 2021**	**30 Sep 2020**
Net income from continuing operations	-3,164	-6,082
Amortization, depreciation and operating provisions	1,722	2,132
Financial provisions	89	135
Loss (gain) on disposals of tangible and intangible assets	18	-43
Loss (gain) on disposals of subsidiaries and associates	-25	1
Derivatives – non monetary result	-33	70
Unrealized foreign exchange gains and losses, net	172	-83
Impairment	37	670
Other non-monetary items	723	761
Share of (profits) losses of associates	13	52
Deferred taxes	-261	309
Financial Capacity	**-709**	**-2,078**
(Increase) / decrease in inventories	-47	134
(Increase) / decrease in trade receivables	-365	823
Increase / (decrease) in trade payables	415	-792
Increase / (decrease) in advanced ticket sales	142	-435
Change in other receivables and payables	1,216	936
Change in working capital requirements	**1,361**	**666**
Net cash flow from operating activities	**652**	**-1,412**
Purchase of property, plant and equipment and intangible assets	-1,543	-1,654
Proceeds on disposal of property, plant and equipment and intangible assets	689	181
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	71	357
Acquisition of subsidiaries, of shares in non-controlled entities	-2	-1
Dividends received	2	0
Decrease (increase) in net investments, more than 3 months	37	-9
Net cash flow used in investing activities	**-746**	**-1,126**
Capital increase	1,026	0
Perpetual (including premium)	0	0
Issuance of debt	1,546	7,598
Repayment on financial debt	-1,323	-2,202
Payments on lease debt	-654	-662
Decrease (increase) in loans, net	58	48
Dividends and coupons on perpetual paid	0	0
Net cash flow from financing activities	**653**	**4,782**
Effect of exchange rate on cash and cash equivalents and bank overdrafts	9	-39
Change in cash and cash equivalents and bank overdrafts	**568**	**2,205**
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	6,990	5,916
Change in treasury of discontinued operations	0	0

Return on capital employed (ROCE)

In million euros	**30 Sep 2021**	**30 Jun 2021**	**31 Mar 2021**	**31 Dec 2020**	**30 Sep 2020**	**30 Jun 2020**	**31 Mar 2020**	**31 Dec 2019**
Goodwill and intangible assets	1,456	1,464	1,479	1,445	1,470	1,500	1,564	1,522
Flight equipment	10,478	10,645	10,800	11,031	11,009	10,919	11,465	11,334
Other property, plant and equipment	1,418	1,453	1,476	1,548	1,535	1,551	1,579	1,580
Right of use assets	5,061	5,033	4,795	4,678	4,789	4,938	5,119	5,173
Investments in equity associates	172	166	223	230	224	267	299	307
Financial assets excluding marketable securities and financial deposits	147	147	146	146	135	133	142	140
Provisions, excluding pension, cargo litigation and restructuring	-4,180	-4,033	-4,083	-3,922	-4,002	-4,132	-4,191	-4,060
WCR, excluding market value of derivatives	-7,995	-7,745	-6,410	-6,505	-6,894	-6,779	-6,650	-6,310
Capital employed	**6,557**	**7,130**	**8,426**	**8,651**	**8,266**	**8,397**	**9,327**	**9,686**
Average capital employed (A)		**7,691**				**8,919**		
Adjusted results from current operations		-2,934				-3,320		
- Dividends received		0				-1		
- Share of profits (losses) of associates		-19				-44		
- Normative income tax		844				1,030		
Adjusted result from current operations after tax (B)		**-2,109**				**-2,335**		
ROCE, trailing 12 months (B/A)		**-27.4%**				**-26.2%**		

Net debt

	Balance sheet at	
€m	**30 Sep 2021**	**31 Dec 2020**
Financial debt	12,719	15,388
Repo on triple A bonds	0	-84
Lease debt	3,474	3,184
Currency hedge on financial debt	-2	27
Accrued interest	-112	-107
Gross financial debt (A)	**16,079**	**18,408**
Cash and cash equivalents	6,992	6,423
Marketable securities	968	193
Cash securities	0	309
Bonds AAA	0	518
Bank overdrafts	-2	-1
Others	0	1
Repo on triple A bonds	0	-84
Net cash (B)	**7,958**	**7,359**
Net debt (A) – (B)	**8,121**	**11,049**

Adjusted operating free cash flow

	Third quarter		Nine months	
€m	**2021**	**2020**	**2021**	**2020**
Net cash flow from operating activities, continued operations	820	-607	652	-1,412
Investment in property, plant, equipment and intangible assets	-444	-370	-1,543	-1,654
Proceeds on disposal of property, plant, equipment and intangible assets	123	8	689	181
Operating free cash flow	**499**	**-969**	**-202**	**-2,885**
Payments on lease debt	-221	-251	-654	-662
Adjusted operating free cash flow	**278**	**-1,220**	**-856**	**-3,547**

Operating cash burn

	Third quarter		Nine months	
	2021	**2020**	**2021**	**2020**
EBITDA	**796**	**-442**	**-78**	**-1,282**
Provisions (CO2 and other)	12	7	-16	-26
Correction of spare parts inventory	1	2	4	2
Addition to pension provisions	30	78	164	232
Reversal to pension provisions (cash-out)	-17	-47	-100	-142
Payment linked with shares	0	0	0	-2
Sales of tangible and intangible assets (excluding aeronautical)	0	-1	31	40
Income from operation activities - cash impact	**822**	**-402**	**5**	**-1,177**
Restructuring costs	-93	-137	-218	-152
Other non-current income and expenses	-3	0	-66	-1
Cost of financial debt	-138	-118	-440	-318
Financial income	-4	0	-11	2
Realized foreign exchanges gain/loss	2	29	49	28
Termination of trading hedges - cash	-3	-177	-11	-499
Current income tax	-4	77	-6	67
Other financial charges & expenses - cash	0	1	-8	-25
Other elements	-1	-4	-3	-2
Financial capacity	**578**	**-731**	**-709**	**-2,078**

Unit cost: net cost per ASK

	Third quarter		Nine months	
	2021	**2020**	**2021**	**2020**
Revenues (in €m)	4,567	2,524	9,477	8,725
Income/(loss) from current operations (in €m) -/-	-132	1,046	1,800	3,414
Total operating expense (in €m)	4,435	3,570	11,277	12,139
Passenger network business – other revenues (in €m)	-90	-64	-221	-241
Cargo network business – other revenues (in €m)	-106	-84	-296	-226
Third-party revenues in the maintenance business (in €m)	-247	-247	-761	-963
Transavia - other revenues (in €m)	3	1	3	-13
Third-party revenues of other businesses (in €m)	-8	-10	-20	-21
Net cost (in €m)	**3,988**	**3,166**	**9,983**	**10,674**
Capacity produced, reported in ASK*	61,925	38,109	136,179	114,446
Net cost per ASK (in € cents per ASK)	**6.44**	**8.31**	**7.33**	**9.33**
Gross change		-22.5%		-21.4%
Currency effect on net costs (in €m)		-13		-137
Change at constant currency		-22.2%		-20.4%
Fuel price effect (in €m)		92		-84
Net cost per ASK on a constant currency and fuel price basis (in € cents per ASK)	**6.44**	**8.52**	**7.33**	**9.13**
Change at constant currency and fuel price basis		***-24.4%***		***-19.7%***

** 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

	Third quarter		Nine months	
	2021	**Change**	**2021**	**Change**
Revenue (in €m)	2,808	*+88.2%*	5,795	*+14.4%*
EBITDA (in €m)	379	*+841*	-413	*+682*
Operating result (in m€)	-45	*+762*	-1,451	*+950*
Operating margin (%)	-1.6%	*+52.5 pt*	-25.0%	*+22.3 pt*
Operating cash flow before WCR and restructuring cash out (in €m)	227	*+835*	-752	*-752*
Operating cash flow (before WCR and restructuring) margin	8.1%	*+48.8 pt*	-13.0%	*-13.0 pt*

KLM Group

	Third quarter		Nine months	
	2021	**Change**	**2021**	**Change**
Revenue (in €m)	1,890	*+65.3%*	4,027	*+1.1%*
EBITDA (in €m)	408	*+383*	330	*+505*
Operating result (in m€)	168	*+402*	-354	*+649*
Operating margin (%)	8.9%	*+29.4 pt*	-8.8%	*+16.4 pt*
Operating cash flow before WCR and restructuring cash out (in €m)	309	*+294*	33	*+33*
Operating cash flow (before WCR and restructuring) margin	16.4%	*+15.0 pt*	0.8%	*+0.8 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 30 September 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	11			2	5	4	**11**	*11*	*5*
A340-300									
A330-300		5				5	**5**	*5*	
A330-200	15	7		11		11	**22**	*21*	
Total Long-Haul	**108**	**62**	**0**	**69**	**32**	**69**	**170**	***160***	***3***
B737-900		5		5			**5**	*5*	
B737-800		31	85	31	9	76	**116**	*116*	*10*
B737-700		11	4	4	3	8	**15**	*15*	*-5*
A321	19			11		8	**19**	*19*	*-1*
A320	44			4	4	36	**44**	*44*	
A319	30			12		18	**30**	*30*	*-3*
A318	18			8		10	**18**	*18*	
A220-300	1			1			**1**		
Total Medium-Haul	**112**	**47**	**89**	**76**	**16**	**156**	**248**	***247***	***1***
ATR72-600									
ATR72-500									
ATR42-500									
Canadair Jet 1000	14			14			**14**	*11*	*-3*
Canadair Jet 700	5			5			**5**	*4*	*-5*
Embraer 195 E2		4				4	**4**	*4*	*4*
Embraer 190	17	32		11	10	28	**49**	*49*	
Embraer 175		17		3	14		**17**	*17*	
Embraer 170	15			10		5	**15**	*15*	
Embraer 145	9			9			**9**		
Total Regional	**60**	**53**	**0**	**52**	**24**	**37**	**113**	***100***	***-4***
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	**282**	**166**	**89**	**201**	**72**	**264**	**537**	***513***	***0***

THIRD QUARTER 2021 TRAFFIC

Passenger network activity*

	Q3			Year to date		
Total Passenger network*	**2021**	**2020**	**Variation**	**2021**	**2020**	**Variation**
Passengers carried ('000s)	12,694	6,783	87.1%	23,015	23,677	(2.8%)
Revenue pax-kilometers (m RPK)	34,019	13,752	147.4%	63,382	66,861	(5.2%)
Available seat-kilometers (m ASK)	52,532	32,100	63.7%	122,535	103,268	18.7%
Load factor (%)	64.8%	42.8%	21.9	51.7%	64.7%	(13.0)
Long-haul						
Passengers carried ('000s)	3,553	1,220	191.3%	6,891	7,077	(2.6%)
Revenue pax-kilometers (m RPK)	25,125	8,685	189.3%	48,289	52,764	(8.5%)
Available seat-kilometers (m ASK)	40,519	23,924	69.4%	100,470	82,777	21.4%
Load factor (%)	62.0%	36.3%	25.7	48.1%	63.7%	(15.7)
North America						
Passengers carried ('000s)	1,154	286	303.6%	1,852	1,875	(1.3%)
Revenue pax-kilometers (m RPK)	8,290	2,058	302.8%	13,434	13,392	0.3%
Available seat-kilometers (m ASK)	13,098	7,553	73.4%	29,170	23,374	24.8%
Load factor (%)	63.3%	27.2%	36.0	46.1%	57.3%	(11.2)
Latin America						
Passengers carried ('000s)	365	92	298.0%	731	964	(24.2%)
Revenue pax-kilometers (m RPK)	3,521	909	287.4%	7,035	9,144	(23.1%)
Available seat-kilometers (m ASK)	6,164	3,122	97.5%	16,621	13,469	23.4%
Load factor (%)	57.1%	29.1%	28.0	42.3%	67.9%	(25.6)
Asia / Pacific						
Passengers carried ('000s)	272	173	57.3%	611	1,361	(55.1%)
Revenue pax-kilometers (m RPK)	2,334	1,526	53.0%	5,212	11,803	(55.8%)
Available seat-kilometers (m ASK)	6,069	6,037	0.5%	18,033	20,702	(12.9%)
Load factor (%)	38.5%	25.3%	13.2	28.9%	57.0%	(28.1)
Africa / Middle East						
Passengers carried ('000s)	1,005	327	206.9%	2,222	1,563	42.2%
Revenue pax-kilometers (m RPK)	5,316	1,660	220.0%	11,691	8,812	32.7%
Available seat-kilometers (m ASK)	7,672	3,171	142.0%	20,144	12,313	63.6%
Load factor (%)	69.3%	52.4%	16.9	58.0%	71.6%	(13.5)
Caribbean / Indian Ocean						
Passengers carried ('000s)	757	341	121.6%	1,475	1,313	12.3%
Revenue pax-kilometers (m RPK)	5,663	2,532	123.6%	10,918	9,613	13.6%
Available seat-kilometers (m ASK)	7,515	4,042	85.9 %	16,502	12,918	27.7%
Load factor (%)	75.4%	62.7%	12.7	66.2%	74.4%	(8.3)
Short and Medium-haul						
Passengers carried ('000s)	9,141	5,563	64.3%	16,124	16,600	(2.9%)
Revenue pax-kilometers (m RPK)	8,895	5,067	75.5%	15,093	14,098	7.1%
Available seat-kilometers (m ASK)	12,013	8,176	46.9%	22,064	20,491	7.7%
Load factor (%)	74.0%	62.0%	12.1	68.4%	68.8%	(0.4)

* Air France and KLM

Transavia activity

	Q3			Year to date		
Transavia	**2021**	**2020**	**Variation**	**2021**	**2020**	**Variation**
Passengers carried ('000s)	4,246	2,014	110.8%	5,772	4,453	29.6%
Revenue pax-kilometers (m RPK)	7,359	3,869	90.2%	9,881	8,505	16.2%
Available seat-kilometers (m ASK)	9,393	6,009	56.3%	13,645	11,178	22.1%
Load factor (%)	78.3%	64.4%	14.0	72.4%	76.1%	(3.7)

Total group passenger activity**

	Q3			Year to date		
Total group**	**2021**	**2020**	**Variation**	**2021**	**2020**	**Variation**
Passengers carried ('000s)	16,940	8,797	92.6%	28,787	28,130	2.3%
Revenue pax-kilometers (m RPK)	41,378	17,620	134.8%	73,262	75,368	(2.8%)
Available seat-kilometers (m ASK)	61,925	38,113	62.5%	136,179	114,490	19.0%
Load factor (%)	66.8%	46.2%	20.6	53.8%	65.8%	(12.0)

** Air France, KLM and Transavia

Cargo activity

	Q3			Year to date		
Total Group	**2021**	**2020**	**Variation**	**2021**	**2020**	**Variation**
Revenue tonne-km (m RTK)	1,889	1,735	8.9%	6,055	4,747	27.6%
Available tonne-km (m ATK)	3,052	2,537	20.3%	8,363	7,309	14.4%
Load factor (%)	61.9%	68.4%	(6.5)	72.4%	64.9%	7.5

Air France activity

	Q3			Year to date		
Total Passenger network activity	**2021**	**2020**	**Variation**	**2021**	**2020**	**Variation**
Passengers carried ('000s)	7,520	4,488	67.6%	14,172	14,641	(3.2%)
Revenue pax-kilometers (m RPK)	20,304	8,538	137.8%	38,027	39,394	(3.5%)
Available seat-kilometers (m ASK)	29,189	16,589	76.0%	63,241	56,909	11.1%
Load factor (%)	69.6%	51.5%	18.1	60.1%	69.2%	(9.1)
Long-haul						
Passengers carried ('000s)	2,261	784	188.5%	4,402	4,248	3.6%
Revenue pax-kilometers (m RPK)	15,256	5,223	192.1%	29,266	30,649	(4.5%)
Available seat-kilometers (m ASK)	22,394	11,463	95.3%	50,646	44,371	14.1%
Load factor (%)	68.1%	45.6%	22.6	57.8%	69.1%	(11.3)
Short and Medium-haul						
Passengers carried ('000s)	5,260	3,704	42.0%	9,770	10,393	(6.0%)
Revenue pax-kilometers (m RPK)	5,048	3,315	52.3%	8,761	8,744	0.2%
Available seat-kilometers (m ASK)	6,795	5,125	32.6%	12,595	12,538	0.5%
Load factor (%)	74.3%	64.7%	9.6	69.6%	69.7%	(0.2)

	Q3			Year to date		
Cargo activity	**2021**	**2020**	**Variation**	**2021**	**2020**	**Variation**
Revenue tonne-km (m RTK)	832	608	36.8%	2,648	1,802	46.9%
Available tonne-km (m ATK)	1,593	1,139	39.8%	4,194	3,390	23.7%
Load factor (%)	52.2%	53.4%	(1.2)	63.1%	53.2%	9.9

KLM activity

	Q3			Year to date		
Total Passenger network activity	**2021**	**2020**	**Variation**	**2021**	**2020**	**Variation**
Passengers carried ('000s)	5,174	2,295	125.4%	8,843	9,036	(2.1%)
Revenue pax-kilometers (m RPK)	13,715	5,214	163.1%	25,354	27,468	(7.7%)
Available seat-kilometers (m ASK)	23,343	15,511	50.5%	59,294	46,359	27.9%
Load factor (%)	58.8%	33.6%	25.1	42.8%	59.3%	(16.5)
Long-haul						
Passengers carried ('000s)	1,293	436	196.4%	2,489	2,829	(12.0%)
Revenue pax-kilometers (m RPK)	9,869	3,462	185.1%	19,023	22,114	(14.0%)
Available seat-kilometers (m ASK)	18,125	12,461	45.5%	49,825	38,406	29.7%
Load factor (%)	54.5%	27.8%	26.7	38.2%	57.6%	(19.4)
Short and Medium-haul						
Passengers carried ('000s)	3,881	1,859	108.8%	6,354	6,207	2.4%
Revenue pax-kilometers (m RPK)	3,846	1,752	119.6%	6,332	5,353	18.3%
Available seat-kilometers (m ASK)	5,218	3,050	71.1%	9,469	7,953	19.1%
Load factor (%)	73.7%	57.4%	16.3	66.9%	67.3%	(0.4)

	Q3			Year to date		
Cargo activity	**2021**	**2020**	**Variation**	**2021**	**2020**	**Variation**
Revenue tonne-km (m RTK)	1,058	1,127	(6.1%)	3,407	2,942	15.8%
Available tonne-km (m ATK)	1,459	1,398	4.4%	4,169	3,919	6.4%
Load factor (%)	72.5%	80.6%	(8.1)	81.7%	75.1%	6.6