



Financial Statements 2025

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Consolidated statement of profit or loss

In EUR million	Note	2025	2024
Revenues	2	13,175	12,681
External expenses	3	(7,815)	(7,825)
Employee compensation and benefit expenses *	4/9	(4,124)	(3,954)
Other income and expenses *	5/9	297	489
EBITDA *	9	1,533	1,391
Depreciation, amortisation, impairment and provisions *	6/9	(1,117)	(999)
Income from operating activities *	9	416	392
Cost of financial debt	7	(192)	(201)
Income from cash, cash equivalents and deposits	7	64	83
Net cost of financial debt		(128)	(118)
Other financial income and expenses	7	98	(181)
Income before tax		386	93
Income tax (expense)/income	8	(100)	(31)
Net income after tax		286	62
Share of results of equity accounted investees	13	(2)	8
Net profit for the year		284	70

In EUR million	Note	2025	2024
Attributable to:			
Equity holders of the company		283	69
Non-controlling interests		1	1
		284	70
Net profit attributable to equity holders of the Company		283	69
Dividend on priority shares		-	-
Net profit available for holders of ordinary shares		283	69

Income from operating activities*	9	416	392
Total APM adjustments income from operating activities *	9	—	24
Adjusted income from operating activities (as per Air France-KLM Group reporting) *	9	416	416

* See note 9. Alternative performance measures (APMs) for the reconciliation from EBITDA to adjusted EBITDA of EUR 1,549 million positive (2024: EUR 1,437 million positive) and adjusted income from operating activities of EUR 416 million positive (2024: EUR 416 million positive).

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



Consolidated statement of comprehensive income

In EUR million	2025	2024
Profit for the year	284	70
Cash flow hedges:		
- Effective portion of changes in fair value of cash flow hedges recognised directly in OCI	65	14
- Change in fair value transferred to profit or loss	(26)	34
Exchange differences on translation foreign operations	(5)	5
Tax on items of comprehensive income that will be reclassified to profit or loss	(10)	(14)
Total of comprehensive income/(expense) that will be reclassified to profit or loss	24	39
Remeasurement of defined benefit pension plans	(13)	7
Fair value of equity instruments revalued through OCI	(2)	7
Tax on items of comprehensive income that will not be reclassified to profit or loss	3	(1)
Total of comprehensive income/(expense) that will not be reclassified to profit or loss	(12)	13
Total of comprehensive income/(expense) after tax	12	52
Recognised income and expenses	296	122

The split of the recognised income and expenses is as follows:

In EUR million	2025	2024
Equity holders of the company	295	121
Non-controlling interests	1	1
Total	296	122

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



Consolidated balance sheet

Before proposed appropriation of the result for the year		As at December 31,	
In EUR million	Note	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	10	6,192	5,756
Leases	11	3,004	2,094
Intangible assets	12	511	496
Investments accounted for using the equity method	13	17	26
Other non-current assets	14	232	251
Other non-current financial assets	15	857	990
Deferred tax assets	8	233	266
Pension assets	25	36	49
		11,082	9,928
Current assets			
Other current assets	14	171	284
Other current financial assets	15	406	183
Inventories	16	352	335
Current tax receivables	8	-	6
Trade and other receivables	17	1,159	1,232
Cash and cash equivalents	18	685	1,057
		2,773	3,097
Total assets		13,855	13,025

		As at December 31,	
In EUR million	Note	2025	2024
Equity			
Capital and reserves			
Share capital	19	125	125
Share premium		474	474
Reserves	19	553	530
Retained earnings		(244)	(285)
Result for the year		283	69
Total attributable to Company's equity holders		1,191	913
Non-controlling interests		5	4
Total equity		1,196	917
Liabilities			
Non-current liabilities			
Financial debt	20	1,951	1,711
Lease debt	11	1,736	1,160
Other non-current liabilities	14	576	777
Other non-current financial liabilities	21	884	716
Deferred tax liabilities	8	-	3
Provisions for employee benefits	25	242	239
Return obligation liability and other provisions	26	1,692	1,530
		7,081	6,136
Current liabilities			
Trade and other liabilities	27	2,629	2,714
Financial debt	20	313	292
Lease debt	11	318	337
Other current liabilities	14	106	70
Other current financial liabilities	21	16	295
Deferred income	24	1,758	1,772
Current tax liabilities	8	7	-
Provisions for employee benefits	25	21	20
Return obligation liability and other provisions	26	410	472
		5,578	5,972
Total liabilities		12,659	12,108
Total equity and liabilities		13,855	13,025

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



Consolidated statement of changes in equity

Attributable to Company's equity holders

In EUR million	Share capital	Share premium	Reserves	Retained earnings	Result for the year	Total	Non-controlling interests	Total equity
As at January 1, 2025	125	474	530	(285)	69	913	4	917
Transfer to retained earnings	-	-	-	69	(69)	-	-	-
Other	-	-	-	-	-	-	-	-
Contributions	-	-	-	69	(69)	-	-	-
Net gain/(loss) from cash flow hedges	-	-	39	-	-	39	-	39
Fair value of equity instruments revalued through OCI	-	-	(2)	-	-	(2)	-	(2)
Exchange differences on translation foreign operations	-	-	(5)	-	-	(5)	-	(5)
Remeasurement of defined benefit pension plans	-	-	(13)	-	-	(13)	-	(13)
Transfer to/(from) retained earnings	-	-	11	(11)	-	-	-	-
Deferred tax on items taken directly to or transferred from equity	-	-	(7)	-	-	(7)	-	(7)
Net income/(expense) recognised directly in OCI	-	-	23	(11)	-	12	-	12
Profit for the year	-	-	-	-	283	283	1	284
Movement recognised income/(expenses)	-	-	23	(11)	283	295	1	296
Dividends paid	-	-	-	(17)	-	(17)	-	(17)
As at December 31, 2025	125	474	553	(244)	283	1,191	5	1,196

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



Consolidated statement of changes in equity

Attributable to Company's equity holders

In EUR million	Share capital	Share premium	Reserves	Retained earnings	Result for the year	Total	Non-controlling interests	Total equity
As at January 1, 2024	125	474	452	(972)	713	792	5	797
Transfer to retained earnings	-	-	-	713	(713)	-	-	-
Other	-	-	-	-	-	-	(2)	(2)
Contributions	-	-	-	713	(713)	-	(2)	(2)
Net gain/(loss) from cash flow hedges	-	-	48	-	-	48	-	48
Fair value of equity instruments revalued through OCI	-	-	7	-	-	7	-	7
Exchange differences on translation foreign operations	-	-	5	-	-	5	-	5
Remeasurement of defined benefit pension plans	-	-	7	-	-	7	-	7
Transfer to/(from) retained earnings	-	-	26	(26)	-	-	-	-
Deferred tax on items taken directly to or transferred from equity	-	-	(15)	-	-	(15)	-	(15)
Net income/(expense) recognised directly in OCI	-	-	78	(26)	-	52	-	52
Profit for the year	-	-	-	-	69	69	1	70
Movement recognised income/(expenses)	-	-	78	(26)	69	121	1	122
Dividends paid	-	-	-	-	-	-	-	-
As at December 31, 2024	125	474	530	(285)	69	913	4	917

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



Consolidated cash flow statement

In EUR million	Note	2025	2024
Profit for the year		284	70
Adjustments for:			
Depreciation, amortisation and impairment	6	1,202	1,056
Changes in provisions	6	(69)	(32)
Net cost of financial debt		128	118
Results of investees		2	(7)
Results on sale of equity accounted investees		(1)	(2)
Changes in pensions		3	2
Changes in deferred tax	8	25	8
Other changes		(146)	94
Net cash flow from operating activities before changes in working capital		1,428	1,307
Changes in:			
(Increase) / decrease in inventories		(4)	(13)
(Increase) / decrease in trade receivables		(12)	123
Increase / (decrease) in advances ticket sales		(9)	(4)
Increase / (decrease) in trade payables		(29)	(82)
(Increase) / decrease in other receivables and other payables		(195)	(369)
Change in working capital requirement		(249)	(345)
Net cash flow from operating activities		1,179	962
Purchase of intangible fixed assets	12	(110)	(109)
Purchase of aircraft	10	(1,222)	(1,085)
Proceeds on disposal of aircraft		366	4
Purchase of other tangible fixed assets	10	(145)	(158)
Proceeds on disposal of other (in-)tangible fixed assets	5/6	17	75
Investments in equity accounted investees		(1)	(1)
Proceeds on sale of equity accounted investees		1	8
Dividends received		8	4
Interest received		37	63
Proceeds on / (purchase of) short-term deposits and commercial paper		4	40
Net cash flow used in investing activities		(1,045)	(1,159)

In EUR million	Note	2025	2024
Proceeds from long-term debt	21	830	496
Repayment on long-term debt	21	(612)	(343)
Payments on lease debt	11	(327)	(301)
Proceeds from long-term receivables		(292)	(148)
Repayment on long-term receivables		138	154
Purchase of minority interest without change in control		-	(1)
Dividend paid		(18)	(1)
Interest paid		(213)	(217)
Net cash flow used in financing activities		(494)	(361)
Effect of exchange rates on cash and cash equivalents		(12)	12
Change in cash and cash equivalents		(372)	(546)
Cash and cash equivalents at beginning of period		1,057	1,603
Cash and cash equivalents at end of period *	18	685	1,057
Change in cash and cash equivalents		(372)	(546)
Income tax (paid) / reimbursed (flow included in net cash flow from operating activities)	8	(62)	(9)
Current tax income / (expense) (flow included in net cash flow from operating activities)	8	(75)	(23)

In EUR million	2025	2024
Net cash flow from operating activities	1,179	962
Net cash flow used in investing activities (excluding investments in and proceeds on sale of equity accounted investees, dividends received, interest received and proceeds of / (purchase of) short-term deposits and commercial paper)	(1,094)	(1,273)
Free cash flow	85	(311)
Net interest	(176)	(154)
Payments on lease debt	(327)	(301)
Adjusted free cash flow**	(418)	(766)

* Including near cash (other highly liquid investments, such as Triple A bonds, long-term deposits and commercial paper with an original maturity between 3 and 12 months) amounts to EUR 1,857 million as at December 31, 2025 (December 31, 2024 EUR 2,135 million). See note 9. Alternative performance measures (APMs)

** See note 9. Alternative performance measures (APMs)

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



Notes to the consolidated financial statements

1. Basis of preparation

Koninklijke Luchtvaart Maatschappij N.V. (the “Company” or “the Group”) is a public limited liability company incorporated and domiciled in the Netherlands. The Company’s registered office is located in Amstelveen.

The Company is a subsidiary of Air France–KLM S.A. (“Air France–KLM”), a company incorporated in France. The Company financial statements are included in the financial statements of Air France–KLM which can be obtained from the Air France–KLM Group website. Air France–KLM’s shares are quoted on the Paris and Amsterdam stock exchanges.

These financial statements have been authorised for issue by the Board of Managing Directors on March 24, 2026 and will be submitted for approval to the Annual General Meeting (AGM) of shareholders on April 23, 2026.

1.1 Accounting principles

The consolidated financial statements have been prepared in conformity with IFRS Accounting Standards as adopted by the European Union and effective at the reporting date December 31, 2025. The consolidated financial statements have also been prepared in accordance with Section 362(9) of Book 2 of the Dutch Civil Code. As permitted by Section 402 of Book 2 of the Dutch Civil Code the Company statement of profit or loss has been presented in condensed form. In addition, where possible, alignment has been strived with the external reporting of its ultimate parent company, Air France–KLM S.A.

All amounts (unless specified otherwise) are stated in millions of Euros (EUR million). Amounts in the notes may not add up precisely to the totals provided due to rounding.

Material accounting policies

The consolidated financial statements are prepared on historical cost basis unless stated otherwise. The material accounting policies applied in the preparation of the consolidated financial statements are set out below and in the respective notes. These policies have been consistently applied to all the years presented in these financial statements, unless stated otherwise.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Cash flow statement

The cash flow statement is prepared using the indirect method. Changes in balance sheet items that have not resulted in cash flows such as translation differences, financial debts and fair value changes have been eliminated for the purpose of preparing this statement. Interest paid is included in financing activities and interest received is included in investing activities. Dividends paid to ordinary shareholders, if any, are included in financing activities. Dividends received, if any, are classified as investing activities.

IFRS standards which are applicable on a mandatory basis to the 2025 financial statements

› IAS 21, Amendment on Lack of Exchangeability of Currencies

In August 2023, the IASB issued an amendment to IAS 21 (“The Effects of Changes in Foreign Exchange Rates”) to clarify how an entity should determine the exchange rate to use when currencies are not exchangeable (for example, due to restrictions or capital controls).

From January 1, 2025, if the market exchange rate is not accessible, an entity must estimate the rate that would be used in a reasonable transaction to realize cash flows in the foreign currency, using a consistent methodology and all available information.



This estimate and the methodology used must be disclosed in the notes to the financial statements, to enhance comparability and transparency in situations where monetary restrictions apply.

IFRS standards which are applicable on a mandatory basis from 2026

› Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

The amendment to IFRS 9 and IFRS 7, published on October 30, 2024 (applicable from January 1, 2026), is primarily intended to clarify the classification and measurement of financial instruments, as well as to strengthen disclosure requirements. IFRS 9 specifies the application of the SPPI test, particularly for financial assets with contingent contractual features (including those linked to ESG criteria), and clarifies the derecognition of financial liabilities settled electronically, with an option allowing for early derecognition from the balance sheet when three cumulative criteria are met. At the same time, IFRS 7 introduces enhanced disclosure requirements, especially for instruments with variable contractual features and for equity instruments designated at fair value through OCI, in order to improve transparency for users of financial statements.

› Amendment to IFRS 9 and IFRS 7 – Power Purchase Agreement

The 'own-use' exception under IFRS 9 is a key provision for energy purchase contracts, such as Power Purchase Agreements (PPAs). It allows an entity to exclude an energy purchase contract from the scope of IFRS 9 when it is entered into and executed solely to meet its own operational needs, with physical settlement, and not for the purpose of resale or price speculation. Consequently, when a PPA is intended for the entity's internal consumption, it is not treated as a financial instrument under IFRS 9, which simplifies its accounting and limits profit or loss volatility, even if it involves long-term payment commitments.

The amendments to IAS 21, IFRS 7, and IFRS 9 are not considered significant for the Group and are therefore not applicable.

IFRS 18, Presentation and Disclosures in Financial Statements

On April 9, 2024, the International Accounting Standards Board (IASB) published its new standard IFRS 18 “Presentation and Disclosures in Financial Statements” which aims to improve the usefulness of information disclosed in

primary financial statements and notes, providing investors with more transparent and comparable information.

IFRS 18 replaces IAS 1 “Presentation of Financial Statements” and amends other standards, principally IAS 7 “Statement of Cash Flows”.

The main changes concern:

- › the improvement of the comparability of the income statement by introducing three distinct categories of income and expenses (operating, investing and financing) and imposing new subtotals including operating income;
- › the improvement of the transparency of performance indicators defined by management; and
- › the introduction of rules and guidance on how to aggregate and disaggregate financial information both in the primary financial statements and in the notes.

IFRS 18 is effective as of January 1, 2027 with early adoption allowed as from January 1, 2026. IFRS 18 has been endorsed by the European Union on February 13, 2026 and the Group anticipates to apply for early adoption as from 2026.

The Group has made progress in assessing the impacts of this new standard, particularly with the structure of the income statement, the cash flow statement and the performance measures defined by management and communicated externally. In this context, the Group is considering the creation of an “adjusted EBITDA” and an “adjusted operating result,” which would be consistent, both in terms of content and amount, to the indicators currently used.

At this stage, the Group is monitoring other planned changes in accounting standards without expecting significant impacts.

Other amendments or IFRS standards

The impact of the application of other standards and applications respectively published by IASB (International Accounting Standards Board) and IFRS IC (Interpretation Committee) not yet effective as of December 31, 2025 are expected to be non significant.



Assessment of going concern

As per the date of this 2025 Annual Report an assessment of going concern has been performed. Based on all information and analysis available and taking into account the current liquidity position and business outlook the Board of Managing Directors concludes that there are no triggers that might impair the going concern assumption and as such the going concern assumption is applied.

1.2 Use of estimates and the judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from the estimates.

The preparation of these financial statements also requires management to exercise its judgment in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the consolidated financial statements, are disclosed further in the following notes:

- › the valuation of revenue related to passenger tickets and freight airway bills issued and not used: note 2. Segment reporting;
- › hypothesis used for impairment testing of non financial assets, including assumptions about climate issues: note 6. Depreciation, amortisation, impairments and movements in provision;
- › useful lives of property, plant and equipment: note 10. Property, plant and equipment;
- › the valuation of return obligation liabilities and other provisions: note 26. Return obligation liability and other provisions.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1.3 Consolidation principles

Subsidiaries

In conformity with IFRS 10 "Consolidated Financial Statements", the Group's consolidated financial statements comprise the financial statements for all entities that are controlled directly or indirectly by the Group, irrespective of its level of participation in the equity of these entities. The companies over which the Group exercises control are fully consolidated.

An entity is controlled when the Group has power over it, is exposed or has rights to variable returns from its involvement in this entity, and has the ability to use its power to influence the amounts of these returns. The determination of control takes into account the existence of potential voting rights if they are substantive, meaning they can be exercised in time when decisions about the relevant activities of the entity need to be taken. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control begins until the date this control ceases.

Non-controlling interests are presented within equity and on the statement of profit or loss separately from Company's equity holders and the Group's net result, under the line "non-controlling interests".

The effects of a buyout of non-controlling interests in a subsidiary already controlled by the Group and divestment of a percentage interest without loss of control are recognised in equity. In a partial disposal resulting in loss of control, the retained equity interest is remeasured at fair value at the date of loss of control. The gain or loss on the disposal will include the effect of this remeasurement and the gain or loss on the sale of the equity interest, including all the items initially recognised in equity and reclassified to profit or loss.

Intra-group operations

All intra-group balances and transactions, including income, expenses and dividends are fully eliminated. Profits or losses resulting from intra-group transactions are also eliminated. Gains and losses realised on internal sales with associates and jointly-controlled entities are eliminated, to the extent of the Group's interest in the entity, providing there is no impairment.



1.4 Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at the exchange rate of the related hedge, if applicable. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Group companies

The financial statements of Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- › Assets and liabilities are translated at the closing rate;
- › The statement of profit or loss and the cash flow statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- › All resulting translation differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity.

When losing control, such exchange differences are recycled from equity and recognised in the statement of profit or loss as part of the gain or loss on sale.

The exchange rates used for the most significant currencies were as follows:

In EUR	Balance Sheet as at December 31, 2025	Average in Statement of profit or loss 2025	Balance Sheet as at December 31, 2024
1 US dollar (USD)	0.85	0.89	0.96
1 Pound sterling (GBP)	1.15	1.17	1.21
100 Japanese yen (JPY)	0.54	0.60	0.61

1.5 Sustainability development and climate

Air France-KLM S.A., of which the Company is a subsidiary, is fully committed to contributing to the International Civil Aviation Organization's (ICAO) long-term global aspirational goal of net-zero carbon emissions by 2050.

The Company, in close cooperation with the Air France-KLM Group, plays an active role in advancing the ambition of Net Zero emissions by 2050 as an industry. To support this ambition, the Air France-KLM Group has developed a Climate Transition Plan including a mid-term target for 2030 validated by the SBTi. This plan is built around several levers, including mainly (i) investments in the renewal of the Group's fleet for new generation aircraft emitting up to 25% less CO₂ per passenger km (the Group's ambition is to reach up to 80% of new generation aircraft by 2030) and (ii) the progressive incorporation of SAF.

Independent agencies regularly assess the extra financial performances of the Air France-KLM Group based on ESG criteria (Environmental, Social and Governance). In 2025, the Group's performance was recognized through the below ESG ratings.

CDP: "A list" on Climate. By scoring an "A" on Climate, the Air France-KLM Group demonstrated environmental transparency and leadership and is among the top 4% of companies scored by CDP in 2025. An "A" score reflects not just disclosure, but credible, verified action across governance, targets and value chains.

With a score of 84/100 from EcoVadis (Gold Medal, issued in January 2026), the Air France-KLM Group is in the top 5% of all evaluated companies. The EcoVadis assessment evaluates 21 sustainability criteria across four core



themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. More than 130,000 companies globally have been rated by EcoVadis.

The US rating agency MSCI has reanalyzed the Air France-KLM Group's sustainability management and has given it a "AA" rating (issued in March 2026). MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to (CCC (laggard)), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

In the ISS ESG Corporate Rating 2025, the Air France-KLM Group has been awarded "Prime Status" with a "C+". Prime status refers to a company's demonstrated ability to adequately manage material ESG risks.

The Group's financial statements integrate climate change and sustainability issues in various items as described below.

Valuation of assets and consideration of environmental risks and commitments

The impact of climate change has been taken into account in preparing the Group's financial statements for the year ending December 31, 2025. In order to identify the physical and transitional climate-related risks to which the Group is exposed, a climate scenario analysis was carried out. However, the physical risks identified in this way were not considered likely to have a significant impact on operational continuity, given the Group's balanced network between the different continents and the flexibility of its fleet, which minimizes the economic consequences of extreme weather events.

The impacts of expected or probable regulatory changes are included in the Group's five-year plan, notably:

- › the rising cost of carbon credits and CO₂ offsetting under European (EU-ETS) and international (CORSIA) mechanisms;
- › the increasing trajectory of SAF incorporation;
- › the Group's ability to pass on additional costs in ticket prices;
- › the acceptability of air transport and its effect on demand reflected in the long term growth rate of its activity;

- › the investments and depreciation, as well as the expenses incurred, linked to the fleet renewal plan, in line with the CO₂ emission reduction targets as part of its Transition Plan.

These elements are consequently taken into account in the assumptions used to test the recoverable value of assets. See note 6. Depreciation, amortisation, impairments and movements in provision. In 2025, the environmental impacts have not led to the recognition of any impairment or accelerated depreciation of the Group's assets.

Sustainable investments and financings

Fleet modernization

The Group has committed to reduce its GHG emissions per ton per kilometer transported. Currently, one of the most impactful ways to reduce the carbon footprint is to invest in a more fuel-efficient fleet. The Group is focusing on simplifying and rationalizing its fleet to make it more competitive. The Group's transformation is therefore continuing with the phase in of more modern, high-performance aircraft with a significantly lower environmental impact and a reduced noise footprint. Pursuing its fleet renewal plan, the Group will continue to receive new-generation aircraft over the next few years.

Other investments

The decarbonization of the Group's activities is also reflected in investments in materials and equipment designed to reduce its environmental footprint. In order to adapt its business to climate change and in particular reduce emissions of its ground operations, the Group is pursuing a sustainable investment policy and is notably investing in fully electric ramp equipment (vehicles, tractors and loading equipment) and the energy renovation of its buildings.

Sustainable financings

To support its investments, the Group has entered into secured financing agreements integrating sustainable development issues, through which the Group benefit from more advantageous financing conditions if it achieves targets related to the reduction of its greenhouse gas emissions, fleet renewal and the incorporation of SAF.



In April 2023 The Company signed an ESG KPI-Linked Revolving Credit Facilities (“RCF”) with a pool of international financial institutions, for a total amount of EUR 1 billion with a maturity in 2029. See note 21. Other financial liabilities.

SAF–Greenhouse gas emission rights and CO₂ compensation

Sustainable Aviation Fuel

“SAF” refers to an alternative to regular aviation fuel, within the meaning of Article 3(7) of Regulation (EU) 2023/2405 of October 18, 2023 on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation) and is defined as aviation fuels that are either:

- (a) synthetic aviation fuels; or
- (b) aviation biofuels; or
- (c) recycled carbon aviation fuels.

As part of its decarbonization objectives, the Group has developed a progressive and proactive SAF purchasing policy, aiming to incorporate up to 10% SAF by 2030, above and beyond its regulatory obligations.

To cover the additional costs incurred by SAF purchases, the Group introduced a specific surcharge on tickets departing from the Netherlands on January 1, 2022. In addition, voluntary contribution mechanisms enable the Group's customers to contribute financially to the supply and use of SAF beyond the regulatory incorporation. In order to secure its future purchases of SAF, Air France-KLM signed several contracts with the suppliers Nesté, DG Fuels, SkyNRG and TotalEnergies.

Greenhouse gas emission rights and CO₂ compensation

Since January 1, 2012, airlines have been subject to the Emission Trading Scheme (EU-ETS) regulations for all flights to or from the European Economic Area. As such, the Group must purchase CO₂ allowances, in addition to the free allowances, to offset its emissions.

The Group accounts for these CO₂ quotas as other assets, see note 14. Other (non-current) assets and liabilities. To meet its obligation to surrender the allowances corresponding to its emissions, the Group recorded expenses (see note 3. External Expenses) The obligation to surrender allowances, valued at acquisition cost for rights acquired (including free allowances) is recorded as provisions, see note 26. Return obligation liability and other provisions.



2. Segment reporting

Accounting policy

The Company defines its primary segments on the basis of the Group's internal organisation, main revenue generating activities and the manner in which the Board of Managing Directors manages operations.

The Group has as its principal businesses: network activities, which include air transport of passengers and cargo activities, aircraft maintenance, leisure and any other activities linked to air transport.

Operating segments

The activities of each segment are as follows:

Network

Includes air transport of passengers and cargo activities:

- › Passenger main activity is the transportation of passengers on scheduled flights that have the Company's airline code. Passenger revenues include receipts from passengers for excess baggage and other ancillary revenues. Other passenger revenues are derived from commissions from SkyTeam alliance partnership arrangements and revenues from block-seat sales; and
- › Cargo activities relate to the transportation of freight on flights under the Company's code and the sale of cargo capacity to third parties.

Maintenance

Maintenance revenues are generated through maintenance services (engine services, component services and airframe maintenance) provided to other airlines and clients around the world.

Leisure

This segment covers primarily the provision of charter flights and (low-cost) scheduled flights operated by transavia.com.

Other

This segment covers primarily catering and handling services to third-party airlines and clients around the world.

Geographical segments

Revenues are allocated to geographical segments on the basis of destination as follows:

- › Direct flights: Revenue is allocated to the geographical segment in which the destination falls; and
- › Flights with stopovers: Revenue is allocated to the geographical segments in which the various sections of the route fall in accordance with IATA guidelines (based on weighted Passenger-kilometers).

The greater part of the Group's assets comprises aircraft and other assets that are located in the Netherlands. Inter-segment revenues are determined using the prices actually used for invoicing. These prices have been determined on a consistent basis.

Revenues

Network

Revenues from air transport transactions, which consist of passenger and freight transportation, are recognised when the transportation service is provided, net of any discounts granted. Revenues include (fuel) surcharges paid by passengers.

The Group applies the exemption provided by IFRS 15 which allows the balance of the outstanding transactions to remain unspecified as well as their planned recognition date for the performance obligations related to contracts with an initial term set at one year or less. If the tickets are not used, the performance obligations related to passenger and freight transportation generally expire within one year.

Legally enforced compensations to passenger after irregularities in the fulfilment of the revenue generating performance obligations under IFRS 15, including those from EU261 regulations, are recorded as revenue deducting. The Group recognises a corresponding amount in liabilities for future refunds to passengers.



Passenger ticket taxes calculated on ticket sales are collected by the Group and paid to the airport authorities. Taxes are recorded as a liability until such time as they are paid to the relevant airport authority as a function of the chargeability conditions (on ticket issuance or transportation).

The Group considers that the company that issues the airway bill acts as principal since the latter has control over the achievement of the performance obligation. When the Group issues freight airway bills for its goods carried by another carrier (airline company or road carrier), the Group acts as principal. Therefore, at the time of transportation the Group recognises as revenue the amount invoiced to the customer in its entirety and recognises as chartering costs the amounts invoiced by the other carrier for the service provision.

Maintenance contracts

The main types of contracts with customers identified within the Group are:

Sales of maintenance and support contracts

Some maintenance and support contracts cover the airworthiness of engines, equipment or airframes. The invoicing of these contracts is based on the number of flight hours or landings of the goods concerned by these contracts. The different services included within each of these contracts consist of a unique performance obligation due to the existing interdependence between the services within the execution of these contracts. The revenue is recognised: (i) if the level of completion can be measured reliably; (ii) if costs incurred and costs to achieve the contract can be measured reliably. As there is a continuous transfer of the control of these services, the revenue from these contracts is recognised as the costs are incurred. As long as the margin on the contract cannot be measured in a reliable manner, the revenue will only be recognised at the level of the costs incurred. Forecast margins on the contracts are assessed through the forecast future cash flows that take into account the obligations and factors inherent to the contracts as well as other internal parameters to the contract selected using historical and/or forecast data.

These forecast margins are regularly reviewed. If necessary, provisions are recorded as soon as any losses on completion of contracts are identified.

Amounts invoiced to customers, and therefore mostly collected, which are not yet recognised as revenue, are recorded as liabilities on contracts (deferred revenue) on the balance sheet. Inversely, any revenue that has been recognised but not yet invoiced is recorded under assets on the balance sheet.

Sales of spare parts repair and labour - Time & Material contracts

These services which relate to engines, equipment or airframes, an airframe being an aircraft without engines and equipment, are generally short-term. They consist of a unique performance obligation. The revenue is recognised in line with costs incurred and is representative for the fulfilment of the performance obligation.

Accounting estimates and judgements

Valuation of Network revenues

Both passenger tickets and freight airway bills are recorded as “advance ticket sales” upon the sale. The booking of this revenue known as “ticket breakage” is deferred until the transportation date initially foreseen. This revenue is calculated by applying statistical rates on tickets issued and unused. These rates are regularly updated and adjusted for non-recurring and specific events that may have an impact on passengers’ behaviour based on management’s judgement.



Operating segments reporting

In EUR million	2025					
	Network	Maintenance	Leisure	Other	Eliminations	Total
Revenues						
Revenues External	10,551	1,162	1,438	24	-	13,175
Revenues Internal	84	1,250	1	269	(1,604)	-
Total revenue	10,635	2,412	1,439	293	(1,604)	13,175
Adjusted EBITDA*	1,150	243	125	31	-	1,549
APM adjustments to EBITDA*	(14)	(2)	-	-	-	(16)
Adjusted income from current activities	301	97	14	4	-	416
APM adjustments to income from operating activities*	(3)	(2)	3	2	-	-
Financial Income and expenses						(30)
Income tax income/(expense)						(100)
Share of results of equity shareholdings						(2)
Profit for the year						284
Amortisation, depreciation and movements in provision	(838)	(146)	(108)	(25)	-	(1,117)
Other financial income and expenses	85	(4)	33	(16)	-	98
As at December 31, 2025						
In EUR million	Network	Maintenance	Leisure	Other	Eliminations	Total
Assets						
Intangible assets	145	319	47	-	-	511
Flight equipment	4,034	801	622	-	-	5,457
Other property, plant and equipment	313	410	6	6	-	735
Right-of-use assets	2,227	137	638	2	-	3,004
Trade receivables	468	127	17	1	-	613
Other assets	2,667	602	247	19	-	3,535
Total assets	9,854	2,396	1,577	28	-	13,855
Additions to fixed assets	1,027	82	213	-		
Liabilities						
Deferred revenues on sales	1,529	96	239	-	-	1,864
Other liabilities	6,592	2,306	1,854	43	-	10,795
Total liabilities	8,121	2,402	2,093	43	-	12,659



Notes to the consolidated financial statements

In EUR million	2024					
	Network	Maintenance	Leisure	Other	Eliminations	Total
Revenues						
Revenues External	10,245	1,080	1,334	22	-	12,681
Revenues Internal	83	1,174	3	257	(1,517)	-
Total revenue	10,328	2,254	1,337	279	(1,517)	12,681
Adjusted EBITDA*	1,108	154	146	29	-	1,437
APM adjustments to EBITDA*	(45)	(1)	-	-	-	(46)
Adjusted income from current activities	336	35	40	5	-	416
APM adjustments to income from operating activities*	(26)	(1)	1	2	-	(24)
Financial Income and expenses						(299)
Income tax income/(expense)						(31)
Share of results of equity shareholdings						8
Profit for the year						70
Amortisation, depreciation and movements in provision	(753)	(120)	(105)	(21)	-	(999)
Other financial income and expenses	(155)	(5)	(34)	13	-	(181)

In EUR million	As at December 31, 2024					
	Network	Maintenance	Leisure	Other	Eliminations	Total
Assets						
Intangible assets	158	300	35	3	-	496
Flight equipment	3,731	811	553	-	-	5,095
Other property, plant and equipment	284	361	5	11	-	661
Right-of-use assets	1,539	169	384	2	-	2,094
Trade receivables	475	142	12	1	-	630
Other assets	3,115	609	295	30	-	4,049
Total assets	9,302	2,392	1,284	47	-	13,025
Additions to fixed assets	810	195	207	-		
Liabilities						
Deferred revenues on sales	1,574	188	210	-	-	1,972
Other liabilities	6,251	2,349	1,486	50	-	10,136
Total liabilities	7,825	2,537	1,696	50	-	12,108

* See note 9. Alternative performance measures (APMs) for the reconciliation to adjusted EBITDA and adjusted income from operating activities. Also see the Alternative performance measures section in the Notes to the Consolidated financial statements.



Geographical segments reporting

In EUR million	Revenues by destination 2025					
	Europe, North Africa	Caribbean, Indian Ocean	Africa, Middle East	Americas Polynesia	Asia, New Caledonia	Total
Scheduled passenger	3,069	518	958	3,087	1,515	9,147
Other passenger revenues	90	15	28	90	44	267
Total passenger revenues	3,159	533	986	3,177	1,559	9,414
Scheduled cargo	5	34	180	383	301	903
Other cargo revenues	1	9	47	99	78	234
Total cargo revenues	6	43	227	482	379	1,137
Total network revenues	3,165	576	1,213	3,659	1,938	10,551
Maintenance	1,162	-	-	-	-	1,162
Other revenues	1,462	-	-	-	-	1,462
Total maintenance and other	2,624	-	-	-	-	2,624
Total revenues by destination	5,789	576	1,213	3,659	1,938	13,175

In EUR million	Revenues by destination 2024					
	Europe, North Africa	Caribbean, Indian Ocean	Africa, Middle East	Americas Polynesia	Asia, New Caledonia	Total
Scheduled passenger	2,959	483	948	2,915	1,452	8,757
Other passenger revenues	92	15	30	92	46	275
Total passenger revenues	3,051	498	978	3,007	1,498	9,032
Scheduled cargo	5	29	229	447	277	987
Other cargo revenues	-	7	53	102	64	226
Total cargo revenues	5	36	282	549	341	1,213
Total network revenues	3,056	534	1,260	3,556	1,839	10,245
Maintenance	1,080	-	-	-	-	1,080
Other revenues	1,356	-	-	-	-	1,356
Total maintenance and other	2,436	-	-	-	-	2,436
Total revenues by destination	5,492	534	1,260	3,556	1,839	12,681

Geographical analysis of assets: the major revenue-earning asset of the Group is the fleet, the majority of which are registered in the Netherlands. Since the Group's fleet is employed flexibly across its

worldwide route network, there is no suitable basis of allocating such assets and related liabilities to geographical segments.



3. External Expenses

Accounting policy

External expenses are recognised in the statement of profit or loss using the matching principle which is based on a direct relationship between cost incurred and, if applicable, obtaining income related to the operation. Any deferral of cost in view of applying the matching principle is subject to these costs meeting the criteria for recognising them as an asset on the balance sheet. In order to minimise the financial risks involved with aircraft fuel, the Company makes use of financial derivatives such as fuel forward contracts, foreign currency options and swaps. The gains and losses arising from the use of the derivatives are included in these costs.

In EUR million	2025	2024
Aircraft fuel	2,444	2,682
CO2 quotas costs	172	152
Sustainable Aviation Fuel (SAF) costs	102	85
Chartering costs	342	264
Landing fees and route charges	1,057	891
Catering	259	248
Handling charges and other operating costs	736	722
Aircraft maintenance costs	1,363	1,429
Commercial and distribution costs	488	448
Insurance	28	27
Rentals and maintenance of housing	190	179
Sub-contracting	241	246
Other external expenses	393	452
Total	7,815	7,825

Aircraft fuel expenses include an amount of EUR 57 million negative (2024 EUR 26 million negative), which was transferred from other comprehensive income to the consolidated statement of profit or loss.

Aircraft fuel expenses include a net amount of EUR 5 million positive (2024 EUR 2 million positive) related to fuel delivered to SkyTeam partners at Schiphol. The net amount consists of EUR 196 million cost (2024 EUR 235 million) and EUR 201 million income (2024 EUR 237 million).

4. Employee Compensation and Benefit Expenses

Accounting policy

Short-term employee benefits are expensed when the related services are provided. A liability is recognised for the amount expected to be paid when the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The accounting policies applied by the Group to recognize its defined obligations in accordance with IAS 19 (revised) are detailed in note 25. Provisions for employee benefits.

In EUR million	2025	2024
Wages and salaries	3,154	3,009
Social security premiums other than for state pension plans	347	328
Voluntary leave plans	16	9
Share-based remuneration	1	-
Hired personnel	231	243
Pension and early-retirement plan costs	356	344
Post-employment medical benefit costs	1	1
Other long-term employee benefit costs	18	20
Total	4,124	3,954

For the 2025 and 2024 voluntary leave plans expenses, reference is made to note 9. Alternative performance measures (APMs).

On January 29, 2025 KLM announced a reduction of 250 jobs in non-operational roles. In 2025 all related domains have prepared specific plans, which have been discussed with the Works Council. KLM and Grounds Unions agreed that it will not lead to forced lay-offs and thus no restructuring provision has been recorded.

Share-based remuneration relates to the 2023, 2024 and 2025 Long-Term Incentive (LTI) plans for KLM statutory Board of Managing Directors (for details see note 31. Statutory Board of Managing Directors Remuneration) and executive employees of KLM have 41,292 phantom shares as at

December 31, 2025 (December 31, 2024 36,574). The (phantom) shares granted in a year will vest after three years if the predetermined LTI plan criteria are met and are cash settled (except for the Air France-KLM LTI plan for KLM CEO which is equity settled). The evaluation and subsequent vesting will only take place after three years. Subject to restrictions relating to the prevention of insider-trading, phantom shares may be exercised at any time between the third and the fifth anniversary of the day of grant. After five years any then outstanding phantom shares are forfeited.

Pension and early-retirement plan cost comprises:

In EUR million	2025	2024
Defined benefit plans	7	11
Defined contribution plans	349	333
Total	356	344

Defined benefit plans and early-retirement plan cost comprises:

In EUR million	2025	2024
Current service cost	6	8
Interest expense	23	22
Interest income	(22)	(20)
Administration cost	-	1
Total	7	11

In 2025 the defined benefit cost recognised in profit or loss for the major defined benefit plans recognised in the statement of profit or loss amounted to EUR 7 million (2024 EUR 11 million) and the total contributions paid by the Group amounted to EUR — million (2024 EUR 6 million). The 2025 contributions paid include additional deficit funding in the United Kingdom amounting to EUR nil million (2024 EUR 5 million). The Group's projected defined benefit plans and early retirement plan cost for 2026 amounts to EUR 9 million. The Group's expected cash contributions for these plans amounts to EUR — million.



Post-employment medical benefits cost comprises:

In EUR million	2025	2024
Interest cost	1	1
Total	1	1

Other long-term employee benefits comprise:

In EUR million	2025	2024
Current service cost	4	4
Interest cost	3	4
Immediate recognition of (gains)/losses	11	12
Total	18	20

Number of full-time equivalent employees:

	2025		2024	
	KLM Group	KLM N.V.	KLM Group	KLM N.V.
Average for year				
Flight deck crew	3,868	2,392	3,671	2,214
Cabin crew	8,807	6,943	8,533	6,621
Ground staff	18,393	13,915	18,260	13,832
Total	31,068	23,250	30,464	22,667

	2025		2024	
	KLM Group	KLM N.V.	KLM Group	KLM N.V.
Average for year				
The Netherlands	27,866	21,122	27,349	20,585
Outside the Netherlands	3,202	2,128	3,115	2,082
Total	31,068	23,250	30,464	22,667

	2025		2024	
	KLM Group	KLM N.V.	KLM Group	KLM N.V.
As at December 31,				
Flight deck crew	3,956	2,477	3,774	2,296
Cabin crew	8,658	6,975	8,467	6,773
Ground staff	18,459	13,928	18,406	13,944
Total	31,073	23,380	30,647	23,013

5. Other Income and Expenses

Accounting policy

Capitalised production are the costs incurred for projects that meet the requirements to be capitalised as an (in)tangible asset.

In EUR million	2025	2024
Capitalised production	271	473
Operating currency hedging recycling	(22)	5
Other income and expenses	48	11
Total	297	489

2024 other income relates to the net balance of settlements of claims. Reference is made to note 9. Alternative performance measures (APMs).



6. Depreciation, amortisation, impairments and movements in provision

Accounting policy

Reference is made to note 10. Property, plant and equipment and 12. Intangible assets respectively for more details on the Group's accounting policy in relation to depreciation and amortisation.

An impairment loss is recognised in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Group CGUs), which correspond to the Group's Business segments.

The recoverable amount is the higher of its fair value less cost to sell and its value in use. To determine the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs (or groups of CGUs) and then, to reduce the carrying amount of the other assets in the CGU on a pro-rata basis.

Accounting estimates and judgements

Impairment of assets

Factors may exist which require the recognition of an impairment of certain assets and/or CGUs. Such impairment is based on estimates of the fair value less cost to sell and the value in use. The fair value less cost to sell is derived from assumptions in relation to the possible selling price of a certain asset. The value in use is based on the discounted value of the cash flows that the asset/CGU is expected to generate in the future. These future cash flows are based on the business plans for the coming years. The value in use also takes into account possible adverse developments, which may lead to impairment. It is possible that the Group may have to recognise additional impairment charges in the future as a result of changes in (market) conditions that may take place in future periods.

In EUR million	2025	2024
Amortisation of intangible assets	82	83
Depreciation of flight equipment	563	500
Depreciation of other property and equipment	66	60
Depreciation of right of use assets	491	412
Sale of assets	(15)	(24)
Movements in provisions	(69)	(32)
Total	1,117	999

For the sale of assets reference is made to note 9. Alternative performance measures (APMs).

During the year ended December 31, 2025 no impairment triggers have been identified.



7. Net cost of financial debt

Accounting policy

Cost of financial debt includes interest on loans of third parties, financial debt and on lease debt using the effective interest rate method. Interest income from cash and cash equivalents includes interest on loans, interest-bearing marketable securities, short-term bank deposits and money at call. Interest income is recognised on an accrual basis.

Foreign exchange gains and losses resulting from the translation of transactions in foreign currencies and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Fair value gains/losses represent the increases/decreases during the year in the fair values of assets and liabilities, excluding derivative financial instruments designated as cash flow hedges.

In EUR million	2025	2024
Cost of financial debt		
Loans from third parties	40	37
Interest on financial debt	42	52
Interest on lease debt	82	76
Other interest expenses	28	36
Total	192	201
Income from cash, cash equivalents and deposits		
Finance income	(64)	(83)
Total	(64)	(83)
Net cost	128	118

Other interest expense mainly relates to the interest on the COVID-19 related deferred payments for wage tax and social securities charges. For more information reference is made to note 14. Other (non-current) assets and liabilities.

In EUR million	2025	2024
Foreign currency exchange gains/(losses) -realised	(28)	7
Foreign currency exchange gains/(losses) -unrealised	237	(79)
Other financial income and expenses	(111)	(109)
Total	98	(181)

Other financial income and expenses mainly includes additions of EUR 102 million negative (2024: EUR 98 million negative) to (maintenance) provisions resulting from the discounting effect in provision calculations, ineffective/time value portion of fuel, interest rate and foreign currency exchange derivatives for EUR 1 million positive (2024: EUR 2 million negative) and revaluation of Air France-KLM S.A. shares for - million (2024: EUR 1 million negative).



8. Income tax

Accounting policy

Income taxes represent the sum of current and deferred corporate income taxes. A current tax payable or receivable is based on the taxable profit or loss for the year, calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and for tax purposes, as well as on tax losses carried forward. They are calculated on the basis of the tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised for all deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except to the extent that is not probable that the temporary difference will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be realised.

A deferred tax liability is recognised for all taxable temporary differences associated with the fiscal reinvestment reserve, investments in subsidiaries, associates and interests in joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and current income tax for the financial year is as follows:

In EUR million	2025	2024
Deferred tax (expense)/income relating to the origination and reversal of temporary differences and tax losses	(25)	(8)
Current tax (expense)/income	(75)	(23)
Total	(100)	(31)

The applicable average tax rate in the Netherlands for the financial year 2025 is 25.8% (2024: 25.8%).

The average effective tax rate is reconciled to the applicable tax rate in the Netherlands as follows:

in %	2025	2024
Applicable average tax rate in The Netherlands	25.8	25.8
Non-deductible expenses	0.1	(0.3)
Increase/reduction tax rate	(0.6)	0.2
Foreign taxes	0.8	5.7
Other	(0.3)	1.9
Total	25.8	33.3

The gross movement in the deferred/current income tax account is as follows:

In EUR million	2025	2024
As at January 1,	269	307
Income statement (expense)/income	(100)	(31)
Tax credited/(charged) to equity	(7)	(15)
Other movements	2	(1)
Payment current income tax	62	9
As at December 31,	226	269



The split between current income tax (liabilities)/assets and deferred tax (liabilities)/assets is as follows:

In EUR million	As at December 31,	
	2025	2024
Current income tax (liability)/asset Dutch tax fiscal unity	(7)	6
Deferred tax (liability)/asset other tax jurisdictions	1	(3)
Deferred tax (liability)/asset Dutch tax fiscal unity	232	266
Total	226	269

Following the 2025 fiscal profits, the Dutch KLM tax fiscal unity also has a current tax payable of EUR 7 million as per December 31, 2025 (December 31, 2024 EUR 6 million receivable), which is shown as a current liability/asset in KLM Group's balance sheet.

The maximum future period for utilising tax losses carried forward is indefinite under income tax law in the Netherlands for the KLM income tax fiscal unity. However, utilising tax losses carried forward is limited to 50% of taxable profits per year. Current income tax has to be paid over the other 50% of taxable profits per year. Also in the United Kingdom, the maximum future period for utilising tax losses carried forward is indefinite. In 2025 the Dutch income tax rate remained at 25.8% and the UK income tax rate remained at 25%.

Since 2023 the company made significant profits and expects to achieve fiscal profits going forward. Consequently the Group has, in line with IAS 12, a deferred tax asset for all unused operating losses as per December 31, 2025. Taking into account the 2025 fiscal profits, the tax losses carried forward, amounts to EUR 932 million as per December 31, 2025 (December 31, 2024 EUR 1,215 million) and the related deferred tax asset is EUR 241 million as per December 31, 2025 (December 31, 2024 EUR 314 million).

Further, as per December 31, 2025 a deferred tax liability related to the fiscal reinvestment reserve of EUR 489 million has been recognised, which pertains to the result of the 2023 sale of assets of the Flying Blue program. This resulted in a deferred tax liability of EUR 94 million as per December 31, 2025 (December 31, 2024 EUR 114 million). In 2024 this fiscal reinvestment reserve has been fully filled with 2024 investments in assets with the same or shorter useful life as the sold Flying Blue program with a maximum of

10 years. The amounts of deferred tax assets recognised in the KLM income tax fiscal unity in the Netherlands are included in the deferred tax asset line within non-current assets on the balance sheet. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The Group includes a fully consolidated Cell in Harlequin Insurance PCC Limited – Cell K16, St. Peter Port (Guernsey). Respective income from the Cell is also included in the taxable basis of the KLM income tax fiscal unity in the Netherlands. The Group is in the process of shifting the Cell activities from Guernsey to Malta, which is expected to be finalized in the course of 2026.

The deferred tax (liability)/asset of the Dutch tax fiscal unity is built up as follows:

In EUR million	As at December 31,	
	2025	2024
Deferred tax assets		
Deferred tax assets to be recovered in 12 months or less	43	63
Deferred tax assets to be recovered after more than 12 months	189	203
Total	232	266
Deferred tax liabilities		
Deferred tax liabilities to be settled in 12 months or less	-	-
Deferred tax liabilities to be settled over more than 12 months	-	-
Total	-	-
Total	232	266



The movements in deferred tax assets, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

In EUR million	Tax losses	Re- investment reserve account	Provisions for employee benefits	Other tangible fixed assets	Derivative financial instruments	Pensions and benefits	Other	Total
As at January 1, 2025	314	(114)	(3)	54	(13)	22	3	263
Income statement (charge)/ credit	(73)	20	-	8	-	-	20	(25)
Tax credited/(charged) to equity	-	-	2	-	11	1	(21)	(7)
Other	-	-	2	-	-	-	-	2
As at December 31, 2025	241	(94)	1	62	(2)	23	2	233

In EUR million	Tax losses	Re- investment reserve account	Provisions for employee benefits	Other tangible fixed assets	Derivative financial instruments	Pensions and benefits	Other	Total
As at January 1, 2024	332	(126)	1	47	7	23	3	287
Income statement (charge)/ credit	(18)	12	(3)	7	-	-	(6)	(8)
Tax credited/(charged) to equity	-	-	(1)	-	(20)	(1)	7	(15)
Other	-	-	-	-	-	-	(1)	(1)
As at December 31, 2024	314	(114)	(3)	54	(13)	22	3	263

The movements in deferred tax liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

In EUR million	Derivative financial instruments	Pensions and benefits	Total
As at January 1, 2025	-	-	-
Tax credited/(charged) to equity	-	-	-
Other	-	-	-
As at December 31, 2025	-	-	-

In EUR million	Derivative financial instruments	Pensions and benefits	Total
As at January 1, 2024	-	-	-
Tax credited/(charged) to equity	-	-	-
Other	-	-	-
As at December 31, 2024	-	-	-

The amounts of deferred tax assets recognised in the other tax jurisdictions (i.e. in the United Kingdom) and in Dutch subsidiaries not included in KLM income tax fiscal unity in the Netherlands are included in the deferred tax asset line within non-current assets on the balance sheet. Of the total amount involved, being EUR 1 million, EUR nil million is expected to be recovered in 12 months or less and EUR nil million is expected to be recovered after more than 12 months. An amount of EUR 1 million positive relates to taxes on remeasurement via other comprehensive income of defined benefit pension plans and will not be recycled through the statement of profit or loss.

The Group has tax loss carry forwards in the United Kingdom in the amount of EUR 15 million (December 31, 2024 EUR 24 million) as well as deductible temporary differences in the amount of EUR nil million (December 31, 2024 EUR 3 million) for which no deferred tax asset has been recognised, due to the uncertainty whether there are sufficient future tax profits against which such temporary differences and tax losses can be utilised.



9. Alternative performance measures (APMs)

Accounting policy

The Group considers it relevant to the understanding of its financial performance to use certain alternative performance measures (APMs) not defined by IFRS. These APMs should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. APMs do not have standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

In addition APMs are also important for the Group given that these provide alignment with the understanding of the financial performance and external reporting of its ultimate parent company, Air France-KLM S.A.

Adjusted EBITDA and adjusted income from operating activities

To provide clear reporting on the development of the business, APM adjustments are made that impact EBITDA and income from operating activities.

Adjusted EBITDA (Adjusted Earnings Before Interests, Taxes, Depreciation, Amortisation, Impairment and provisions): by extracting the main line of the statement of profit or loss which does not involve cash disbursement (“Amortisation, depreciation, impairments and provisions”) from income from operating activities, adjusted EBITDA provides a simple indicator of the Group’s cash generation on operational activities. Elements that have less predictive value due to their nature, frequency and/or materiality to arrive at adjusted EBITDA are:

- › Restructuring costs;
- › Infrequent elements such as modification or derecognition of a pension plan and recognition of provisions for litigation.

Elements that have less predictive value due to their nature, frequency and/or materiality to arrive at adjusted income from operating activities are:

- › Result on sales of aircraft, other flight equipment disposals of other (intangible) assets and sale and leaseback transactions ;
- › Impairment of assets (including reversals);
- › Accelerated aircraft phase-out; Income from the disposal of subsidiaries and affiliates; Infrequent elements such as the recognition of goodwill in the statement of profit or loss.

Adjusted free cash flow

In addition to provide clear reporting on the development of the business, APM adjustments are also made that impact the adjusted free cash flow. A reconciliation of this APM to the most directly comparable IFRS measures can be found in the Consolidated cash flow statement.

Free cash flow corresponds to the net cash flow from operating activities net of purchase of (prepayments in) aircraft, property plant and equipment and intangible assets less the proceeds on the disposal of aircraft, property plant and equipment and intangible assets. It does not include investments in and proceeds on sale of equity accounted investees, dividends received, interest received, proceeds on / (purchase of) short-term deposits and commercial paper and net cash flow from operating activities of discontinued operations.

Adjusted free cash flow: this corresponds to free cash flow minus net interest payments and repayment of lease debts.

Near cash

Also near cash is mentioned in the Consolidated cash flow statement. Near cash corresponds to financial assets that can be transferred to cash on short notice without significant penalty. This includes cash and cash equivalent and other highly liquid investments, such as Triple A bonds, long-term deposits and commercial paper, with an original maturity between 3 and 12 months.

**Adjusted EBITDA and adjusted income from operating activities**

In EUR million	Note	2025	2024
Income from operating activities		416	392
Amortisation, depreciation, impairment and movement in provisions	6	1,117	999
EBITDA		1,533	1,391
APM adjustments to EBITDA:			
Voluntary leave plans	4	16	9
Expenses related to renegotiation of a contract	5	-	39
Sale of subsidiary	5	-	(2)
Total APM adjustments to EBITDA		16	46
Adjusted EBITDA		1,549	1,437

In EUR million	Note	2025	2024
Income from operating activities		416	392
APM adjustments to income from operating activities:			
Total APM adjustments to EBITDA		16	46
Result of sale of assets	6	(15)	(24)
Reversal impairment of intangible assets	6	(1)	-
Movement in provisions	6	-	2
Total APM adjustments		-	24
Adjusted income from operating activities		416	416

The 2025 APM adjustments show an overall amount of EUR nil million (2024: EUR 24 million negative). The definition of APMs was not adjusted in 2025.

The 2025 APM adjustments to EBITDA mainly relates to voluntary leave plans of EUR 16 million and the sale of subsidiary Airtrade Holdings B.V. to Air France-KLM S.A. at approximately equity value.

The 2025 APM adjustments to income from operating activities mainly relates to the result of sale, phase out or sale and lease back transactions of aircraft.

The 2024 APM adjustments to EBITDA mainly relates to a compensation to be paid by KLM as part of the renegotiation of a contract of EUR 39 million and voluntary leave plans of EUR 9 million.

The 2024 APM adjustments to income from operating activities mainly relates to the release of maintenance and phase out provision related to the conversion of a Right-of-use asset to in substance purchase of an aircraft of EUR 16 million and the profit on the sale of London Heathrow slots of EUR 5 million.

Near cash

The table below shows the total of Cash and Cash equivalents and near cash:

In EUR million	note	As at December 31,	
		2025	2024
Cash and cash equivalents	18	685	1,057
Main part of bonds, long-term deposits, other loans and receivables	15	1,122	1,024
Short term deposits and commercial paper	15	50	54
Total near cash		1,172	1,078
Total		1,857	2,135



10. Property, plant and equipment

Accounting policy

Property, plant and equipment are recorded at cost, including prepayments, less accumulated depreciation and any accumulated impairment loss. Flight equipment acquired in foreign currency is translated at the exchange rate applicable at the date of acquisition or the hedged rate where a hedging instrument has been used. Manufacturers' discounts are deducted from the acquisition cost.

Aircraft fixtures and fittings and initial potentials to be restored on aircraft by major maintenance operations, which include major engine parts whose failure would jeopardise the engine's operation defined as 'life limited parts', are classified as separate components from the airframe and depreciated separately.

The cost of major maintenance operations (such as airframes, engines and life limited parts), which are carried out in accordance with specifications and schedules defined by manufacturers and regulating authorities, are capitalised when incurred. Other maintenance costs are expensed as incurred. Property, plant and equipment are depreciated to estimated residual values using the straight-line method over average estimated useful lives in the profit or loss. Land is not depreciated.

During the annual operational planning cycle, the Group reviews the depreciation methods, useful lives and residual values and, if necessary, amends these.

As prepayment on investments are not financed by specific borrowings, the capitalization of borrowing costs is based on the average borrowing rate for the period.

The useful lives of property, plant and equipment are as follows:

Category	Useful life (years)
Aircraft	20 to 25
Aircraft fixtures and fittings, major maintenance components and spare parts	3 to 25
Land	Not depreciated
Buildings	20 to 40
Equipment and fittings	3 to 15
Other property and equipment	5 to 20

Impairment of assets

In accordance with IAS 36 "Impairment of Assets", the Group's tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Reference is made to note 6. Depreciation, amortisation, impairments and movements in provision for more details on the Group's accounting policy in relation to impairments.

Accounting estimates and judgements

Useful lives of property, plant and equipment

The carrying amount of flight equipment and other property and equipment is determined by using estimates of the depreciation periods, which are derived from the expected technical and economic useful life of the assets involved. Due to advancing technology, evolving market circumstances and changes in the use of the assets involved, the expected technical and economic life of the asset may be subject to alteration.



In EUR million	Flight equipment			Other property and equipment			Total	Prepayments	Total
	Owned aircraft	Other flight equipment	Total	Land and buildings	Equipment and fittings	Other property and equipment			
Historical cost									
As at January 1, 2025	5,395	3,484	8,879	766	256	327	1,349	890	11,118
Additions	-	168	168	5	1	-	6	1,217	1,391
Disposals	(293)	(321)	(614)	(1)	(9)	(7)	(17)	-	(631)
Reclassifications	536	389	925	46	19	24	89	(1,213)	(199)
Other movements	-	-	-	1	-	-	1	287	288
As at December 31, 2025	5,638	3,720	9,358	817	267	344	1,428	1,181	11,967
Accumulated depreciation and impairment									
As at January 1, 2025	2,975	1,488	4,463	468	186	245	899	-	5,362
Depreciation	236	327	563	34	13	19	66	-	629
Disposals	(24)	(249)	(273)	(1)	(9)	(7)	(17)	-	(290)
Reclassifications	1	74	75	-	(5)	4	(1)	(75)	(1)
Other movements	-	-	-	-	-	-	-	75	75
As at December 31, 2025	3,188	1,640	4,828	501	185	261	947	-	5,775
Net carrying amount									
As at January 1, 2025	2,420	1,996	4,416	298	70	82	450	890	5,756
As at December 31, 2025	2,450	2,080	4,530	316	82	83	481	1,181	6,192

Prepayments includes an amount of EUR 176 million related to assets under construction (2024 : EUR 148 million).



In EUR million	Flight equipment			Other property and equipment			Total	Prepayments	Total
	Owned aircraft	Other flight equipment	Total	Land and buildings	Equipment and fittings	Other property and equipment			
Historical cost									
As at January 1, 2024	5,156	2,992	8,148	742	247	364	1,353	744	10,245
Additions	-	220	220	-	1	-	1	1,049	1,270
Disposals	(26)	(294)	(320)	(9)	(1)	(41)	(51)	-	(371)
Reclassifications	265	550	815	33	9	10	52	(1,041)	(174)
Other movements	-	16	16	-	-	(6)	(6)	138	148
As at December 31, 2024	5,395	3,484	8,879	766	256	327	1,349	890	11,118
Accumulated depreciation and impairment									
As at January 1, 2024	2,775	1,323	4,098	426	176	257	859	-	4,957
Depreciation	224	276	500	30	11	19	60	-	560
Disposals	(26)	(259)	(285)	(8)	(1)	(20)	(29)	-	(314)
Reclassifications	2	145	147	19	-	(10)	9	(156)	-
Other movements	-	3	3	1	-	(1)	-	156	159
As at December 31, 2024	2,975	1,488	4,463	468	186	245	899	-	5,362
Net carrying amount									
As at January 1, 2024	2,381	1,669	4,050	316	71	107	494	744	5,288
As at December 31, 2024	2,420	1,996	4,416	298	70	82	450	890	5,756

Property, plant and equipment include assets which are held as security for mortgages and loans as follows:

In EUR million	As at December 31,	
	2025	2024
Aircraft	77	82
Land and buildings	102	102
Other property and equipment	28	32
Total	207	216

Borrowing cost capitalised during the year amounts to EUR 25 million (2024 EUR 25 million). The interest rate used to determine the amount of borrowing cost to be capitalised was 4.73% (2024 4.64%).

Land and buildings include buildings located on land which has been leased on a long-term basis. The book value of these buildings at December 31, 2025 amounts to EUR 183 million (December 31, 2024 EUR 185 million).



11. Leases

Accounting policy

Lease contracts

Lease contracts as defined by IFRS 16 “Leases”, are recorded in the balance sheet, which leads to the recognition of:

- › An asset representing a right-of-use of the asset leased during the lease term of the contract; and
- › A liability related to the payment obligation.

Arrangements with the following financing features are not eligible to an accounting treatment according to IFRS 16:

- › The lessor has legal ownership retention as security against repayment and interest obligations;
- › The airline initially acquired the aircraft or took a major share in the acquisition process from the Original Equipment Manufacturers; and
- › In view of the contractual conditions, it is (virtually) certain that the aircraft will be purchased at the end of the lease term.

Since these financing arrangements are “in substance purchases” and not leases, the related liability is considered as a financial debt under IFRS 9 and the asset, as an owned asset, according to IAS 16 Property, plant and equipment.

Measurement of the right-of-use asset

At the commencement date, the right-of-use asset is measured at cost and comprises:

- › The amount of the initial measurement of the lease liability, to which is added, if applicable, any lease payments made at or before the commencement date, less any lease incentives received, and any initial direct costs;
- › Estimated costs for restoration and dismantling of the leased asset according to the terms of the contract. At the date of the initial recognition of the right-of-use asset, the lessee adds to its costs, the discounted amount of the restoration and dismantling costs through a return obligation liability as described in the paragraph on “Return obligation liability on leased aircraft”. These costs also include restoration obligations with regard to engines, airframe and life limited parts.

Following the initial recognition, the right-of-use asset must be depreciated over the useful life of the underlying assets. This is the lease term for the rental component, flight hours or expected period until engine removal for the component relating to engine maintenance or on a straight-line basis for the component relating to the airframe until the date of the next major overhaul, for life limited parts over the lease term for wide body aircraft and over the time until the maintenance event in which they are replaced for narrow body aircraft. Reference is made to note 6. Depreciation, amortisation, impairments and movements in provision for more details on the Group’s accounting policy in relation to impairments.

Measurement of the lease liability

At the commencement date, the lease liability is recognised for an amount equal to the present value of the lease payments over the lease term. Amounts involved in the measurement of the lease liability are:

- › Fixed payments (including in-substance fixed payments; meaning that even if they are variable in form, they are in-substance unavoidable);
- › Variable lease payments that depend on an index or a rate, initially measured using the index or the rate in force at the lease commencement date;
- › Amounts expected to be payable by the lessee under residual value guarantees;
- › The exercise price of a purchase option if the lessee is reasonably certain to exercise this option; and
- › Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The interest cost for the period as well as variable payments, not taken into account in the initial measurement of the lease liability and incurred over the relevant period are recognised as costs.



Types of capitalised lease contracts

Aircraft lease contracts

For the aircraft lease contracts fulfilling the capitalisation criteria defined by IFRS 16, the lease term corresponds to the duration of the contracts signed except in cases where the Group is reasonably certain of exercising the renewal options contractually foreseen.

The accounting treatment of the maintenance obligations related to leased aircraft is outlined in the paragraph "Return obligation liability on leased aircraft". The discount rate used to calculate the lease debt corresponds, for each aircraft, to the implicit rate determined by the contractual elements and residual market values. This rate is based on the readily availability of current and future data concerning the value of aircraft.

Real-estate lease contracts

Based on its analysis, the Group has identified lease contracts according to the standard concerning surface areas rented in its hubs, lease contracts on building dedicated to the maintenance business, customised lounges in airports other than hubs and lease contracts on office buildings, including leasehold land when applicable.

The lease term corresponds to the non-terminable period. The discount rate used to calculate the lease debt is determined, for each asset, according to the incremental borrowing rate at the signature debt.

The incremental borrowing rate is the rate that the lessee would pay to borrow the required funds to purchase the asset over a similar term, with a similar security and in a similar economic environment.

Types of non-capitalised lease contracts

The Group applies the short-term lease recognition exemption to its leases with a duration equal to or less than 12 months. In addition, the Group applies the recognition exemption for lease contracts for which the underlying assets have a low value (value equal to or less than EUR 5,000).

Sale and leaseback transactions

The Group qualifies as sale and leaseback transactions, operations which lead to a sale according to IFRS 15 "Revenue from Contracts with Customers". More specifically, a sale is considered as such if there is no repurchase option on the goods at the end of the lease term.

Sale according to IFRS 15

If the sale by the vendor-lessee is qualified as a sale according to IFRS 15, the vendor-lessee must:

- (a) de-recognise the underlying asset; and
- (b) recognise a right-of-use asset equal to the retained portion of the net carrying amount of the asset.

No sale according to IFRS 15

If the sale by the vendor-lessee is not qualified as a sale according to IFRS 15, the seller-lessee shall continue to recognise the transferred asset on its balance sheet and recognises a financial liability equal to the transfer proceeds.



Leases

In EUR million	Aircraft	Maintenance	Land & Real Estate	Others	Total
As at January 1, 2025	1,047	871	130	46	2,094
New contracts	623	226	4	22	875
Renewal or extension options	383	(5)	8	1	387
Disposals	-	(39)	-	-	(39)
Reclassifications	(8)	187	-	-	179
Depreciation	(268)	(187)	(21)	(15)	(491)
Other movements	-	-	(1)	-	(1)
As at December 31, 2025	1,777	1,053	120	54	3,004

In EUR million	Aircraft	Maintenance	Land & Real Estate	Others	Total
As at January 1, 2024	909	615	133	46	1,703
New contracts	302	139	2	14	457
Renewal or extension options	69	69	14	2	154
Disposals	-	(16)	-	-	(16)
Reclassifications	(1)	209	-	(1)	207
Depreciation	(232)	(145)	(20)	(15)	(412)
As at December 31, 2024	1,047	871	130	46	2,094

The table below indicates the rents resulting from lease and service contracts which are not capitalised:

In EUR million	As at December 31,	
	2025	2024
Variable rents	38	33
Short-term rents	112	117
Low value rents	5	5
Total	155	155



Lease liabilities

In EUR million	As at December 31,			
	2025		2024	
	Current	Non-current	Current	Non-current
Aircraft	262	1,507	271	903
Real estate	18	135	16	144
Others	30	94	44	113
Accrued interest	8	-	6	-
Total	318	1,736	337	1,160

Change in lease debt:

In EUR million	Aircraft	Real estate	Others	Accrued interest	Total
As at January 1, 2025	1,176	160	155	6	1,497
New contracts and renewals of contracts	1,020	13	31	-	1,064
Payment of lease debt	(258)	(18)	(51)	-	(327)
Currency translation adjustment	(162)	-	(11)	-	(173)
Other	(7)	(2)	-	2	(7)
As at December 31, 2025	1,769	153	124	8	2,054

In EUR million	Aircraft	Real estate	Others	Accrued interest	Total
As at January 1, 2024	983	166	114	5	1,268
New contracts and renewals of contracts	372	11	88	-	471
Payment of lease debt	(234)	(17)	(50)	-	(301)
Currency translation adjustment	55	-	6	-	61
Other	-	-	(3)	1	(2)
As at December 31, 2024	1,176	160	155	6	1,497



Notes to the consolidated financial statements

The lease debt maturity breaks down as follows:

In EUR million	As at December 31,	
	2025	2024
Less than 1 year	413	408
Between 1 and 2 years	354	336
Between 2 and 3 years	298	265
Between 3 and 4 years	252	187
Between 4 and 5 years	236	125
Over 5 years	943	430
Total	2,496	1,751

The lease debt split between principal and interest is as follows:

In EUR million	As at December 31,	
	2025	2024
Principal	2,054	1,497
Interest	442	254
Total	2,496	1,751



12. Intangible assets

Accounting policy

Goodwill

Goodwill arises from business combinations and is initially measured as the excess of the sum of the consideration transferred and the fair value of the Group's share of the identifiable assets acquired and the liabilities assumed. Goodwill is subsequently measured at cost less accumulated impairment losses. The useful life of goodwill is indefinite.

Computer software

Computer software is stated at historical cost less accumulated amortisation and accumulated impairment losses. For internally developed software, only the costs incurred in the software development phase are capitalised as an intangible asset. Amortisation takes place over the estimated useful lives (mainly 5 years and with a maximum of 20 years) of the software using the straight-line method. The useful life of each software application is determined separately. Amortisation commences when the software is taken into use.

During the annual operational planning cycle, the Group reviews the amortisation methods, useful lives and residual values and, if necessary, amends these.

Impairment of assets

Goodwill, internally developed software and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. Goodwill is allocated to the relevant CGU and software to the CGU which uses the software.

Reference is made to note 6. Depreciation, amortisation, impairments and movements in provision for more details on the Group's accounting policy in relation to impairments.

In EUR million	Goodwill	Software	Software under development	Total
Historical cost				
As at January 1, 2025	47	976	102	1,125
Additions	-	-	110	110
Reclassification	-	83	(83)	-
Disposals	(7)	(47)	(7)	(61)
As at December 31, 2025	40	1,012	122	1,174
Accumulated amortisation and impairment				
As at January 1, 2025	31	598	-	629
Amortisation	-	82	-	82
Disposals	(2)	(46)	-	(48)
As at December 31, 2025	29	634	-	663
Net carrying amount				
As at January 1, 2025	16	378	102	496
As at December 31, 2025	11	378	122	511



Notes to the consolidated financial statements

In EUR million	Goodwill	Software	Software under development	Total
Historical cost				
As at January 1, 2024	47	778	197	1,022
Additions	-	1	109	110
Reclassification	-	194	(195)	(1)
Disposals	-	(2)	(9)	(11)
Others	-	5	-	5
As at December 31, 2024	47	976	102	1,125
Accumulated amortisation and impairment				
As at January 1, 2024	31	516	-	547
Amortisation	-	83	-	83
Disposals	-	(1)	-	(1)
As at December 31, 2024	31	598	-	629
Net carrying amount				
As at January 1, 2024	16	262	197	475
As at December 31, 2024	16	378	102	496

Main part of the software and software under development relates to internally developed software. As at December 31, 2025, software additions mainly relate to commercial, operational and aircraft maintenance systems.



13. Investments accounted for using the equity method

Accounting policy

Investments accounted for using the equity method

Associates are all entities over which the Group has significant influence but not control or joint control. Jointly controlled entities are entities whereby the Group together with one or more parties undertakes activities related to the Group's business that are subject to joint control.

Investments in associates and jointly controlled entities are accounted for by the equity method and are initially recognised at cost.

The Group's investment includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of post-acquisition profits or losses is recognised in the statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment, taking into account other than temporary losses (impairment). When the Group's share of losses in an associate/jointly controlled entity equals or exceeds its interest in the associate/jointly controlled entity, including unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate/jointly controlled entity.

Unrealised gains on transactions between the Group and its associates/jointly controlled entities are eliminated to the extent of the Group's interest in the associates/jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates/jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in equity securities

Investments in equity securities qualifying as equity instruments are recorded at fair value in the Group's balance sheet. For publicly-traded securities, the fair value is considered to be the market price at the closing date. For non-quoted securities, the valuation is made on the basis of the financial statements of the entity.

The valuation of capital instruments is either in fair value through the statement profit or loss or in fair value through other comprehensive income:

- › When the instrument is deemed to be a cash investment, i.e. it is held for the purposes of monetary transactions, its revaluations are recorded in "Other financial income and expenses"; and
- › When the instrument is deemed to be a business investment, i.e. it is held for strategic reasons (as it mainly consists of investments in companies whose activity is very close to that of the Group) its revaluations are recorded in "Other comprehensive income" non-recyclable. Dividends are recorded in the statement of profit or loss.



Notes to the consolidated financial statements

In EUR million	As at December 31,	
	2025	2024
Associates	8	18
Joint ventures	-	-
Jointly controlled entities	9	8
Total	17	26

Investments in associates

In EUR million	2025	2024
As at January 1,	18	14
Investments	-	-
Share of (loss)/profit after taxation	(2)	8
Other movements	(8)	(4)
As at December 31,	8	18

Jointly controlled entities

The Group's interest in its principal jointly controlled entity, Schiphol Logistics Park C.V., which is an unlisted company, can be summarised as follows:

	As at December 31,	
	2025	2024
Country of incorporation	The Netherlands	The Netherlands
Percentage of interest held	53%	53%
Percentage of voting right	45%	45%
Non-current assets	7	6
Current assets	10	10
Result after taxation	-	-
Share of result after taxation	-	-

The Group did not receive dividend in 2025 and 2024 from Schiphol Logistics Park C.V.



14. Other (non-current) assets and liabilities

Accounting policy

Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised initially (trade date), and are subsequently re-measured, at fair value. Fair values are obtained from quoted market prices in active markets or by using valuation techniques where an active market does not exist.

Valuation techniques include discounted cash flow models and option pricing models as appropriate.

All derivatives are presented as assets when their fair value is positive and as liabilities when their fair value is negative.

All derivative financial instruments are held for hedging purposes. It is KLM's policy not to hold derivative financial instruments for trading purposes. The derivatives, which do not qualify for hedge accounting, are described as items not qualifying for hedge accounting in these notes to the financial statements.

Categories of hedging transactions

Derivatives are used to hedge the risks associated with changes in interest rates, foreign currency rates, fuel prices and Emission Trading Scheme (ETS).

Forward currency contracts and options are used to hedge exposure to exchange rate movements. The Group also uses interest rate swaps to manage its exposure to interest rate risk. Finally, the exposure to fuel price risks is covered by swaps or options on jet fuel and fuel related indices such as Gasoil and Brent. The risk related to ETS is hedged by forwards.

Most of these derivatives are classified as hedging instruments if the derivative is eligible as a hedging instrument and if the hedging relationships are documented as required by IFRS 9 "Financial Instruments".

These derivative instruments are recorded on the Group's consolidated balance sheet at their fair value, adjusted for the market value of the Group's credit risk (DVA) and the credit risk of the counterparty (CVA). The calculation of the credit risk follows a common model based on default probabilities from CDS counterparties. The method of accounting for changes in fair value depends on the classification of the derivative instruments.

Hedging transactions fall into two categories:

1. Fair value hedges; and
2. Cash flow hedges.

Most of the aircraft lease contracts are denominated in US dollars. The Group put in place a cash flow from these lease contracts as hedging instruments in cash flow hedges with its US dollars revenues as hedged items. The effective portion of the foreign exchange revaluation of the lease debt in US dollars at the closing date is recorded in "other comprehensive income". This amount is recycled from equity and recorded as part of revenues when the hedged item is recognised.

1. Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss, together with changes in the fair value of the asset or liability or group thereof that are attributable to the hedged risk.

2. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. Any gain or loss relating to an ineffective portion is recognised immediately in the statement of profit or loss.

Amounts accumulated in equity are recycled to the statement of profit or loss in the periods in which the hedged item will affect profit or loss. However, when a forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.



Hedge effectiveness testing

At inception of the hedge and on an on-going basis at each reporting date or on a significant change in circumstances (whichever comes first), the following elements will be assessed:

- › Economic relationship: hedge ratio should be aligned with Group guidelines;
- › In case of a significant change in circumstances the following elements will be assessed;
- › Credit risk: change in credit risk of the hedging instrument or the hedge item must not be of such magnitude that it dominates the value change that results from the economic hedge relationship; and
- › Need for rebalancing.

The documentation at inception of each hedging relationship sets out how it is assessed whether the hedging relationship meets the hedge effectiveness requirements.

If the hedge relationship no longer meets the criteria for hedge accounting, is sold, is terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecasted transaction affects profit or loss. If the forecasted transaction is no longer expected to occur, then the balance in equity is recognised immediately in profit or loss.



In EUR million	As at December 31, 2025			
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Exchange rate risk hedges				
Fair value hedges	1	4	(5)	(89)
Cash flow hedges	4	3	(32)	(16)
Items not qualifying for hedge accounting	-	-	(5)	(5)
Total	5	7	(42)	(110)
Interest rate risk hedges				
Fair value hedges	-	-	-	-
Cash flow hedges	1	3	(1)	(2)
Items not qualifying for hedge accounting	(1)	-	-	-
Total	-	3	(1)	(2)
Commodity risk hedges				
Cash flow hedges	3	-	(54)	(7)
Items not qualifying for hedge accounting	-	-	-	-
Total	3	-	(54)	(7)
Total derivative financial instruments	8	10	(97)	(119)
Others	163	222	(9)	(457)
Total	171	232	(106)	(576)



In EUR million	As at December 31, 2024			
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Exchange rate risk				
Fair value hedges	36	10	(8)	(1)
Cash flow hedges	33	20	(11)	(2)
Items not qualifying for hedge accounting	7	4	-	-
Total	76	34	(19)	(3)
Interest rate risk				
Fair value hedges	-	-	-	-
Cash flow hedges	22	4	-	(4)
Items not qualifying for hedge accounting	-	4	-	-
Total	22	8	-	(4)
Commodity risk hedges				
Cash flow hedges	5	1	(41)	(2)
Items not qualifying for hedge accounting	-	-	-	-
Total commodity risk hedges	5	1	(41)	(2)
Total derivative financial instruments	103	43	(60)	(9)
Others	181	208	(10)	(768)
Total	284	251	(70)	(777)

Exposure to exchange rate risk

In the frame of cash flow hedges, maturities relate to realisation dates of hedged items. Therefore, amounts of fair value presented in equity are recycled in the statement of profit or loss at realisation dates of hedged items.



Notes to the consolidated financial statements

The types of derivatives used, their nominal amounts and fair values are as follows:

In EUR million	As at December 31, 2025							Fair Value
	Nominal amount	<1 year	>1 year and <2 years	>2 years and <3 years	>3 years and <4 years	>4 years and <5 years	> 5 years	
Fair value hedges								
Forward purchases								
USD	2,244	218	489	391	393	753	-	(94)
Forward sales								
USD	581	62	300	27	192	-	-	5
Total	2,825	280	789	418	585	753	-	(89)
Cash flow hedges								
Options								
CHF	-	-	-	-	-	-	-	-
GBP	255	105	150	-	-	-	-	-
Forward purchases								
USD	1,149	657	492	-	-	-	-	(44)
GBP	-	-	-	-	-	-	-	-
Forward sales								
CAD	-	-	-	-	-	-	-	-
GBP	143	143	-	-	-	-	-	2
JPY	-	-	-	-	-	-	-	-
SGD	-	-	-	-	-	-	-	-
USD	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	1,547	905	642	-	-	-	-	(41)
Items not qualifying for hedge accounting								
Forward purchases								
GBP	-	-	-	-	-	-	-	-
JPY	19	19	-	-	-	-	-	-
USD	255	102	60	57	36	-	-	(10)
Forward sales								
USD	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	274	121	60	57	36	-	-	(10)
Total	4,646	1,306	1,491	475	621	753	-	(140)

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The total fair value hedges of EUR 89 million negative relates to exchange rate hedging on future fleet purchases denominated in USD. Fair value adjustments included on the carrying amount of the hedge items amount to EUR 184 million positive and are recognised in the balance sheet in the line item property, plant and equipment. The related costs of hedging amount to EUR 94 million negative and are recorded in other comprehensive Income.

The total cash flow hedges of EUR 41 million negative relates to exchange rate hedging on operational exposures. The cash flow hedge reserve relating to the outstanding hedges amounts to EUR 41 million. An amount of EUR nil million is included in the cash flow hedge reserve relating to hedges that are unwound in 2025 (2024: EUR nil million).

Exposure to interest rate risk

In the frame of cash flow hedges, maturities relate to realisation dates of hedged items. Therefore, amounts of fair value presented in equity are recycled in the statement of profit or loss at realisation dates of hedged items.

In EUR million	As at December 31, 2025							Fair Value
	Nominal amount	<1 year	>1 year and <2 years	>2 years and <3 years	>3 years and <4 years	>4 years and <5 years	> 5 years	
Fair value hedges								
Swaps	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Cash flow hedges								
Swaps	586	258	175	31	30	35	57	1
Total	586	258	175	31	30	35	57	1
Items not qualifying for hedge accounting								
Swaps	12	12	-	-	-	-	-	(1)
Total	12	12	-	-	-	-	-	(1)
Total	598	270	175	31	30	35	57	-

The total cash flow hedges of EUR 1 million positive relates to interest rate hedging on borrowings. The cash flow hedge reserve relating to the outstanding hedges amounts to EUR 1 million positive.

**Exposure to commodity risk**

In the frame of cash flow hedges, maturities relate to realisation dates of hedged items. Therefore, amounts of fair value presented in equity are recycled in the statement of profit or loss at realisation dates of hedged items.

In the normal course of its business, the Group conducts transactions on petroleum product markets in order to effectively manage the price risks related to its purchases of fuel.

The nominal amounts of the Group's commitments on the crude and refined oil markets are shown below:

		As at December 31, 2025							
In EUR million	Nominal amount	<1 year	>1 year and <2 years	>2 years and <3 years	>3 years and <4 years	>4 years and <5 years	> 5 years	Fair Value	
Cash flow hedges									
Swaps	1,431	1,117	314	-	-	-	-	(50)	
Options	134	124	10	-	-	-	-	(8)	
Total	1,565	1,241	324	-	-	-	-	(58)	
Items not qualifying for hedge accounting									
Swaps	-	-	-	-	-	-	-	-	
Options	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	
Total	1,565	1,241	324	-	-	-	-	(58)	



The total cash flow hedges of EUR 58 million negative relate to commodity price risk hedging on fuel and carbon certificate purchases. The cash flow hedge reserve relating to the outstanding hedges amounts to EUR 33 million. The related costs of hedging amount to EUR 36 million positive and are recorded in other comprehensive income.

Valuation methods for financial assets and liabilities at their fair value

Fair value hierarchy

Based on the requirements of IFRS 9, the fair values of financial assets and liabilities are classified following a scale that reflects the nature of the market data used to make the valuations. This scale has three levels of fair value:

- › Level 1: Fair value calculated from the exchange rate/price quoted on an active market for identical instruments;
- › Level 2: Fair value calculated from valuation methods based on observable data such as the prices of similar assets and liabilities or scopes quoted on an active market; or
- › Level 3: Fair value calculated from valuation methods which rely completely or in part on non-observable data such as prices on an inactive market or valuation based on multiples for non-quoted securities.

The Group uses available market information and appropriate valuation techniques to determine the fair values of financial instruments. However, judgment is required to interpret market data and to determine fair value. Management believes that the carrying value of financial assets and financial liabilities with a maturity of less than one year approximates their fair value.

These financial assets and liabilities include cash and cash equivalents, trade accounts receivable and trade accounts payable.



The breakdown of the Group's financial assets and derivative instruments, based on the three classification levels, is as follows:

In EUR million	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets held for trading				
Shares	10	31	-	41
Assets at fair value through profit or loss				
Deposits and liquidity funds	-	633	-	633
Marketable securities	1,121	50	-	1,171
Derivatives instruments (asset and liability)				
Currency exchange derivatives	-	(140)	-	(140)
Interest rate derivatives	-	-	-	-
Commodity derivatives	-	(58)	-	(58)

No significant changes in levels of hierarchy, or transfers between levels, have occurred in the reporting period. For the explanation of the three classification levels, reference is made to "fair value hierarchy" paragraph in the accounting policies for the balance sheet section.

Sensitivity analysis

The sensitivity is calculated solely on the valuation of derivatives at the closing date of the period presented. The hypotheses used are coherent with those applied in the financial year ended as at December 31, 2025.

The impact on "reserves" corresponds to the sensitivity of effective fair value variations for instruments and is documented in the hedged cash flow (options intrinsic value, fair value of closed instruments). The impact on the "income for tax" corresponds to the sensitivity of ineffective fair value variations of hedged instruments (principally time value of options) and fair value variations of transactions instruments. For fuel, the downward and upward sensitivity are not symmetrical when taken into account the utilisation, in respect of the policy of optional hedged instruments in which the risk profile is not linear. For further information reference is made to note 22. Financial Risk Management.



Fuel price sensitivity

The impact on “income before tax” and “reserves” of the variation of +/- USD 10 on a barrel of Brent is presented below:

In EUR million	As at December 31,			
	2025		2024	
	Increase of 10 USD	Decrease of 10 USD	Increase of 10 USD	Decrease of 10 USD
Income before tax	-	-	-	-
Reserves	171	(176)	148	(161)

The fuel price sensitivity is only calculated on the valuation of derivatives at the closing date of each period presented.

Currency sensitivity

Values as of the closing date of all monetary assets and liabilities in other currencies are as follows:

In EUR million	As at December 31,			
	2025		2024	
	Monetary Assets	Monetary Liabilities	Monetary Assets	Monetary Liabilities
USD	808	574	866	643
JPY	-	129	-	145
CHF	-	414	-	409
GBP	-	-	-	-

The amounts of monetary assets and liabilities disclosed above do not include the effect of derivatives. The impact on “change in value of financial instruments” and on “reserves” of the variation of a 10% weakening in exchange rates in absolute value relative to the Euro is presented below:

In EUR million	As at December 31,					
	2025			2024		
	USD	JPY	GBP	USD	JPY	GBP
Income before tax	(24)	10	-	(21)	11	-
Reserves	(98)	-	29	(93)	-	29



The impact on “change in value of financial instruments on financial income and expenses” consists of:

- › Change in value of monetary assets and liabilities (in accordance with IAS 21, including the effect of fair value and cash flow hedges);
- › Changes in time value of currency exchange options (recognised in financial income);
- › The changes in fair value of derivatives for which fair value hedges accounting is applied or no hedging accounting is applied.

The impact on “reserves” is explained by the change in exchange rates on changes in fair value of currency derivatives qualified for cash flow hedging, recognised in “reserves”.

Interest rate sensitivity

The Group is exposed to the risk of changes in market interest rates. The variation of 100 basis points of interest rates would have an impact on income before tax of EUR nil million for 2025 (EUR nil million for 2024).

Others

Other (non-current) assets in 2025 and 2024 mainly relates to CO₂ quotas purchased on the market. As per December 31, 2025 an amount of EUR 0 million (December 31, 2024 EUR 158 millions) of the CO₂ quotas are collateralized. Other (non-current) liabilities in 2025 and 2024 mainly relates to deferred payments for wage tax and social securities. Following the COVID-19 crisis, the Dutch Government issued a number of measures to support Dutch companies, such as deferral of wage tax and social securities payments for the period between March 2020 and October 2021. As from October 1, 2022, the Group pays the related deferred payments over a period of 60 months. As per December 31, 2025 the related undiscounted non-current deferred payments amount to EUR 236 million (December 31, 2024 EUR 541 million).

As per December 31, 2025 the current deferred payments amount to EUR 305 million (December 31, 2024 EUR 293 million) and is included in note 27. Trade and other liabilities in the line Taxes and social security payments.

15. Other (non-current) financial assets

Accounting policy

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Financial assets are classified into one of three measurement categories:

- › Amortised cost;
- › Fair value through profit or loss (FVPL); or
- › fair value through other comprehensive income (FVOCI).

The classification is based on the business model for managing the assets and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding (the ‘SPPI criterion’).

For financial assets at amortised cost, the Group applies the effective interest rate method and amortises the transaction cost, discounts or other premiums included in the calculation of the effective interest rate over the expected life of the instrument.



Notes to the consolidated financial statements

In EUR million	2025				2024			
	Debt investments at amortised cost	At fair value through profit or loss	At fair value through OCI	Total	Debt investments at amortised cost	At fair value through profit or loss	At fair value through OCI	Total
As at January 1,	1,047	83	43	1,173	990	128	34	1,152
Additions and loans granted	257	(1)	-	256	131	2	1	134
Loans and interest repaid	(135)	(3)	-	(138)	(152)	(8)	-	(160)
Interest accretion	28	-	-	28	21	-	-	21
Foreign currency translation differences	(83)	-	-	(83)	38	-	-	38
Other movements	32	(3)	(2)	27	19	(39)	8	(12)
As at December 31,	1,146	76	41	1,263	1,047	83	43	1,173

In EUR million	As at December 31,			
	2025		2024	
	Current	Non-current	Current	Non-current
Debt investments at amortised cost				
Bonds, long-term deposits, other loans and receivables	356	790	125	922
Total	356	790	125	922
At fair value through profit or loss				
Deposits and commercial paper with original maturity 3-12 months	50	-	54	-
Deposits on operating leased aircraft	2	23	4	24
Air France-KLM S.A. shares	-	1	-	1
Total	52	24	58	25
At fair value through OCI				
Kenya Airways Ltd. shares	-	11	-	13
Other non-consolidated entities	-	30	-	30
Total	-	41	-	43
Total	408	855	183	990

Deposits on operating leased aircraft are not interest bearing.

The Group's stake in Kenya Airways Ltd. is 7.76% as at December 31, 2025 (December 31, 2024 7.76%). The Group has no significant influence on Kenya Airways and due to its strategic intention it is regarded as a financial asset at fair value through other comprehensive income under IFRS 9.



The carrying amounts of financial assets denominated in currencies other than the Euro are as follows:

In EUR million	As at December 31,	
	2025	2024
USD	808	866
GBP	-	-
Kenyan shilling	13	13
Total	821	879

The interest-bearing financial assets have fixed interest rates. The weighted average effective interest rates at the balance sheet date are as follows:

in %	As at December 31,			
	2025		2024	
	EUR	USD	EUR	USD
Debt investments at amortised cost	3.5	2.5	2.6	2.0

The triple A bonds and long-term deposits are held as a natural hedge to mitigate the effect of foreign exchange movements relating to financial debt. Except as described below these securities are at the free disposal of the Company. Access to triple A bonds and long-term deposits, loans and receivables amounting to EUR 210 million (December 31, 2024 EUR 215 million) is restricted.

The maturities of debt investments are as follows:

In EUR million	As at December 31,	
	2025	2024
Debt investments at amortised cost		
Less than 1 year	356	125
Between 1 and 2 years	232	346
Between 2 and 3 years	119	255
Between 3 and 4 years	75	74
Between 4 and 5 years	53	50
Over 5 years	311	197
Total	1,146	1,047

The fair values of the financial assets are as follows:

In EUR million	As at December 31,	
	2025	2024
Debt investments at amortised cost		
Bonds, long-term deposits, loans and receivables	1,146	1,047
At fair value through profit or loss		
Restricted deposit EU Cargo claim	50	54
Deposits	-	-
Deposits on operating leased aircraft	25	28
Air France-KLM S.A. shares	1	1
Total	76	83
At fair value through OCI		
Kenya Airways Ltd. shares	11	13
Other non-consolidated entities	30	30
Total	41	43
Total	1,263	1,173

The fair values listed above have been determined as follows:

- › Triple A bonds and long-term deposits: The fair values are based on the net present value of the anticipated future cash flows associated with these instruments;
- › Deposits and commercial paper: The carrying amounts approximate fair value because of the short maturity of these deposits and commercial paper;
- › Kenya Airways Ltd. shares: Quoted price as at close of business on December 31, 2025 and December 31, 2024;
- › Air France-KLM S.A. shares: Quoted price as at close of business on December 31, 2025 and December 31, 2024;
- › Other assets: The carrying amounts approximate fair value because of the short maturity of these instruments or, in the case of equity instruments that do not have a quoted price in an active market, the assets are carried at cost.



The contractual re-pricing dates of the Group's interest bearing assets are as follows:

In EUR million	As at December 31,	
	2025	2024
Less than 1 year	404	179
Between 1 and 2 years	232	346
Between 2 and 3 years	119	255
Between 3 and 4 years	75	74
Between 4 and 5 years	53	50
Over 5 years	313	199
Total	1,196	1,103

16. Inventories

Accounting policy

Inventories consist primarily of expendable aircraft spare parts, fuel stock, other supplies and for sale to third parties and are stated at the lower of cost and net realisable value. Cost, representing the acquisition cost, is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

In EUR million	As at December 31,	
	2025	2024
Maintenance inventories - net		
Maintenance inventories	369	348
Allowance for obsolete inventories	(82)	(94)
Total	287	254
Other sundry inventories (among others fuel)	65	81
Total	352	335

17. Trade and other receivables

Accounting policy

Trade receivables are initially recorded at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less a loss allowance. Regarding the impairment of trade receivables, the Group has chosen the simplified method approach. Considering its business and risks, trade receivables have already been depreciated to the same level equal to the expected loss.

The Group considers that the change in credit risk on the non-current financial assets since their initial recognition is limited due to the criteria defined (e.g. type of instrument, counterparty rating, and maturity). The impairment recorded by the Group consists of the expected credit loss over the 12 months following the closing date.

In EUR million	As at December 31,	
	2025	2024
Trade receivables		
Trade receivables	642	680
Expected credit loss	(29)	(50)
Total	613	630
Other receivables		
Air France-KLM group companies	85	88
Maintenance contract customers	111	75
Taxes and social security premiums	41	46
Other receivables	112	169
Prepaid expenses	197	224
Total	546	602
Total	1,159	1,232



In EUR million	As at December 31,	
	2025	2024
< 90 days	573	622
90-180 days	22	8
180-360 days	9	-
> 360 days	9	-
Total trade receivables	613	630

In 2025 an EUR 16 million decrease (2024 EUR 13 million decrease) of provision trade receivables has been recorded in other income and expenses in the Consolidated statement of profit or loss.

Maintenance contract assets to date for contracts in progress at December 31, 2025 amounted to EUR 111 million (December 31, 2024 EUR 75 million). Advances received for maintenance contracts in progress at December 31, 2025 amounted to EUR 150 million (December 31, 2024 EUR 191 million).

18. Cash and cash equivalents

Accounting policy

Cash and cash equivalents are short-term (original maturity of three months or less), highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

They include cash in hand, deposits that can be withdrawn at any time from the bank without a penalty and bank overdrafts. Bank overdrafts are shown under "Financial liabilities" in "Current liabilities" in the balance sheet. Cash and cash equivalents are stated in the balance sheet at fair value.

In EUR million	As at December 31,	
	2025	2024
Cash at bank and in hand	52	85
Short-term deposits	633	972
Total	685	1,057

The effective interest rates on short-term deposits are in the range from 2.12% to 5.32% (2024 range 2.57% to 5.32%). The short-term deposits are invested in money market instruments or in liquid funds with daily access to cash.

The part of cash at bank and in hand held in currencies other than the Euro is as follows:

In EUR million	As at December 31,	
	2025	2024
USD	10	25
GBP	1	2
Other currencies	19	19
Total	30	46

The fair value of cash and cash equivalents does not differ materially from the book value.



19. Equity

Accounting policy

Share capital represents the nominal value of the Company's shares. Share premium is the excess of the amount received by the Company over and above the nominal value of its shares issued.

Authorised share capital

On December 30, 2022, the 149,998,125 ordinary shares have been split into 149,998,124 A ordinary shares and 1 B ordinary share. This did not change the total authorised share capital, which is unchanged since April 1, 2004.

The authorised share capital of the Company is summarised in the following table:

	As at December 31, 2025		
	Par value per share (in EUR)	Number of shares	Amount in EUR 1,000
Priority shares	2.00	1,875	4
A Ordinary shares	2.00	149,998,124	299,996
B Ordinary shares	2.00	1	-
A Cumulative preference shares	2.00	37,500,000	75,000
B Preference shares	2.00	75,000,000	150,000
C Cumulative preference shares	2.00	18,750,000	37,500
Total			562,500

Issued share capital

No changes, other than the split in the authorised share capital as per December 30, 2022 as mentioned above, have occurred in the issued share capital since April 1, 2004. All issued shares are fully paid.

As at December 31,

	2025		2024	
	Number of shares	Amount in EUR 1,000	Number of shares	Amount in EUR 1,000
Included in equity				
Priority shares	1,312	3	1,312	3
A Ordinary shares	46,809,698	93,619	46,809,698	93,619
B Ordinary shares	1	-	1	-
A Cumulative preference shares	8,812,500	17,625	8,812,500	17,625
C Cumulative preference shares	7,050,000	14,100	7,050,000	14,100
Total	62,673,511	125,347	62,673,511	125,347

The rights, preferences and restrictions attaching to each class of shares are as follows:

Priority shares

- All priority shares are held by Air France-KLM S.A. Independent rights attached to the priority shares include the power to determine or approve:
- To set aside an amount of the profit established in order to establish or increase reserves (art. 32.1 Articles of Association (AoA));
 - That the reserve and dividend policy of the Company may only be amended with the prior approval of the Supervisory Board and the meeting of priority shareholders (art. 32.4 AoA);
 - Distribution of interim dividends, subject to the approval of the Supervisory Board (art. 32.6 AoA);
 - Distribution to holders of common shares out of one or more of the freely distributable reserves, subject to the approval of the Supervisory Board (art. 32.7 AoA);
 - Transfer of priority shares (art. 14.2 AoA).



Before submission to the General Meeting of Shareholders prior approval of the holder of the priority shares is required for:

- a. Issuance of shares (art. 5.4 AoA);
- b. Limitation of or exclusion from pre-emptive rights of the holders of other classes of shares (art. 5.4 AoA);
- c. Repurchase of own shares (art. 10.2 AoA);
- d. Alienation of own priority shares and C cumulative preference shares (art. 11.2 AoA);
- e. Reduction of the issued share capital (art. 11.3 AoA);
- f. Remuneration and conditions of employment of the Managing Directors (art. 17.4 AoA);
- g. Amendments of the Articles of Association and/or dissolution of the Company (art. 41.1 AoA).

A Cumulative preference shares, B Preference shares, C Cumulative preference shares and Ordinary shares

Following amendments in the Articles of Association as per December 30, 2022, the A and C Cumulative preference shares have, under IFRS, been reclassified from Other financial liabilities to Share capital. This since the Board of Managing Directors and/or Supervisory Board, like for the aforementioned priority shares, has an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation in line with IAS 32.19.

Holders of preference and ordinary shares are entitled to attend and vote at shareholders meetings. Each share entitles the holder to one vote.

As at December 31, 2025 the State of the Netherlands held 3,708,615 A cumulative preference shares to which a voting right attaches of 5.9%. This has not changed since financial year 2006/07. For details of the right to dividend distributions attaching to each class of share see the section Other information.



The movements in the reserves are as follows:

In EUR million	Hedging reserve	Remeasurement of defined benefit pension	Translation reserve	Other reserve	Total
As at January 1, 2025	(1)	-	15	516	530
Gains/(losses) from cash-flow hedges	37	-	-	-	37
Exchange differences on translating foreign operations	-	-	(5)	-	(5)
Remeasurement of defined benefit pension plans	-	(13)	-	-	(13)
Transfer to/ (from) retained earnings	-	-	-	11	11
Tax on items taken directly to or transferred from equity	(10)	3	-	-	(7)
As at December 31, 2025	26	(10)	10	527	553

In EUR million	Hedging reserve	Remeasurement of defined benefit pension	Translation reserve	Other reserve	Total
As at January 1, 2024	(42)	(6)	10	490	452
Gains/(losses) from cash-flow hedges	55	-	-	-	55
Exchange differences on translating foreign operations	-	-	5	-	5
Remeasurement of defined benefit pension plans	-	7	-	-	7
Transfer to/ (from) retained earnings	-	-	-	26	26
Fair value related to Air France-KLM S.A. Employee Share Purchase Plan	-	-	-	-	-
Tax on items taken directly to or transferred from equity	(14)	(1)	-	-	(15)
As at December 31, 2024	(1)	-	15	516	530

Remeasurement of defined benefit plans

Comprises all actuarial gains and losses related to the remeasurement of defined benefit plans.

The volatility from the main KLM pension plans has reduced significantly after the transfer to a collective defined contribution pension schemes for cockpit crew and cabin crew in 2017 and ground staff in 2021. However, the volatility in the value of derivatives (in the hedging reserve) and the remeasurement of current defined benefit pension plans remains for other smaller KLM Group defined benefit pension plans. The non-cash changes in pension obligations together with the level of plan assets linked to the changes in actuarial assumptions that need to be recognised in the Company's equity do not directly affect the statement of profit or loss.

**The legal reserves consist of the following items:****Hedging reserve**

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Currency hedges

Most of the aircraft lease contracts are denominated in US dollars. The Group designates the cash flows from these lease contracts as hedging instruments in cash flow hedges with its US dollars revenues as hedged items. This limits the volatility of the foreign exchange variation resulting from the currency related revaluation of its lease debt. The effective portion of the foreign exchange revaluation of the lease debt in US dollars at the closing date is recorded in “other comprehensive income”. This amount is recycled in revenues when the hedged item is recognised. This also included the fair value changes in equity investments which are deemed to be business investments.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the consolidated figures of non-Euro foreign subsidiaries, as well as from the translation of the Company’s net investment in foreign associates and jointly controlled entities.

Other reserve

The other reserve relates to development cost incurred on computer software and prepayments thereon amounting to EUR 500 million as at December 31, 2025 (December 31, 2024 EUR 481 million) and investments accounted for using the equity method amounting to EUR 17 million as at December 31, 2025 (December 31, 2024 EUR 26 million) as required by Article 365.2 of Book 2 of the Dutch Civil Code.

In October 2023 Air France-KLM S.A. launched “Partners for the future”, an Air France-KLM Group employee share purchase plan. Eligible employees were able to subscribe at a 30% discounted price with the benefit of a matching contribution from the Air France-KLM Group. In line with IFRS 2, the related non-cash discount and matching contribution expenses, amounting to EUR 8 million, for KLM Group employees participating in this employee share purchase were recorded as employee compensation and benefit expenses and credited to Other reserves in 2023. In December 2023 all participating KLM Group employees paid for the Air France-KLM shares, which can be traded after December 21, 2028.



20. Financial debt

Accounting policy

Financial liabilities are initially recognised at fair value, including transaction costs. Subsequently, they are, with the exception of derivative financial instruments, carried at amortised cost calculated using the effective interest rate method. Under this principle, any redemption and issue costs, are recorded as debt in the balance sheet and amortised as financial income or expense over the life of the loans.

Financial liabilities are derecognised when the Group's obligations specified in the contract expire or are discharged or cancelled. Any costs that were attributable to financial liabilities are expensed through the statement of profit or loss.

In EUR million	As at December 31,					
	2025			2024		
	Future minimum lease payment	Future finance charges	Total financial lease liabilities	Future minimum lease payment	Future finance charges	Total financial lease liabilities
Current						
Within 1 year	364	51	313	344	52	292
Total	364	51	313	344	52	292
Non-current						
Between 1 and 2 years	351	43	308	336	45	291
Between 2 and 3 years	255	37	218	317	37	280
Between 3 and 4 years	285	31	254	214	30	184
Between 4 and 5 years	281	25	256	248	27	221
Over 5 years	972	57	915	793	58	735
Total	2,144	193	1,951	1,908	197	1,711
Total	2,508	244	2,264	2,252	249	2,003



The financial debt relates exclusively to aircraft leasing, for which KLM has the option to purchase the aircraft at the amount specified in each contract once the lease expires. The lease agreements provide for either fixed or floating interest payments. Where the agreements are subject to a floating interest rate, this is normally the 3 or 6 month EURIBOR or the USD SFOR rate.

The average interest rate, without taking into account the impact of hedging (and the deferred benefits arising from sale and leaseback transactions) is 2.42% (average fixed rate 1.63%, average floating rate 3.45%). Taking into account the impact of hedging the average interest rate is 2.47% (average fixed rate 1.89%, average floating rate 5.02%). After hedging 81% of the outstanding lease liabilities have a fixed interest rate.

The carrying amount for the financial debt approximates the fair value as at December 31, 2025. The fair value of the financial liabilities is based on the net present value of the anticipated future cash flows associated with these instruments. For the lease liabilities deposits are held. Reference is made to note 15. Other (non-current) financial assets.



21. Other financial liabilities

Accounting policy

Reference is made to note 20. Financial debt.

In EUR million	2025	2024
As at January 1,	1,011	825
Additions and loans received	225	305
Loans repaid	(319)	(110)
Foreign currency translation differences	(17)	(9)
Other changes	-	-
As at December 31,	900	1,011

The other financial liabilities comprise:

In EUR million	As at December 31,			
	2025		2024	
	Current	Non-current	Current	Non-current
Subordinated perpetual loans	-	511	-	521
Other loans (secured/unsecured)	16	373	295	195
Total	16	884	295	716

The remaining maturity of financial liabilities is as follows:

In EUR million	2025	2024
Less than 1 year	16	295
Between 1 and 2 years	15	-
Between 2 and 3 years	92	-
Between 3 and 4 years	208	-
Between 4 and 5 years	16	195
Over 5 years	553	521
Total	900	1,011

**2024 update of the revolving credit facility**

On April 17, 2023 KLM agreed a new revolving credit facility of EUR 1 billion with a consortium of 14 Dutch and international banks. The revolving credit facility accommodates to increase the facility to EUR 1.2 billion.

Interest of the new revolving credit facility is based on EURIBOR + margin of 1.70% per annum. At any time an event of default is continuing the margin will be 2.10% per annum.

On April 4, 2025 KLM executed the second and last extension option for one year, extending to a 2029 maturity. Some financial covenants are applicable:

- › Interest Coverage Ratio (ICR), defined as consolidated EBITDA to consolidated net cost of financial debt. The ICR is calculated over a period of 12 months ending on the testing date. The ICR should be greater than 2.5;
- › Asset Cover (AS), defined as the ratio of consolidated unsecured assets to consolidated unsecured net debt. The AS calculation should not be between 0 and 1; and
- › Guarantee Cover (GC), defined as, that at all times, the aggregate EBITDA, the aggregate revenues and the aggregates gross assets of the Company, (excluding intragroup), exceeds 75 per cent of the the aforementioned KLM Group consolidated parameters.

In addition some Environmental, Social and Governance ('ESG') dedicated indicators, related to reduction of the unit CO₂ emission, increase of the share of SAF and increase of females in management positions, are applicable. This results in a financing cost margin adjustment mechanism (upward or downward) conditional to the independent achievement of these dedicated indicators.

As per December 31, 2025 these financial covenants and ESG dedicated indicators are met and no amounts have been drawn under the revolving credit facility.

In addition KLM has three other credit facilities totalling to EUR 1,140 million, with an average remaining maturity of 2 years.

Subordinated perpetual loans

The subordinated perpetual loans are subordinated to all other existing and future KLM debts. The subordinations are equal in rank. Under certain circumstances, KLM has the right to redeem the subordinated perpetual loans, with or without payment of a premium.

As per August 28, 2019 KLM has reduced the principal amount of the Japanese Yen subordinated perpetual loan to JPY 20 billion (EUR 109 million) by repaying JPY 10 billion to the lender. As from this date a fixed JPY interest of 4.0% is applicable.

The Swiss Franc subordinated perpetual loans amounting to CHF 375 million, being EUR 402 million as at December 31, 2025 (December 31, 2024 EUR 398 million) are listed on the SIX Swiss Exchange, Zurich

On March 9, 2026, KLM announced that of the two CHF subordinated perpetual loans, listed on the SIX Swiss Exchange, Zurich, it will redeem the 1986 CHF 270 million (approximately EUR 300 million) subordinated perpetual loan in May 2026. Reference is made to note 34. Subsequent events and note 49. Subsequent events.

The carrying amounts of financial liabilities denominated in currencies other than the Euro are as follows:

In EUR million	2025	2024
CHF	402	398
JPY	109	123
Total	511	521

Other loans

On December 31, 2025, KLM has a portfolio of other loans amounting to EUR 389 million (December 31, 2024 EUR 490 million). As at December 31, 2025, Other loans mainly consist of (unsecured) bilateral loans and mortgage loans (December 31, 2024 other loans also included repo transactions on CO₂ quotas with margin calls triggered if the fair value of the underlying changes more than EUR 10 million). Other loans carry a floating interest rate based on EURIBOR. The outstanding other loans on December 31, 2025 have a maximum remaining maturity of 7 years.



Notes to the consolidated financial statements

The fair values of financial liabilities are as follows:

In EUR million	2025	2024
Subordinated perpetual loans	436	451
Other loans (secured/unsecured)	389	490
Total	825	941

The fair value of the financial liabilities is based on the net present value of the anticipated future cash flows associated with these instruments. The exposure of the Group's borrowing interest rate changes and the contractual re-pricing dates are as follows:

In EUR million	As at December 31,	
	2025	2024
<1 year	389	490
>1 year and < 5 years	-	-
> 5 years	511	521
Total	900	1,011

The effective interest rates at the balance sheet date, excluding the effect of derivatives, are as follows:

in %	2025		2024	
	EUR	Other	EUR	Other
Subordinated perpetual loans	-	4	-	4
Other loans	3	-	4	-

The interest rates of the subordinated perpetual loans and other loans, taking into account the effect of derivatives, are as follows:

In EUR million	Variable interest loans	Fixed interest loans	Average variable %-rate	Average fixed %-rate	Average %-rate
Subordinated perpetual loans	-	511	-	4	4
Other loans	389	-	3	-	3

The variable interest rates are based on EURIBOR.



The total financial liabilities are as follows:

In EUR million	Note	As at December 31,	
		2025	2024
Financial debt	20	313	292
Lease debt	11	318	337
Other financial liabilities	20	16	295
Total current		647	924
Financial debt	20	1,951	1,711
Lease debt	11	1,736	1,160
Other financial liabilities	21	373	195
Perpetual subordinated loan stock in YEN	21	109	123
Perpetual subordinated loan stock in Swiss francs	21	402	398
Total non-current		4,571	3,587
Total		5,218	4,511

The total movements in financial liabilities are as follows:

In EUR million	Note 20	Note 21	Subtotal	Note 11	Note 21	Total
	Financial debt	Other financial liabilities		Lease debt	Perpetual subordinated loan stock	
As at January 1, 2025	2,003	490	2,493	1,497	521	4,511
New financial debt	605	225	830	1,064	-	1,894
Reimbursement of financial debt	(293)	(319)	(612)	(327)	-	(939)
Currency translation differences	(64)	(7)	(71)	(173)	(10)	(254)
Other	13	-	13	(7)	-	6
As at December 31, 2025	2,264	389	2,653	2,054	511	5,218



22. Financial Risk Management

Risk management organisation and hedging policy

Market risk coordination and management is the responsibility of the Risk Management Committee (RMC), which is composed of the Chief Financial Officer and Vice President Financial Operations of Air France-KLM and the Chief Financial Officers and Vice Presidents Corporate Finance & Treasury of Air France and of KLM and the airline directors fuel. The RMC meets each quarter to review internal reporting of the risks relating to the fuel and carbon price, the principal currency exchange rates and interest rates, and to decide on the hedging to be implemented: targets for hedging ratios, the rolling periods for these targets and, potentially, the preferred types of hedging instrument.

The aim is to reduce the exposure of Air France-KLM and, thus, to preserve budgeted profit margins. The RMC also defines the counterparty-risk policy.

The decisions made by the RMC are implemented by the treasury and fuel departments within each airline, in compliance with the procedures governing the delegation of powers. In-house procedures governing risk management prohibit speculation. Regular meetings are held between the fuel, treasury departments and Chief Financial Officers of KLM and Air France in order to exchange information concerning matters such as hedging instruments used, strategies planned and counterparties.

The treasury departments of each company circulate information on the level of cash and cash equivalents to their respective executive managements on a daily basis.

Every month, a detailed report including, among other information, interest rate and currency positions, the portfolio of hedging instruments, a summary of investments and financing by currency, ETS information and the monitoring of risk by counterparty is transmitted to the executive managements. The instruments used are forwards, swaps and options. The execution of fuel and carbon hedging is the responsibility of the airlines fuel departments, which are also in charge of purchasing fuel for physical delivery. A weekly report, enabling the evaluation of the net-hedged fuel cost of the current financial year and the two following ones, is supplied to

the executive managements. This mainly covers the valuation of all positions, the hedge percentages, the breakdown of instruments, the underlying used, average hedge levels, the resulting net prices and stress scenarios and market commentary. Furthermore, a weekly Air France-KLM report consolidates the figures from the two main airlines relating to fuel hedging and to physical cost. The instruments used are swaps, options and combinations of both.

Financial Risk Management

The Group is exposed to the following financial risks:

1. Market risk;
2. Credit risk; and
3. Liquidity and solvency risk.

1. Market risk

The Group is exposed to market risks in the following areas:

- a. Currency risk;
- b. Interest rate risk; and
- c. Fuel & carbon price risk.

a. Currency risk

Most of KLM, revenues are generated in euros. However, because of its international activities, KLM incurs a foreign exchange risk. The principal exposure is to the US dollar, and then, to a lesser extent, to British pound sterling and the Japanese yen. Thus, any changes in the exchange rates for these currencies relative to the euro may have an impact on KLM's financial results.

With regard to the US dollar, since expenditures such as fuel, fleet investments, right-of-use leases or component cost exceed the level of revenue, KLM is a net buyer. This means that any significant appreciation in the US dollar against the euro could result in a negative impact on the Group's activity and financial results. Conversely, KLM is a net seller of the Japanese yen and of British pound sterling, the level of revenues in these currencies exceeds expenditures. As a result, any significant decline in these currencies relative to the euro could have a negative effect on the Group's activity and financial results. In order to reduce its currency exposure,



Air France-KLM has adopted hedging strategies. Both KLM and Air France currency hedge progressively their net exposure over a rolling 24-month period.

Aircraft are often purchased in US dollars, meaning that KLM is highly exposed to a rise in the dollar against the euro for its fleet and fleet related investments. The hedging policy prescribes the progressive and systematic implementation of currency hedging between the date of the aircraft order and their delivery date.

Despite this active hedging policy, not all exchange rate risks are covered. KLM might then encounter currency risks, which could have a negative impact on KLM business and financial results.

For the currency sensitivity analysis reference is made to note 14. Other (non-current) assets and liabilities.

b. Interest rate risk

At both KLM and Air France, most financial debt is contracted in floating-rate instruments in line with market practice. KLM uses swap strategies to convert a significant proportion of their floating-rate debt into fixed rates.

c. Fuel & carbon price risk

Risks linked to the jet fuel and carbon price are hedged within the framework of a hedging strategy aligned for the whole of Air France-KLM. The fuel hedging strategy has been slightly changed towards the end of 2025.

Following IFRS 9 the fuel hedging strategy of the Group involves components of non-financial items (crude oil and gasoil are specified as components of jet fuel prices). These components are considered as separately identifiable and reliably measurable as required by IFRS 9.

Main characteristics of the fuel hedge strategy:

- › Hedge horizon: a maximum of eight quarters rolling;
- › Maximum hedge percentage, to reach at the end of the current quarter:
 - Quarter underway: 70% of the volumes consumed;
 - Quarter 1 and 2: 70% of the volumes consumed;
 - Quarter 3: 60% of the volumes consumed;
 - Quarter 4: 50% of the volumes consumed;
 - Quarter 5: 40% of the volumes consumed;
 - Quarter 6: 30% of the volumes consumed;
 - Quarter 7: 20% of the volumes consumed; and
 - Quarter 8: 10% of the volumes consumed.
- › Increment of maximum coverage ratios: 10% by quarter;
- › Underlyings: Brent, Gas Oil and Jet Fuel;
- › Hedging instruments: Swap, call, call spread, three ways, four ways and collar. These hedging instruments must be eligible hedging instruments in accordance with IFRS 9.

For the fuel price sensitivity analysis on outstanding financial instruments reference is made to note 14. Other (non-current) assets and liabilities. The carbon exposure is related to the EU, UK and Swiss ETS. The price exposure is managed by hedging with carbon forwards to two years ahead:

- › Year underway: 100% of the expected carbon emission;
- › Year 1: 100% of the expected carbon emission;
- › Year 2: 25-50% of the expected carbon emission.

The hedge relationship for carbon exposure is assessed as effective per December 31, 2025.

2. Credit risk

Credit risks arise from various activities including investing and operational activities as well as hedging activities with regard to financial instruments. The risk is the loss that could arise if a counterpart were to default in the performance of its contractual obligations. The Group has established credit limits, based on geographical and counterparty risk, for its external parties, in order to mitigate the credit risk.



3. Liquidity and solvency risk

Liquidity and solvency risk is related to the risk that the Group might be unable to obtain the financial resources it requires to meet its short- and long-term obligations on time. All anticipated and potential cash flows are reviewed regularly.

These include, amongst other, operational cash flows, capital expenditures and financing cash flows. The objective is to have sufficient liquidity, including committed credit facilities, available that are adequate for the liquidity requirements for the short- and long-term. KLM has sufficient undrawn standby facilities available to manage liquidity risk. Furthermore, KLM has unencumbered fleet assets available for financing.

23. Net Debt

Accounting policy

Reference is made to note 20. Financial debt

In EUR million	As at December 31,	
	2025	2024
Current and non-current financial debt	5,220	4,493
Financial debt	5,220	4,493
Cash and cash equivalents	685	1,057
Restricted deposits	26	35
Cross currency element of CCIR swaps	-	10
Near cash *	1,172	1,078
Financial assets	1,883	2,180
Total	3,337	2,313

In EUR million		
	2025	2024
As at January 1,	2,313	1,354
Adjusted free cash flow	418	766
Repayment lease debt	(327)	(301)
New lease debt	1,064	471
Financing activities in investing cash flow excluding interest	(8)	-
Other (including currency translation adjustment)	(123)	23
As at December 31,	3,337	2,313

* See note 9. Alternative performance measures (APMs)

Total net debt does not include the non-current and current deferred wage tax and social securities payments of in total EUR 541 million (December 31, 2024 EUR 834 million). Reference is made to the "Others" paragraph in note 14. Other (non-current) assets and liabilities.



24. Deferred income

Accounting policy

Advance ticket sales

Upon issuance, both Passenger and Cargo sales, including fuel and security surcharges, are recorded as deferred income under Advance ticket sales.

These will be recognised in revenues at the date of transportation.

Flying Blue frequent flyer program

Air France-KLM has a common frequent flyer program “Flying Blue”. This program allows members to acquire “miles” as they fly with KLM, Air France or with other partner companies, such as credit card companies, hotel chains and car rental firms. These miles entitle members to a variety of benefits such as discounts on and free flights with the two airlines.

Miles are considered as separate elements of a sale of a ticket with multiple elements and one part of the price of the initial sale of the ticket is allocated to these Miles and deferred until the Group’s commitments relating to these Miles have been met.

The deferred amount due in relation to the acquisition of Miles by members is estimated:

- › According to the fair value of the Miles, defined as the amount for which the benefits could be sold separately;
- › After taking into account the redemption rate, corresponding to the probability that the Miles will be used by members, using a statistical method.

With regard to the re-invoicing of Miles between the partners in the program, the margins realized on sales of these Miles are recorded immediately in the income statement.

In 2023 Air France-KLM Group incorporated a new company for its Flying Blue program, Flying Blue Miles S.A.S, in France (FBM). KLM sold its Flying Blue activities to this new sister company within the Air France-KLM Group for an amount of EUR 489 million. Air France also sold its Flying Blue activities to FBM.

As from December 1, 2023 all Flying Blue activities are recorded at FBM, being the exclusive issuer of miles (earn) for the Air France-KLM Group and partner companies. KLM still has a deferred income in its balance sheet as shown on the line loyalty programmes. Going forward this deferred income will be settled with FBM, when Flying Blue members use these miles for qualifying flights (for which FBM buys tickets from KLM) and/or at partner companies. As at December 31, 2025 and going forward, the line royalty programmes does not include any Flying Blue frequent flyer program liability anymore.

In EUR million	As at December 31,			
	2025		2024	
	Current	Non-current	Current	Non-current
Advance ticket sales	1,720	-	1,628	-
Sale and leaseback transactions	3	-	7	-
Loyalty programmes	30	-	133	-
Others	5	-	4	-
Total	1,758	-	1,772	-

25. Provisions for employee benefits

Accounting policy

Pensions and other post-employment benefits

Pensions and other post-employment benefits relate to provisions for benefits (other than termination benefits) which are payable to employees on retirement. The provisions cover defined benefit pension plans, early-retirement schemes and post-employment medical benefits available to employees.

The amount recognised as a liability or an asset for post-employment benefits at the balance sheet date is the net total of:

- › The present value of the defined benefit obligations at the balance sheet date; and
- › Minus the fair value of the plan assets at the balance sheet date. The actuarial gain and losses are recognised immediately in other comprehensive income.

Other long-term employment benefits

The provision for other long-term employment benefits relates to benefits (other than pensions and other post-employment benefits and termination benefits) which do not fall within twelve months after the end of the period in which the employees render the related service.

- › The provision mainly covers jubilee benefits.
- › The benefits are unfunded.

In EUR million	As at December 31,	
	2025	2024
Liabilities		
Pension and early-retirement obligations	117	118
Post-employment medical benefits	16	16
Other long-term employment benefits	123	118
Termination benefits	7	7
Total	263	259

The current and non-current split of the provisions is as follows:

In EUR million	As at December 31,	
	2025	2024
Current	21	20
Non-current		
Pension and early-retirement obligations	110	109
Post-employment medical benefits	15	15
Other long-term employment benefits	111	107
Termination benefits	6	8
Total	242	239
Total	263	259

In EUR million	As at December 31,	
	2025	2024
Assets		
Pension assets non-current portion	36	49
Total	36	49

Pension plans

The Company sponsors a number of pension plans for employees world-wide, of which the main defined benefit plan relates to KLM UK Pension Scheme (KLM UK PS) in the United Kingdom. These world-wide plans are funded through separate pension funds which are governed by independent boards and are subject to supervision of the local regulatory authorities. In addition to these plans there are various relatively insignificant defined benefit and defined contribution plans for employees located in- and outside the Netherlands. All major KLM pension plans in the Netherlands qualify as a defined contribution scheme (collective defined contribution).

2025 developments

In 2025 no KLM Group pension plans have been derecognised, but the KLM UK PS was further derisked. Effective April 1, 2025, benefit accruals stopped for this plan and in December 2025 the KLM UK PS defined benefit plan has secured all remaining member's benefits via a buy-in with an insurer in the United Kingdom. In accordance with IAS 19, the buy-in is classified as an investment decision for which main part of the plan asset been used to



purchase a policy from an insurer to secure the corresponding funding obligations. This resulted in a limited impact which has been reflected as a financial assumption loss through equity as a remeasurement of defined benefit pensions.

In general for all defined pension plans in 2025, plan assets decreased with EUR 44 million (from EUR 428 million end 2024 to EUR 384 million end 2025) and pension obligations went down by EUR 32 million (from EUR 497 million end 2024 to EUR 465 million end 2025). The KLM UK PS pension asset decreased to EUR 36 million as per end 2025 compared to EUR 49 million as per end 2024.

Assumptions used for provisions for employee benefits

The provisions were calculated using actuarial methods based on the following assumptions (weighted averages for all plans):

in %	As at December 31,	
	2025	2024
Weighted average assumptions used to determine benefit obligations		
Discount rate for year-ended	4.63	4.59
Rate of compensation increase	1.86	2.02
Rate of price inflation	2.83	3.11
Weighted average assumptions used to determine net cost		
Discount rate for year ended	4.59	4.33
Rate of compensation increase	2.02	2.38
Rate of price compensation	3.12	3.08

The Company refines its calculations, by retaining the adequate flows, on the discount rate used for the service-cost calculation. In the Euro zone, this leads to the use of a discount rate of 0.10% higher for the service-cost calculation compared to the one used for the discount of the benefit obligation.

Recognition of pension assets and liabilities in the balance sheet

In EUR million	As at December 31,	
	2025	2024
Present value of wholly or partly funded obligations	465	497
Fair value of plan assets	(384)	(428)
Net liability relating pension and other post-retirement obligations	81	69

The funds together have a liability totalling EUR 81 million as at December 31, 2025 (December 31, 2024 a liability of EUR 69 million), consisting of a pension asset of EUR 36 million and pension obligations of EUR 117 million.

No limit (i.e. after the impact of IAS 19 and IFRIC 14 “The limit on a defined benefit asset, minimum funding requirements and their interaction” on IAS 19) on the pension asset recognised in the balance sheet is applied since, based on the current financing agreement between the KLM UK PS and the Company, future economic benefits are available in the form of an unconditional right to a refund assuming gradual settlement of the plan liabilities over time until the last member has left the plan. This corresponds to the situation described in IFRIC 14,11.b, under which a refund is considered available to an entity. This pension asset recognised is not readily available for the Company, but is, with reference to IFRIC 14.8, considered available even if it is not realisable immediately at the end of the financial year.

The accounting standards require management to make assumptions regarding variables such as discount rate, rate of compensation increase and mortality rates. Periodically, management consults with external actuaries regarding these assumptions. Changes in these key assumptions and in financing agreements between the KLM UK PS and the Company can have a significant impact on the net pension assets (IFRIC 14).



The movements in the present value of wholly or partly funded obligations in the year are as follows:

In EUR million	2025	2024
As at January 1,	497	519
Current service cost	6	8
Interest expense	23	22
Actuarial losses/(gains) demographic assumptions	5	(8)
Actuarial losses/(gains) financial assumptions	(15)	(36)
Actuarial losses/(gains) experience adjustments	6	7
Benefits paid from plan/company	(38)	(33)
Exchange rate changes	(19)	18
As at December 31,	465	497

The movements in the fair value of assets of the wholly or partially funded pension plans in the year can be summarised as follows:

In EUR million	2025	2024
As at January 1,	428	436
Interest income	22	20
Return on plan assets excluding interest income	(17)	(31)
Employer contributions	-	6
Benefits paid from plan / company	(28)	(23)
Exchange rate changes	(21)	20
As at December 31,	384	428

The experience adjustments are as follows:

In EUR million	As at December 31,	
	2025	2024
Benefit obligation	6	7
Plan asset	(17)	(31)

The sensitivity of the defined benefit cost recognised in profit or loss and the defined benefit obligation to variation in the discount rate is:

In EUR million	As at December 31,	
	2025	2024
0.25% increase in the discount rate		
Impact on service cost	-	-
Impact on defined benefit obligation	(13)	(15)
0.25% decrease in the discount rate		
Impact on service cost	-	-
Impact on defined benefit obligation	15	16

The sensitivity of the defined benefit cost recognised in profit or loss and the defined benefit obligation to variation in the salary increase is:

In EUR million	As at December 31,	
	2025	2024
0.25% increase in the salary increase		
Impact on service cost	-	-
Impact on defined benefit obligation	4	4
0.25% decrease in the salary increase		
Impact on service cost	-	-
Impact on defined benefit obligation	(3)	(4)



The sensitivity of the defined benefit cost recognised in profit or loss and the defined benefit obligation to variation in the pension increase rate is:

In EUR million	As at December 31,	
	2025	2024
0.25% increase in the pension increase rate		
Impact on service cost	-	-
Impact on defined benefit obligation	7	6
0.25% decrease in the pension increase rate		
Impact on service cost	9	10
Impact on defined benefit obligation	(7)	(6)

The major categories of assets as a percentage of the total pension plan assets are as follows:

in %	As at December 31,	
	2025	2024
Debt securities	9	75
Real estate	-	3
Equity securities	1	1
Insurance contracts	91	22

Debt securities are primarily composed of listed government bonds (inflation linked and fixed interest), at least rated BBB, and invested in Europe, the United States of America and emerging countries. Real estate is primarily invested (listed and unlisted) in Europe and the United States of America. Equity securities are mainly listed and invested in Europe, the United States of America and emerging countries. Insurance contract relates to insured annuity policies at an insurance company in the United Kingdom regarding the now fully secured KLM UK pension plan.

Post-employment medical benefits

This provision relates to the obligation the Company has to contribute to the cost of employees' medical insurance after retirement in the United States of America and Canada.

In EUR million	As at December 31,	
	2025	2024
Present value of unfunded obligations	16	16
Net liability relating pension and other post-retirement obligations	16	16

The movements in the present value of wholly or partly funded obligations in the year are as follows:

In EUR million	As at January 1,	
	2025	2024
As at January 1,	16	16
Interest expense	1	1
Actuarial losses/(gains) demographic assumptions	-	(1)
Actuarial losses/(gains) financial assumptions	1	1
Actuarial losses/(gains) experience adjustments	1	(1)
Benefits paid from plan/company	(1)	(1)
Exchange rate changes	(2)	1
As at December 31,	16	16



Notes to the consolidated financial statements

The provisions were calculated using actuarial methods based on the following assumptions (weighted averages for all plans):

in %	As at December 31,	
	2025	2024
Weighted average assumptions used to determine benefit obligations		
Discount rate for year	5.40	5.50
Weighted average assumptions used to determine net cost		
Discount rate for year	5.50	6.30
Medical cost trend rate assumptions used to determine net cost *		
Immediate trend rate Pre 65	5.20	10.40
Immediate trend rate Post 65	5.20	10.40
Ultimate trend rate	3.70	3.60
Year that the rate reaches ultimate trend rate	2073	2073

*The rates shown are the weighted averages for the United States of America and Canada

Other long-term employee benefits

In EUR million	As at December 31,	
	2025	2024
Jubilee benefits	62	60
Other benefits	61	58
Total	123	118

The current and non-current split of the other long-term employee benefits is as follows:

In EUR million	As at December 31,	
	2025	2024
Current	12	11
Non-current		
Jubilee benefits	56	54
Other benefits	55	53
Total	111	107
Total	123	118

The provision for jubilee benefits covers bonuses payable to employees when they attain 25 and 40 years of service. The provision other benefits mainly relates to the own risk carrier long-term disability plan.



26. Return obligation liability and other provisions

Accounting policy

Return obligation liability on leased aircraft

The Group recognises return obligation liabilities in respect of the required restoration or reinstatement obligations within the framework of the lease of aircraft to lessors. The constitution of these return obligation liabilities depends on the type of restoration or reinstatement obligations to fulfil before returning these aircraft to the lessors: overhaul and restoration work as well as airframe and engine potential reconstitution.

These return obligation liabilities also consist of compensation paid to lessors in respect of wear or tear of the life limited parts in the engines for wide body aircraft. If during the lease term life limited parts need to be replaced for wide body aircraft these will be recorded as expense when incurred, as such replacements do not take place within planned major engine overhaul within the lease term.

Overhaul and restoration works

Costs resulting from work required to be performed just before returning aircraft to the lessors, such as painting of the shell or aircraft overhaul are recognised as return obligation liabilities as of the inception of the contract. The counterpart of this return obligation liability is booked as a complement through the initial book value of the aircraft right-of-use assets. This complement to the right-of-use asset is depreciated over the lease term. This liability is valued on commencement date at the discounted value of the expected cost of restoration. At the same time, and for the same value, an additional asset component is recognised in the right-of-use asset for the aircraft lease on commencement date, which is depreciated over the lease term.

Airframe and engine potentials reconstitution

The airframe and the engine potentials are recognised as a complement to the right-of-use assets since they are considered as full-fledged components, distinct from the physical components which are the engine and the airframe. These components are the counterparts of the return obligation liability, recognised at the inception of the contract. When maintenance events aimed at reconstituting these potentials take place, the costs incurred are capitalised. These potentials are depreciated over the period of use of the underlying assets, which is flight hours for the

engine potentials component, straight-line for the airframe potentials component, or over the time until the maintenance event in which they are replaced for life limited parts for narrow body aircraft. This liability is valued on commencement date at the discounted value of the expected cost of reinstatement or compensation of the used productive potentials (both related to expected cost of the maintenance event required to reinstate the used potentials).

Other provisions

Provisions are recognised when:

- › There is a present legal or constructive obligation as a result of past events;
- › It is probable that an outflow of economic benefits will be required to settle the obligation; and
- › A reliable estimate of the amount of the obligation can be made.

The provisions are carried at face value unless the effect of the time value of money is material, in which case the amount of the provision is the present value of the expenditures expected to settle the obligation. The effect of the time value of money is presented as a component of financial income.



Accounting estimates and judgements

Return obligation liability and other provisions

A return obligation liability and/or a provision will be recognised in the balance sheet when the Group has a present legal or constructive obligation to a third party as a result of a past event and it is probable that an outflow of economic benefits will require settling the obligation.

Management must make estimates and assumptions as at the balance sheet date concerning the probability that a certain obligation will materialise as well as the amount that is likely to be paid. Future developments, such as changes in market circumstances, or changes in legislation and judicial decisions may cause the actual obligation to diverge from the provision.

The Group is involved in legal disputes and proceedings. Management decides on a case-by-case basis whether a provision is necessary based on actual circumstances. This assessment comprises both a determination of the probability of a successful outcome of the legal action and the expected amount payable.



In EUR million	Other provisions					Total
	Return obligation liability on leased aircraft	Maintenance liability on leased aircraft	Legal and civil litigations	Restructuring and voluntary leave	Other	
As at January 1, 2025	70	1,569	182	5	176	2,002
Additions and increases	5	1	2	16	189	213
Unused amounts reversed	-	(26)	-	(1)	-	(27)
Used during year	(6)	(34)	-	(7)	(149)	(196)
New/ Changes in lease contracts	5	174	-	-	2	181
Foreign currency translation differences	(2)	(172)	-	-	-	(174)
Accretion impact	1	102	-	-	-	103
As at December 31, 2025	73	1,614	184	13	218	2,102

The current and non-current breakdown for return obligation liability and other provisions is as follows:

In EUR million	Other provisions					Total
	Return obligation liability on leased aircraft	Maintenance liability on leased aircraft	Legal and civil litigations	Restructuring and voluntary leave	Other	
Non-current	66	1,573	-	-	53	1,692
Current	7	41	184	13	165	410
Total	73	1,614	184	13	218	2,102



In EUR million	Other provisions					Total
	Return obligation liability on leased aircraft	Maintenance liability on leased aircraft	Legal and civil litigations	Restructuring and voluntary leave	Other	
As at January 1, 2024	66	1,270	239	4	124	1,703
Additions and increases	6	-	4	13	157	180
Unused amounts reversed	-	-	-	(3)	(1)	(4)
Used during year	(4)	(31)	(61)	(9)	(108)	(213)
New/ Changes in lease contracts	(2)	158	-	-	3	159
Foreign currency translation differences	1	76	-	-	1	78
Accretion impact	3	95	-	-	-	98
Other changes	-	1	-	-	-	1
As at December 31, 2024	70	1,569	182	5	176	2,002

The current and non-current breakdown for return obligations liability and other provisions is as follows:

In EUR million	Other provisions					Total
	Return obligation liability on leased aircraft	Maintenance liability on leased aircraft	Legal and civil litigations	Restructuring and voluntary leave	Other	
Non-current	63	1,456	-	-	11	1,530
Current	7	113	182	5	165	472
Total	70	1,569	182	5	176	2,002

**Return obligation and maintenance liabilities on leased aircraft**

The movements in return obligation and maintenance liabilities (escalation costs and change in discount rate) are booked in the components corresponding to the potential and restoration work performed on leased aircraft and recorded in right-of-use assets. Effects of accretion and foreign exchange translation of return obligation liabilities recorded in local currencies are recognised in Other financial income and expenses (see note 7. Net cost of financial debt).

The discount rate used to calculate these restitution liabilities relating to leased aircraft, determined on the basis of a short-term risk-free rate increased by a spread on risky debt (used for companies with high financial leverage), is 6.3% as of December 31, 2025 versus 6.8% as of December 31, 2024.

Other provisions**Legal and civil litigations**

The provision as at December 31, 2025 mainly relates to Cargo anti-trust investigations in Europe for KLM and Martinair and a court case brought against KLM by (former) Martinair pilots. For more details, reference is made to note 29. Contingent Assets and Liabilities.

Restructuring and voluntary leave

In 2025 additional expenses related to some small voluntary leave plans have been recorded. The provision as at December 31, 2025 fully relates to the remaining expected cash out for these voluntary leave plans. Reference is made to note 4. Employee Compensation and Benefit Expenses and note 9. Alternative performance measures (APMs).

Other

Other provisions include provisions for CO₂ (to cover the cost of CO₂ quotas to be surrendered in respect of emissions made), onerous contracts (third party maintenance contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it) and site restoration cost for land and buildings under long-term lease agreements.

27. Trade and other liabilities**Accounting policy**

Reference is made to note 20. Financial debt.

In EUR million	As at December 31,	
	2025	2024
Trade payables	955	1,017
Amounts due to Air France-KLM Group companies	148	135
Taxes and social security premiums	941	883
Other payables	421	518
Accrued liabilities	164	161
Total	2,629	2,714

The line Taxes and social security premiums include the current deferred payments for wage tax and social securities amounting to EUR 305 million as per December 31, 2025 (December 31, 2024 EUR 293 million). Reference is made to note 14. Other (non-current) assets and liabilities.

28. Commitments

As at December 31, 2025, KLM has commitments for previously placed orders amounting to EUR 7,095 million (December 31, 2024 EUR 7,441 million). EUR 6,709 million of this amount (December 31, 2024 EUR 7,216 million) relates to future owned and new right-of-use aircraft of which EUR 1,093 million is due in 2026. In the amount for new right-of-use aircraft EUR 43 million relates to future interest.

The balance of the commitments as at December 31, 2025 amounting to EUR 386 million (December 31, 2024 EUR 225 million) mainly relates to property, plant and equipment and SAF supply contracts.

As at December 31, 2025 prepayments on aircraft have been made, amounting to EUR 743 million (December 31, 2024 EUR 717 million) and are included in the prepayments net carrying amount in note 10. Property, plant and equipment.

29. Contingent Assets and Liabilities

Accounting policy

Contingent assets are possible assets that arise from past events, whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within our control. They are only disclosed if the inflow of economic benefit is probable.

Contingent liabilities are disclosed when the Group has:

- › a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within our control; or
- › a present obligation as a result of past events that is not recognised because it is not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be estimated reliably.

An assessment of litigation risks with third parties has been carried out with the Group's attorneys and provisions have been recorded whenever circumstances require.

Antitrust investigations and civil litigation

a. Actions instigated by the EU Commission and several competition authorities in other jurisdictions for alleged cartel activity in air cargo transport.

Air France, KLM and Martinair have been involved, since February 2006, with up to twenty-five other airlines in investigations initiated by the antitrust authorities in several countries with respect to allegations of anti-competitive agreements or concerted actions in the airfreight industry.

As of December 31, 2021, most of these investigations had been terminated following the entry into plea agreements between the three companies of the Air France-KLM Group and the appropriate competition authorities, providing for the payment of settlement amounts or fines, with the exception of the proceeding initiated by the European Commission which is still pending.

In Europe, the decision of the European Commission of 2010 against eleven air cargo carriers, including the companies of the Air France-KLM Group (Air France, KLM and Martinair), was annulled by the General Court of the European Union on December 16, 2015 because it contained a contradiction regarding the exact scope of the practices sanctioned. On March 17, 2017, the European Commission issued a new decision against the aforementioned cargo carriers, including Air France, KLM and Martinair. The total amount of fines imposed in respect of this decision for KLM and Martinair was EUR 142.6 million. This amount was slightly reduced by EUR 15.4 million as compared to the initial decision owing to a lower fine for Martinair due to technical reasons. Air France, KLM and Martinair appealed this decision before the General Court of the European Union. The hearings before the General Court took place in June and July 2019.

The decision from the General Court in March 2022 confirmed the fines against Air France, KLM and Martinair, they appealed this decision to the European Court of Justice and hearings were held before the European Court of Justice in 2024. The Advocate General subsequently issued an opinion, in which it proposed to the Court to dismiss the appeal, on September 5, 2024. As of December 31, 2025, KLM and Martinair have maintained a provision of EUR 161 million (including accrued interest) covering the total amount of these fines.

A final judgement of the European Court of Justice has been rendered on February 26, 2026 and the fines are in line with the provision as of December 31, 2025. KLM and Martinair have paid the fines (including accrued interest) on March 13, 2026. Reference is made to note 34. Subsequent events for KLM Group and note 49. Subsequent events for KLM N.V.

b. Related civil lawsuits

Following the initiation of various investigations by the competition authorities in 2006 and the European Commission decision in 2010, several collective and individual actions were brought by forwarders and air-freight shippers in the civil courts against Air France, KLM and Martinair, and other cargo operators, in a number of jurisdictions. Under these civil lawsuits, shippers and freight forwarders are claiming for damages to compensate alleged higher prices due to alleged competition law infringement.

For Air France, KLM and Martinair few civil claims are still pending. The Group companies and the other airlines involved in these lawsuits continue to vigorously oppose all such civil claims.

c. Other

Case brought against State Aid Decision

In 2020 the European Commission approved under the State Aid rules, the revolving credit facility of EUR 2.4 billion guaranteed by the Dutch State and a EUR 1 billion loan from the Dutch State to KLM. Like most of the decisions with respect to airlines receiving State Aid in the context of the COVID-19 crisis, the European Commission's decisions granting support measures to KLM, but also Air France and Air France-KLM have been subject to annulment proceedings brought by Ryanair. The General Court of the European Union annulled in May 2021 the European Commission decision based on failure to state reasons. The European Commission corrected this failure by a decision on July 16, 2021. Ryanair also initiated annulment proceedings against the July 16, 2021 decision. The General Court of the European Union annulled this decision on February 7, 2024. Also, the Air France and Air France-KLM decisions of May 4, 2020 and April 5, 2021 providing a loan guaranteed by the French State in the amount of EUR 4 billion, a EUR 3 billion loan from the French State and the recapitalization aid to Air France-KLM and Air France were annulled, but on December 20, 2023.

Until a final decision or judgment is obtained, there is still uncertainty as to the legal and financial consequences of the annulment of decisions to grant State Aid. However, the aid granted has already been repaid in full compliance with the constraints linked (commitments, behavioural measures, application of interests) to the applicable legal framework.

In order to protect its interests, Air France-KLM, Air France and KLM as well as the European Commission each lodged appeals against the judgments of the General Court of the European Union, annulling the above mentioned decisions. On July 10, 2024 the European Commission re-approved in a single decision the Dutch and French aid measures to provide liquidity support to the Air France-KLM Group in particular to its subsidiaries KLM and Air France and confirmed their compatibility with European Law. This new decision has no impact on the appeals lodged by the European Commission, Air France, KLM and Air France-KLM against the judgements of the General Court of the

European Union, which annulled the European Commission's initial decisions. The European Court of Justice has yet to rule on those appeals. The European Commission may also decide, if necessary, to initiate a formal examination procedure, during which Air France-KLM, Air France and KLM will defend its interest to the best of their ability.

In 2025 KLM was informed that Ryanair also initiated administrative proceedings against the Dutch State and similar proceedings in France following the aforementioned annulment rulings from the General Court of the European Union to seek alleged illegality interest. In The Netherlands, Ryanair had requested the Dutch Ministry of Finance to apply alleged illegality interest in July 2024. In April 2025, KLM joined as interested party to defend this action (the Dutch Administrative Proceeding). After the Dutch Administrative Proceeding was dismissed in August 2025 by the Dutch Ministry of Finance, Ryanair appealed to the Dutch Administrative Court in September 2025. KLM has also appealed in October 2025. The proceedings are ongoing.

Case brought against KLM by (former) Martinair pilots

In 2015, a case was brought against KLM by a number of (former) Martinair airline pilots, hereafter called "Vrachtvliegers". In 2016 and 2018, the District Court and Court of Appeal ruled in favour of KLM and rejected all claims of plaintiffs. In November 2019, however, the Supreme Court ruled against KLM on the basis of lack of sufficient motivation and referred the case to another Court of appeal. On June 8, 2021, this Court of appeal rendered its judgment in favour of the plaintiffs, the former Martinair pilots, ruling that the transfer of the cargo department qualifies as a transfer of undertaking. According to the ruling the rights and obligations under the employment contracts of 116 Martinair pilots automatically transfer to KLM as per January 1, 2014. The Court of Appeal rejected the plaintiffs' claim to also transfer the rights regarding seniority accrued at Martinair.

Vrachtvliegers filed complaints on August 8, 2021 at the Supreme Court claiming that the rights regarding seniority accrued at Martinair should transfer to KLM. On June 24, 2022, the General Attorney has given the advice to the Supreme Court that the complaints should be rejected. On January 20, 2023, the Supreme Court ruled that this claim is denied, except for one part of the verdict. On April 21, 2026, the court hearing ("pleidooi") will take place at the Amsterdam Court of Appeal. The Supreme Court ruled that the



motivation was not conclusive on the item that seniority does not transfer in case of redundancy.

The pilots also started a new court case about the implementation by KLM of the “transfer of undertaking”. The hearing took place on November 15, 2023. The court rendered a decision on January 11, 2024, in which all claims have been declined except that seniority built up within Martinair should be respected in case of dismissal (which is in line with current law). The majority (232 pilots) of the Vrachtvliegers filed for appeal to the verdict. In 2021, KLM recorded a provision for a total amount of EUR 22 million, which is unchanged in 2025.

Other

The Company and certain of its subsidiaries are involved as defendant in litigation relating to competition issues, commercial transactions and labour relations. Although the ultimate disposition of asserted claims and proceedings cannot be predicted with certainty, it is the opinion of the Company’s management that, with the exception of the matters discussed before, the outcome of any such claims, either individually or on a combined basis, will not have a material adverse effect on the Company’s consolidated financial position, but could be material to the consolidated results of operations of the Company for a particular period.

Site cleaning up cost

The Group owns a number of Cargo and Maintenance buildings situated on various parcels of land which are the subject of long lease agreements.

At the expiry of each of these agreements the Company has the following options:

1. To demolish the buildings and clean up the land prior to return to the lessor;
2. To transfer ownership of the building to the lessor; or
3. To extend the lease of the land.

No decision has been taken regarding the future of any of the buildings standing on leased land. Therefore, it cannot be determined whether it is probable that site cleaning up cost will be incurred and to what extent. Accordingly, no provision for such cost has been established.

Guarantees

Bank guarantees and corporate guarantees given by the Company on behalf of the Company, subsidiaries, unconsolidated companies and third parties, amount to EUR 47 million as at December 31, 2025 (December 31, 2024 EUR 40 million).

Section 403 guarantees

General guarantees as defined in Book 2, Section 403 of the Dutch Civil Code have been issued by the Company on behalf of several subsidiaries in the Netherlands. The liabilities of these consolidated companies to third parties amount to EUR 346 million as at December 31, 2025 (December 31, 2024 EUR 475 million).

Contingent assets

Other litigation

The Company and certain of its subsidiaries are involved as plaintiff in litigation relating to commercial transactions and tax disputes. Although the ultimate disposition of asserted claims and proceedings cannot be predicted with certainty, it is the opinion of the Company’s management that the outcome of any such claims, either individually or on a combined basis, will not have a material favourable effect on the Company’s consolidated financial position, but could be material to the consolidated results of operations of the Company for a particular period.



30. Supervisory Board remuneration

In EUR	2025			2024		
	As Supervisory Board member	As Committee member	Total	As Supervisory Board member	As Committee member	Total
W. Draijer (as from April 24, 2024)	50,000	28,000	78,000	34,341	9,000	43,341
C.C. 't Hart (until April 24, 2024)	-	-	-	13,784	9,500	23,284
F. Enaud	35,000	28,000	63,000	32,875	16,000	48,875
F.N.P. Gagey (as from April 24, 2024)	35,000	18,000	53,000	24,038	9,000	33,038
J.C. de Jager	35,000	9,200	44,200	32,875	1,000	33,875
C. Nibourel	35,000	-	35,000	32,875	-	32,875
M.J. Oudeman	35,000	34,000	69,000	32,875	21,500	54,375
F. Pellerin	35,000	4,600	39,600	32,875	5,600	38,475
P.F. Riolacci (until April 24, 2024)	-	-	-	8,837	2,000	10,837
B. Smith	-	-	-	-	-	-
B.J. Vos	35,000	-	35,000	32,875	-	32,875
Total	295,000	121,800	416,800	278,250	73,600	351,850

The remuneration paid to the Supervisory Board is not linked to the Company's results.

Mr Smith, in his capacity as Chief Executive Officer of Air France-KLM S.A., does not receive a remuneration for his KLM Supervisory Board membership.

For further information on the remuneration policy relating to Supervisory Board members, see the Remuneration Policy and Report in the Board and Governance section.

Other transactions with Supervisory Board members

Apart from the transactions described above there were no other transactions such as loans or advances to or from or guarantees given on behalf of members of the Supervisory Board.

31. Statutory Board of Managing Directors Remuneration

Total remuneration (base salary, short- and long-term incentive plan and pensions)

In EUR	2025	2024
M.E.F. Rintel	1,594,224	1,211,315
M.P.A. Stienen	732,503	639,041
B.H.F. Brouns (as from April 24, 2024)	676,521	430,259
E.R. Swelheim (until October 1, 2024) *	-	520,936
Total	3,003,248	2,801,551

* 2024: Mr Swelheim's fixed-term appointment as Chief Financial Officer and as statutory director ended at the Annual General Shareholder meeting on April 24, 2024. His employment contract ended at September 30, 2024. Mr Swelheim received a redundancy package based on his contract reflecting his 20 years of service with KLM, which amounted to EUR 800,000. The Company recorded a tax levy of EUR 162,108 as required pursuant to Article 32bb under the Dutch payroll tax law. Including the aforementioned 2024 amounts the total 2024 statutory Board of Managing Directors cost is EUR 3,763,659.

Base salary

In EUR	2025	2024
M.E.F. Rintel	600,000	600,000
M.P.A. Stienen *	370,000	370,000
B.H.F. Brouns (as from April 24, 2024)	330,000	227,213
E.R. Swelheim (until October 1, 2024)	-	307,308
Total	1,300,000	1,504,521

* 2024: Mr Stienen's base salary was erroneously included for EUR 360,000 in this note. The base salary was correctly included in the section Remuneration report and policy in the 2024 Annual Report.

Short-term incentive plan

In EUR	2025	2024
M.E.F. Rintel	399,360	307,800
M.P.A. Stienen	126,984	113,590
B.H.F. Brouns (as from April 24, 2024)	139,656	109,560
E.R. Swelheim (until October 1, 2024)	-	73,754
Total	666,000	604,704

As from April 17, 2023, the remuneration policy is applied again, grandfathering the conditions of the Dutch State support package until that date.

Other allowances and benefits in kind

The members of the statutory Board of Managing Directors were entitled to other allowances and benefits including a company car and customary plans such as disability insurance and a fixed monthly allowance of EUR 440 for business expenses not otherwise reimbursed.

Pensions

As per the remuneration policy the total pension benefits for the statutory Board of Managing Directors, like for other KLM employees with a salary above the fiscal regime of EUR 137,800 (2025), consist of two parts: 1) pension cost and 2) pension allowance.

Annual variations are based on the pension calculations as provided for in the Algemeen Pensioenfonds KLM. These annual variations in costs have been included.

**Pension cost (post-employment benefit)**

In EUR	2025	2024
M.E.F. Rintel	35,552	35,552
M.P.A. Stienen	37,327	37,274
B.H.F. Brouns (as from April 24, 2024)	37,327	27,972
E.R. Swelheim (until October 1, 2024)	-	27,972
Total	110,206	128,770

Pension allowance (short-term benefit)

Given the Dutch fiscal regime the members of the statutory Board of Managing Directors receive a pension allowance for the pensionable salary above EUR 137,800 (2025). This gross pension allowance can, after deduction of applicable wage taxes, either be used to participate in the KLM net pension savings scheme (defined contribution plan) at the Algemeen Pensioenfonds KLM or be paid out as net allowance. This scheme is similar to that of all other employees with a salary above the pensionable salary threshold.

In EUR	2025	2024
M.E.F. Rintel	176,380	170,889
M.P.A. Stienen	78,461	76,084
B.H.F. Brouns (as from April 24, 2024)	73,154	28,458
E.R. Swelheim (until October 1, 2024)	-	96,446
Total	327,995	371,877

External Supervisory Board memberships

According to the remuneration policy the statutory Board of Managing Directors may retain payments they receive from other remunerated positions with a maximum number of 2 positions per Managing Director. The amount ceded to the Company amounts to EUR nil (December 31, 2024 EUR 20,000) and concerns a remunerated position in connection with the 2024 Supervisory Board membership in Transavia.

Other transactions with members of the statutory Board of Managing Directors

Apart from the transactions described above there were no other transactions such as loans or advances to or from or guarantees given on behalf of members of the statutory Board of Managing Directors.

Long-term incentive plan

In general, as an incentive to make a longer-term commitment to the Company, under the Air France-KLM LTI plan the KLM CEO is entitled to a number of Air France-KLM shares. The shares granted in a year will vest after three years if the predetermined LTI plan criteria are met and is equity settled. The evaluation and subsequent vesting will only take place after three years.

This longer commitment is also applicable under the KLM LTI scheme, by granting phantom shares to members of the statutory Board of Managing Directors (excluding the CEO) on the basis of their reaching agreed personal performance targets. This KLM LTI plan, for the current members of the statutory Board of Managing Directors (excluding the CEO), has been, simplified and aligned with the Air France-KLM LTI plan, retroactively as from 2023. The phantom shares granted in a year will vest after three years if the predetermined LTI plan criteria are met and are cash settled. The evaluation and subsequent vesting will only take place after three years. Subject to restrictions relating to the prevention of insider-trading, phantom shares may be exercised at any time between the third and the fifth anniversary of the day of grant. After five years any then outstanding (phantom) shares are forfeited.

**Total outstanding under the Air France-KLM and KLM LTI scheme**

Grant related to financial year	Grant based on	Number of (phantom) shares granted as per December 31, 2025	Vesting date	Expiry Date
M.E.F. Rintel				
2023	Air France-KLM LTI plan	26,517	Apr 2026	
2024	Air France-KLM LTI plan	58,824	Apr 2027	
2025	Air France-KLM LTI plan	69,767	Apr 2028	
	Total Air France-KLM LTI plan	155,108		
M.P.A. Stienen				
2023	KLM LTI plan	6,266	Apr 2026	Apr 2028
2024	KLM LTI plan	18,717	Apr 2027	Apr 2029
2025	KLM LTI plan	21,678	Apr 2028	Apr 2030
	Total	46,661		
B.H.F. Brouns				
(as from April 24, 2024)				
2023	KLM LTI plan	375	Apr 2026	Apr 2028
2024	KLM LTI plan	16,694	Apr 2027	Apr 2029
2025	KLM LTI plan	19,334	Apr 2028	Apr 2030
	Total	36,403		
	Total KLM LTI PLAN	83,064		

Total outstanding phantom shares under the former KLM LTI scheme

Under the former KLM LTI scheme phantom shares vested over a three year period. As per December 31, 2024 only 115 Phantom shares (related to financial year 2019) were outstanding for Mr Stienen. In 2025 these phantom shares have been exercised at an average share price of EUR 8.53. No remaining phantom shares (related to financial year 2019) are still outstanding.

No grantings have taken place for the years that relate to the performance of financial years 2020, 2021 and 2022.

Cost of Air France-KLM shares and phantom shares are based on IFRS accounting standards and does not reflect the value of the Air France-KLM and phantom shares at the vesting date.

Cost in 2025 for Mrs Rintel of EUR 377, 652 positive relate to the granted 2025, 2024 and 2023 Air France-KLM LTI plan and the annual technical

revaluation following the 2025 increase of the Air France-KLM share price. The 2024 cost of EUR 91,794 positive relate to cost of the granted 2024 and 2023 Air France-KLM LTI plan.

For Mr Stienen the 2025 cost of EUR 114,451 positive (2024: EUR 36,813 positive) relate to the granted 2025, 2024, 2023 and 2019 phantom shares and the annual technical revaluation following the 2025 increase of the Air France-KLM share price. For Mr Brouns the 2025 cost of EUR 91,104 positive (2024: EUR 31,776 positive) relate to the granted 2025, 2024 and 2023 phantom shares and the annual technical revaluation following the 2025 increase of the Air France-KLM share price.

In 2025, Mrs Rintel acquired 279 Air France-KLM shares under the Air France-KLM Group employee share purchase plan. Under this plan the shares can be traded after December 21, 2028. As at December, 31 2025, Mr Stienen and Brouns did not hold any Air France-KLM shares.



32. Related Party Transactions

The Group has interests in various associates in which it has either significant influence in but not control or joint control over operating and financial policy. As part of its business operations, the Group enters into transactions with related parties which are negotiated at commercial conditions and prices and are not more favourable than those which would have been negotiated with third parties on an arm's length basis.

In February 2019 the State of the Netherlands acquired a 14.0% stake in the Group's ultimate parent company, Air France-KLM S.A. As a result the State of the Netherlands and Royal Schiphol Group, being a State-owned entity, are regarded as related parties as from 2019. As per December 31, 2025, the State of the Netherlands has a 9.1% stake in Air France-KLM S.A. in addition, the Dutch Government is a direct shareholder in KLM N.V. (reference is made to note 19. Equity).

Transactions conducted with the Dutch State are limited to normal economic transactions, taxation and other administrative relationships, with the exception of items specifically disclosed in this note. Normal economic transactions mainly relate to air transport and are entered into under the same commercial and market terms that apply to non-related parties.

The transactions with Royal Schiphol Group relate to land and property rental agreements and airport and passenger related fees. In addition Royal Schiphol Group collects airport fees on their behalf.

As from December 1, 2023 all Flying Blue activities are recorded at FBM, being the exclusive issuer of miles (earn) for the Air France-KLM Group and partner companies. Reference is made to note 24. Deferred income.

The following transactions were carried out with related parties:

In EUR million	2025	2024
Sales of goods and services		
Air France-KLM Group companies	321	379
Associates	-	-
Other related parties	151	141
Purchases of goods and services		
Air France-KLM Group companies	428	352
Associates	-	-
Other related parties	373	283



In EUR million	As at December 31,	
	2025	2024
Assets		
Air France-KLM Group companies	85	88
Other related parties	4	5
Total other receivables	89	93
Air France-KLM Group companies	60	59
Other related parties	1	-
Total current and non-current assets	61	59
Total assets	150	152
Liabilities		
Air France-KLM Group companies	148	135
Other related parties	36	37
Total other payables	184	172
Air France-KLM Group companies	207	196
Other related parties	8	10
Total current and non-current liabilities	215	206
Total liabilities	399	378

In 2025 and 2024 no dividends have been received from jointly controlled entities interests.

The Group has no guarantees received from or given to its related parties in 2025 and 2024.

For information relating to transactions with members of the Supervisory Board and statutory Board of Managing Directors, see notes 30. Supervisory Board remuneration and 31. Statutory Board of Managing Directors Remuneration. For information relating to transactions with pension funds for the Group's employees see note 25. Provisions for employee benefits.



33. Subsidiaries

The following is a list of the Company's significant subsidiaries as at December 31, 2025:

Name	Country of incorporation	Ownership interest in %	Proportion of voting power held in %
Transavia Airlines C.V.	the Netherlands	100	100
Martinair Holland N.V.	the Netherlands	100	100
KLM Cityhopper B.V.	the Netherlands	100	100
KLM Cityhopper UK Ltd.	United Kingdom	100	100
KLM UK Engineering Ltd.	United Kingdom	100	100
European Pneumatic Component Overhaul & Repair B.V.	the Netherlands	100	100
KLM Catering Services Schiphol B.V.	the Netherlands	100	100
KLM Flight Academy B.V.	the Netherlands	100	100
KLM Health Services B.V.	the Netherlands	100	100
Cygnific B.V.	the Netherlands	100	100

The full list of the Company's subsidiaries, associates, jointly controlled entities and non-controlling interests has been, in line with Section 379 and Section 414 of Book 2 of the Dutch Civil Code, filed at the Chamber of Commerce together with this Annual Report.



34. Subsequent events

Final judgement of the European Court of Justice

With reference to the Antitrust investigations paragraph in note 29.

Contingent Assets and Liabilities, a final judgement of the European Court of Justice has been rendered on February 26, 2026. The fines are in line with the provision as of December 31, 2025. KLM and Martinair have paid the fines (including accrued interest) on March 13, 2026.

Redemption of the 1986 CHF 270 million subordinated perpetual loan

On March 9, 2026, KLM announced that it will make use of the call window to redeem the 1986 CHF 270 million (approximately EUR 300 million) subordinated perpetual loan, listed on the SIX Swiss Exchange, Zurich, on the next call date being May 15, 2026.

This longstanding subordinated perpetual instrument will be replaced with a EUR 300 million equity injection by Air France-KLM S.A. Reference is made to note 21. Other financial liabilities.



Company statement of profit or loss

In EUR million	2025	2024
Profit from investments accounted for using equity method after taxation	93	105
Profit/(loss) of KLM N.V. after taxation	190	(36)
Profit for the year after taxation	283	69

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



Notes to the Company financial statements

35. Basis of Preparation

The Company financial statements are part of the 2025 financial statements of KLM Royal Dutch Airlines (the “Company”).

Assessment of going concern

Regarding the assessment of going concern as at the date of this Annual Report reference is made to the Assessment of going concern paragraph in Note 1.1. to the consolidated financial statements.

Principles for the measurement of assets and liabilities and the determination of the result

In determining the principles to be used for the recognition and measurement of assets and liabilities and the determination of the result for its separate financial statements, the Company makes use of the option provided in Section 362 (8) of Book 2 of the Dutch Civil Code. This section permits companies to apply the same principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the Company financial statements as those applied for the consolidated EU-IFRS financial statements.

The Company makes use of the option provided in Section 402 of Book 2 of the Dutch Civil Code. This section permits companies to present a condensed company statement of profit or loss given that the Company’s financial information is consolidated in the Consolidated financial statements of the ultimate parent company Air France-KLM S.A.

Subsidiaries are accounted for using the equity method and investments accounted for using the equity method, over which significant influence is exercised, are stated on that basis. The share in the result of these investments comprises the share of the Company in the result of these investments.

Results on transactions, where the transfer of assets and liabilities between the Company and its investments and mutually between these investments themselves, are not incorporated insofar as they can be deemed to be unrealised.

All amounts (unless specified otherwise) are stated in millions of Euros (EUR million).

For notes and/or details, which are not explained in the notes to the Company financial statements reference is made to the notes and/or details of the Consolidated financial statements.



36. Property, plant and equipment

In EUR million	Flight equipment			Other property and equipment			Total	Prepayments	Total
	Owned aircraft	Other flight equipment	Total	Land and buildings	Equipment and fittings	Other property and equipment			
Historical cost									
As at January 1, 2025	4,428	2,752	7,180	719	182	294	1,195	718	9,093
Additions	-	162	162	-	-	-	-	921	1,083
Disposals	(239)	(240)	(479)	(1)	(1)	(2)	(4)	-	(483)
Reclassifications	448	311	759	44	21	13	78	(1,028)	(191)
Other movements	-	-	-	1	-	-	1	206	207
As at December 31, 2025	4,637	2,985	7,622	763	202	305	1,270	817	9,709
Accumulated depreciation and impairment									
As at January 1, 2025	2,555	1,151	3,706	434	134	222	790	-	4,496
Depreciation	187	242	429	31	9	16	56	-	485
Disposals	(6)	(188)	(194)	(1)	-	(2)	(3)	-	(197)
Reclassifications	-	74	74	-	-	-	-	(74)	-
Other movements	-	-	-	-	-	-	-	74	74
As at December 31, 2025	2,736	1,279	4,015	464	143	236	843	-	4,858
Net carrying amount									
As at January 1, 2025	1,873	1,601	3,474	285	48	72	405	718	4,597
As at December 31, 2025	1,901	1,706	3,607	299	59	69	427	817	4,851



In EUR million	Flight equipment			Other property and equipment			Total	Prepayments	Total
	Owned aircraft	Other flight equipment	Total	Land and buildings	Equipment and fittings	Other property and equipment			
Historical cost									
As at January 1, 2024	4,279	2,348	6,627	698	176	320	1,194	620	8,441
Additions	-	205	205	-	-	-	-	726	931
Disposals	-	(256)	(256)	(10)	(1)	(40)	(51)	-	(307)
Reclassifications	148	455	603	31	7	19	57	(781)	(121)
Other movements	1	-	1	-	-	(5)	(5)	153	149
As at December 31, 2024	4,428	2,752	7,180	719	182	294	1,195	718	9,093
Accumulated depreciation and impairment									
As at January 1, 2024	2,376	1,020	3,396	394	127	225	746	-	4,142
Depreciation	179	205	384	29	7	16	52	-	436
Disposals	-	(222)	(222)	(8)	-	(19)	(27)	-	(249)
Reclassifications	-	148	148	18	-	-	18	(167)	(1)
Other movements	-	-	-	1	-	-	1	167	168
As at December 31, 2024	2,555	1,151	3,706	434	134	222	790	-	4,496
Net carrying amount									
As at January 1, 2024	1,903	1,328	3,231	304	49	95	448	620	4,299
As at December 31, 2024	1,873	1,601	3,474	285	48	72	405	718	4,597

The assets include assets which are held as security for mortgages and loans as follows:

In EUR million	As at December 31,	
	2025	2024
Aircraft	77	82
Land and buildings	102	102
Other property and equipment	28	32
Total	207	216

Borrowing cost capitalised during the year amounted to EUR 17 million (2024 EUR 18 million). The interest rate used to determine the amount of borrowing cost to be capitalised was 4.73% (2024: 4.64%).

Land and buildings include buildings located on land which has been leased on a long-term basis. The book value of these buildings as at December 31, 2025 was EUR 183 million (December 31, 2024 EUR 185 million).



37. Leases

In EUR million	Aircraft	Maintenance	Land & Real Estate	Others	Total
As at January 1, 2025	451	605	107	43	1,206
New contracts	314	121	3	21	459
Renewal or extension options	369	(13)	6	-	362
Reclassifications	-	132	-	-	132
Depreciation	(146)	(153)	(18)	(14)	(331)
As at December 31, 2025	988	692	98	50	1,828

In EUR million	Aircraft	Maintenance	Land & Real Estate	Others	Total
As at January 1, 2024	446	430	109	44	1,029
New contracts	88	78	2	12	180
Renewal or extension options	44	38	12	2	96
Reclassifications	(1)	184	-	-	183
Depreciation	(126)	(125)	(16)	(15)	(282)
As at December 31, 2024	451	605	107	43	1,206

The table below indicates the rents resulting from lease and service contracts which are not capitalised:

In EUR million	As at December 31,	
	2025	2024
Variable rents	37	33
Short-term rents	111	116
Low value rents	5	5
Total	153	154



Lease liabilities

In EUR million	As at December 31,			
	2025		2024	
	Current	Non-current	Current	Non-current
Aircraft	148	852	155	379
Real estate	16	111	14	119
Others	29	94	43	111
Accrued Interest	6	-	4	-
Total	199	1,057	216	609

Change in lease debt:

In EUR million	Aircraft	Real estate	Others	Accrued interest	Total
As at January 1, 2025	534	133	154	4	825
New contracts and renewals of contracts	692	10	30	-	732
Payment of lease debt	(146)	(16)	(50)	-	(212)
Currency translation adjustment	(80)	-	(11)	2	(89)
As at December 31, 2025	1,000	127	123	6	1,256

In EUR million	Aircraft	Real estate	Others	Accrued interest	Total
As at January 1, 2024	508	139	112	4	763
New contracts and renewals of contracts	132	9	86	-	227
Payment of lease debt	(129)	(15)	(50)	-	(194)
Currency translation adjustment	23	-	6	-	29
As at December 31, 2024	534	133	154	4	825



The lease debt maturity breaks down as follows:

In EUR million	As at December 31,	
	2025	2024
Less than 1 year	268	267
Between 1 and 2 years	232	223
Between 2 and 3 years	190	171
Between 3 and 4 years	155	103
Between 4 and 5 years	141	53
Over 5 years	597	179
Total	1,583	996

The lease debt split between principal and interest is as follows:

In EUR million	As at December 31,	
	2025	2024
Principal	1,256	825
Interest	327	171
Total	1,583	996

38. Investments accounted for using the equity method

In EUR million	As at December 31,	
	2025	2024
Subsidiaries	891	793
Associates	8	18
Jointly controlled entities	9	8
Total	908	819

Investments in subsidiaries

In EUR million	2025	2024
As at January 1,	793	723
Change in consolidation scope	(6)	-
Share of profit/(loss) after taxation	93	97
OCI movement	29	22
Dividends received	(12)	(48)
Foreign currency translation differences	(6)	5
Other movements	-	(6)
As at December 31,	891	793

For the list of the Group's significant subsidiaries see note 33. Subsidiaries.



39. Other (non-current) financial assets

In EUR million	As at December 31,			
	2025		2024	
	Current	Non-current	Current	Non-current
Debt investments at amortised cost				
Bonds, long-term deposits, loans and receivables	301	490	96	700
Total	301	490	96	700
At fair value through profit or loss				
Deposits and commercial paper with original maturity 3-12 months	50	-	50	-
Deposits on operating leased aircraft	-	11	-	13
Air France-KLM S.A. shares	-	1	-	1
Total	50	12	50	14
At fair value through OCI				
Kenya Airways Ltd. shares	-	11	-	13
Other non-consolidated entities	-	27	-	25
Total	-	38	-	38
Total	351	540	146	752

For details about the Company's stake in Kenya Airways see note 15. Other (non-current) financial assets

40. Trade and other receivables

In EUR million	As at December 31,	
	2025	2024
Trade receivables		
Trade receivables	599	642
Expected credit loss	(25)	(48)
Total	574	594
Other receivables		
Subsidiaries	463	686
Air France-KLM group companies	73	74
Associates and jointly entities	-	1
Maintenance contract customers	95	70
Taxes and social security premiums	32	36
Other receivables	84	109
Prepaid expenses	142	153
Total	889	1,129
Total	1,463	1,723

Maintenance contract assets to date for contracts in progress at December 31, 2025 amounted to EUR 85 million (December 31, 2024 EUR 66 million). Advances received for maintenance contracts in progress at December 31, 2025 amounted to EUR 41 million (December 31, 2024 EUR 125 million). The maturity of trade and other receivables is within one year.



41. Cash and cash equivalents

In EUR million	As at December 31,	
	2025	2024
Cash at bank and in hand	31	52
Short-term deposits	256	309
Total	287	361

The effective interest rates on short-term deposits are in the range from 2.12% to 5.32% (2024 range 2.57% to 5.32%). The short-term deposits are invested in money market instruments or in liquid funds with daily access to cash.

42. Equity

For details of the Company's share capital and movements in other reserves, see note 19. Equity to the consolidated financial statements. For details of the Company's equity, see the consolidated statement of changes in equity.

The Company has other reserves relating to hedging, remeasurement of defined benefit plans, translation and other legal reserves. Reference is made to note 19. Equity.

43. Financial debt

In EUR million	As at December 31,	
	2025	2024
Current portion	256	235
Non-current portion	1,682	1,509
Total	1,938	1,744



44. Other financial liabilities

In EUR million	As at December 31,			
	2025		2024	
	Current	Non-current	Current	Non-current
Subordinated perpetual loans	-	511	-	521
Other loans (secured/unsecured)	15	373	290	161
Total	15	884	290	682

For details about the other financial liabilities see note 21. Other financial liabilities.

45. Deferred income

In EUR million	As at December 31,	
	2025	2024
	Current	Current
Advance ticket sales	1,482	1,419
Sale and leaseback transactions	3	7
Flying Blue frequent flyer program	30	133
Others	5	4
Total	1,520	1,563

46. Income tax

The gross movement in the deferred/current income tax account is as follows:

In EUR million	2025	2024
As at January 1,	299	317
Income statement (expense)/income	(72)	3
Tax credited/(charged) to equity	(9)	(15)
Payment current income tax	62	9
Other movements	(30)	(15)
As at December 31,	250	299



The split between current income tax (liabilities)/assets and deferred tax assets/(liabilities) is as follows:

In EUR million	As at December 31,	
	2025	2024
Current income tax (liabilities)/assets	(7)	5
Deferred tax assets	257	294
Total	250	299

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The offset amounts are as follows:

In EUR million	As at December 31,	
	2025	2024
Deferred tax assets		
Deferred tax assets to be settled in 12 months or less	43	63
Deferred tax assets to be settled after 12 months	214	231
	257	294
Deferred tax liabilities		
Deferred tax liabilities to be settled in 12 months or less	-	-
Deferred tax liabilities to be settled after 12 months	-	-
	-	-
Total	257	294



The movements in deferred tax assets, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

In EUR million	Tax losses	Re-investment reserve account	Other tangible fixed assets	Derivative financial instruments	Pensions and benefits	Other	Total
As at January 1, 2025	351	(114)	54	(12)	19	(4)	294
Income statement (charge)/ credit	(44)	20	8	-	-	19	3
Tax credited/(charged) to equity	-	-	-	10	1	(20)	(9)
Other	(38)	-	-	-	(1)	8	(31)
As at December 31, 2025	269	(94)	62	(2)	19	3	257

In EUR million	Tax losses	Re-investment reserve account	Other tangible fixed assets	Derivative financial instruments	Pensions and benefits	Other	Total
As at January 1, 2024	353	(126)	47	8	1	14	297
Income statement (charge)/ credit	13	12	7	-	-	(5)	27
Tax credited/(charged) to equity	-	-	-	(20)	(1)	6	(15)
Other	(15)	-	-	-	19	(19)	(15)
As at December 31, 2024	351	(114)	54	(12)	19	(4)	294

The movements in deferred tax liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction are nil.

Tax fiscal unity

The Company, together with other subsidiaries in the Netherlands, has entered into a fiscal unity for the purpose of filing consolidated corporation tax and VAT returns. As a result, every legal entity in this tax group is jointly and severally liable for the tax debts of all the legal entities forming the group.

For more information regarding the tax position see note 8. Income tax.



47. Return obligation liability and other provisions

In EUR million	Return obligation liability on leased aircraft	Maintenance liability on leased aircraft	Other provisions				Total
			Employee Benefit	Legal Issues	Restructuring and voluntary leave	Other	
As at January 1, 2025	50	1,015	146	164	2	128	1,505
Additional provisions and increases in existing provisions	3	-	23	2	18	121	167
Unused amounts reversed	-	-	-	-	(1)	-	(1)
Used during year	-	-	(17)	-	(5)	(102)	(124)
New/changes in lease contract	3	97	(1)	-	-	1	100
Foreign currency translation differences	(2)	(107)	(3)	-	-	(1)	(113)
Accretion impact	-	66	-	-	-	1	67
Other changes	-	-	2	-	-	-	2
As at December 31, 2025	54	1,071	150	166	14	148	1,603

The current and non-current breakdown for return obligations liability and other provisions is as follows:

In EUR million	Return obligation liability on leased aircraft	Maintenance liability on leased aircraft	Other provisions				Total
			Employee Benefit	Legal Issues	Restructuring and voluntary leave	Other	
Non-current	54	1,071	137	-	-	48	1,310
Current	-	-	13	166	14	100	293
Total	54	1,071	150	166	14	148	1,603



In EUR million	Return obligation liability on leased aircraft	Maintenance liability on leased aircraft	Other provisions				Total
			Employee Benefit	Legal Issues	Restructuring and voluntary leave	Other	
As at January 1, 2024	46	829	137	195	3	106	1,316
Additional provisions and increases in existing provisions	2	-	23	3	11	109	148
Unused amounts reversed	-	-	-	-	(3)	-	(3)
Used during year	-	-	(16)	(34)	(9)	(91)	(150)
New/changes in lease contract	(1)	82	3	-	-	3	87
Foreign currency translation differences	1	47	1	-	-	1	50
Accretion impact	2	57	-	-	-	-	59
Other changes	-	-	(2)	-	-	-	(2)
As at December 31, 2024	50	1,015	146	164	2	128	1,505

The current and non-current breakdown for return obligations liability and other provisions is as follows:

In EUR million	Return obligation liability on leased aircraft	Maintenance liability on leased aircraft	Other provisions				Total
			Employee Benefit	Legal Issues	Restructuring and voluntary leave	Other	
Non-current	50	1,015	133	-	-	8	1,206
Current	-	-	13	164	2	120	299
Total	50	1,015	146	164	2	128	1,505

For details about the Return obligation liability and other provisions see note 26. Return obligation liability and other provisions.



48. Trade and other payables

In EUR million	As at December 31,	
	2025	2024
Trade payables	833	832
Amounts due to subsidiaries	385	565
Amounts due to Air France-KLM Group companies	133	124
Taxes and social security premiums	790	752
Employee related liabilities	247	242
Other payables	66	164
Accrued Liabilities	115	91
Total	2,569	2,770

49. Subsequent events

Final judgement of the European Court of Justice

With reference to the Antitrust investigations paragraph in note 29. Contingent Assets and Liabilities, a final judgement of the European Court of Justice has been rendered on February 26, 2026. The fines are in line with the provision as of December 31, 2025. KLM has paid the fines (including accrued interest) on March 13, 2026.

Redemption of the 1986 CHF 270 million subordinated perpetual loan

On March 9, 2026, KLM announced that it will make use of the call window to redeem the 1986 CHF 270 million (approximately EUR 300 million) subordinated perpetual loan, listed on the SIX Swiss Exchange, Zurich, on the next call date being May 15, 2026.

This longstanding subordinated perpetual instrument will be replaced with a EUR 300 million equity injection by Air France-KLM S.A. Reference is made to note 21. Other financial liabilities.



Other notes

KLM N.V. is the head of both the KLM income tax and value added tax fiscal unity of KLM N.V. and its Dutch subsidiaries.

For information relating to contingency assets and liabilities, including guarantees, see note 29. Contingent Assets and Liabilities. In addition the Company, as parent company of Transavia Airlines C.V., issued a letter that the Company provides such financial support as is necessary to enable Transavia Airlines C.V. to continue as going concern and to meet all their liabilities as they fall due, at least for the next twelve months after the date of this Annual Report.

The Company makes use of the exemption provided in Section 382a (3) of Book 2 of the Dutch Civil Code. This section permits companies to not disclose the statutory audit fees, given that these are included in the Consolidated financial statements of the ultimate parent company Air France-KLM S.A.

For information relating to the Supervisory Board and statutory Board of Managing Directors remuneration see notes 30 and 31.

Amstelveen, March 24, 2026

The statutory Board of Managing Directors

Marian. E.F. Rintel
Maarten P.A. Stienen
Bas H.F. Brouns

The Supervisory Board

Wiebe Draijer
François Enaud
Frédéric N.P. Gagey
Jan Kees de Jager
Christian Nibourel
Marjan Oudeman
Fleur Pellerin
Benjamin Smith
Janine Vos



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Independent auditors' report

To: the General Meeting of Shareholders and the Supervisory Board of Koninklijke Luchtvaart Maatschappij N.V. ("KLM Royal Dutch Airlines")

Report on the audit of the financial statements 2025 included in the Annual Report

In our opinion:

- › the accompanying consolidated financial statements give a true and fair view of the financial position of KLM Royal Dutch Airlines together with its subsidiaries as at December 31, 2025 and of its result and its cash flows for the period January 1, 2025 to December 31, 2025 in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- › the accompanying company financial statements give a true and fair view of the financial position of KLM Royal Dutch Airlines as at December 31, 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2025 of KLM Royal Dutch Airlines ('KLM' or 'the Company') based in Amstelveen. The financial statements include the consolidated and the company financial statements. The consolidated financial statements comprise:

- › the consolidated balance sheet as at December 31, 2025;
- › the following consolidated statements for the year ended December 31, 2025: profit or loss, comprehensive income, changes in equity and cash flows; and
- › the notes comprising a summary of the material accounting policies and other explanatory information.

The company financial statements comprise:

- › the Company balance sheet as at December 31, 2025;
- › the Company statement of profit or loss for the year ended December 31, 2025; and
- › the notes comprising a summary of accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of KLM in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach regarding fraud risks and the audit approach related to going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.



Summary

Materiality

- › Materiality of EUR 110 million
- › 0.8% of total revenues

Group audit

- › Performed substantive procedures for 82% of total assets
- › Performed substantive procedures for 96% of total revenues

Risk of material misstatements related to Fraud, NOCLAR and Going concern

- › Fraud and non-compliance with laws and regulations ('Noclar') related risks: we identified management override of controls, bribery and corruption risk due to business with sales agents and revenue recognition as fraud risks.
- › Going concern: no risk of material misstatement with regards to the going concern basis of financial reporting identified.

Key audit matters

- › Sustainable business model of KLM
- › Fraudulent revenue recognition due to fictitious revenue

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 110 million (2024: EUR 100 million). The materiality is determined with reference to the relevant benchmark revenues, of which it represents 0.8% (2024: 0.8%). We consider revenues as the most appropriate benchmark because of the needs of the stakeholders. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee and Supervisory Board that misstatements identified during our audit in excess of EUR 5.5 million

(2024: EUR 5.0 million) would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

KLM heads a group of components and has four principal business segments: network activities, which includes air transport of passengers and cargo, aircraft maintenance, leisure, and other activities linked to air transport. The financial information of this group is included in the financial statements of KLM.

We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. We identified 9 components associated with a risk of material misstatement and we were involved at all component levels. We set component performance materiality levels considering the components' size and risk profile.

We have performed substantive procedures for 96% (2024: 98%) of Group total revenues and 82% (2024: 87%) of Group total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement.

In supervising and directing our component auditors, we:

- › held risk assessment discussions with the component auditors to obtain their input to identify matters relevant to the group audit;
- › issued group audit instructions to component auditors on the scope, nature and timing of their work, and received written communication about the results of the work they performed;
- › held meetings with all component auditors in person and/or virtually to discuss relevant developments, understand and evaluate their work and attended meetings with local management;
- › inspected the work performed by all component auditors and evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, including the relation between communicated findings and work performed. In our inspection we mainly focused on significant risks.



We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

Audit response in relation to fraud and non-compliance with laws and regulations

The Board of Managing Directors performs a fraud risk assessment and describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the Supervisory Board reflects on this.

As part of our audit, we have gained insights into KLM's business operations and environment and assessed the design and implementation of KLM's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing KLM's code of conduct, whistleblowing procedures, and management meeting minutes to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Board of Managing Directors, the Audit Committee and other relevant functions, such as Internal Audit and KLM's Legal and Compliance Counsel. We also incorporated elements of unpredictability in our audit, such as selecting an additional airline on a random basis for external confirmation procedures to test interline revenue.

As part of our audit procedures, we:

- › assessed other positions held by members of the Board of Managing Directors and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- › assessed KLM's fraud and non-compliance evaluation and incorporated relevant risks of material misstatements in our audit; and
- › obtained and evaluated legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to KLM and identified the following areas as those most likely to have a material effect on the financial statements:

Firstly, KLM is subject to laws and regulations that directly affect the financial statements including financial reporting and taxation legislation and we

assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, KLM is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following laws and regulations as those most likely to have such an effect:

- › anti-bribery and corruption laws and regulations;
- › trade sanctions and export controls laws and regulations;
- › data privacy and cyber security regulations;
- › anti-competition laws and regulations; and
- › act on aviation as included in Dutch Law.

Based on the above and in line with the auditing standards, we identified the following fraud risks, and responded as follows:

Management override of controls

Risk:

- › Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- › we assessed the design and the implementation of internal controls that mitigate fraud risks with respect to journal entries;
- › we performed data analyses on journal entries based on high-risk criteria. Where applicable, we performed additional audit procedures to address each identified risk, including evaluating the business rationale of the transactions and testing the transactions back to source information;
- › we evaluated key estimates and judgements for bias by management, such as estimates related to unearned passenger revenues, including retrospective reviews where needed;
- › we assessed the material post-closing adjustments and the appropriateness of the accounting for transactions that are outside KLM's normal course of business, or are otherwise unusual (if any);
- › we evaluated whether the selection and application of accounting policies by KLM, particularly those related to subjective measurements and



complex transactions, may be indicative of fraudulent financial reporting;
and

- › performed fraud inquiries of management and others within the Company as to their knowledge, awareness, concerns regarding fraud.

Bribery and corruption risk due to business with sales agents

Risk:

- › Historically, KLM engaged sales agents in order to obtain and/or secure maintenance contracts. This involves risks related to non-compliance with laws and regulations regarding bribery and corruption.

Responses:

- › evaluating the design and implementation of internal controls, policies and procedures in relation to entering into contracts with sales agents;
- › we performed inquiries of management, and, where appropriate, head of internal audit, compliance officer, and head of legal affairs, about the corruption risk and anti-corruption program;
- › we performed audit procedures on commission and payments to agents, among others, by testing transactions back to source information and assessing the due diligence procedures performed by KLM; and
- › we obtained written management representations that all known instances and non-compliance with laws and regulations have been disclosed.

Revenue recognition

Risk:

- › Fraudulent revenue recognition due to fictitious revenue.

Responses:

- › Our procedures to address the identified risk of fraudulent revenue recognition have been covered in a key audit matter. We refer to the key audit matter for our responses and our observations thereon.

We communicated our risk assessment, audit responses and results to the Board of Managing Directors and the Audit Committee of the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Board of Managing Directors has performed its going concern assessment as included in the “Assessment of going concern paragraph” in the notes to the consolidated financial statements and has not identified any going concern risks. Our main procedures to assess the Board of Managing Directors’ assessment were:

- › we considered whether the Board of Managing Directors’ assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- › we inquired and challenged the Board of Managing Directors regarding the most important assumptions underlying its going concern assessment. Amongst other, whether the assessment included the impact of the geopolitical unrest and macro-economic uncertainties;
- › we assessed KLM’s financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks;
- › we evaluated KLM’s 2026 budget and 5-year plan, including the cash flow forecast for at least 12 months from the date of the authorisation of the financial statements taken into account current developments in the industry such as the investments to be made for new fleet and all relevant information of which we are aware as a result of our audit;
- › we inspected the financing agreements that could lead to going concern risks; and
- › we performed inquiries of the Board of Managing Directors as to its knowledge of going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Managing Directors’ going concern assessment.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Managing Directors and the Audit Committee of the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed. Our key audit matters are consistent with those reported in previous year.



Sustainable business model of KLM

Description

The Company continues to face macroeconomic, environmental, and heightened geopolitical challenges, as well as a shifting political landscape, which directly impacts its current business model. These challenges include, among others, risks associated with the increased focus on the transition towards more sustainable aviation, as well as operational disruptions driven by supply chain constraints, capacity limitations, and strikes related to collective labour agreement negotiations. In addition, the introduction of a differentiated aviation tax and further increases in airport charges at Schiphol Airport, combined with ongoing discussions regarding capacity reductions at Schiphol Airport, continue to represent a risk to the Company. KLM assessed its current business model and issued a strategy and a climate action plan to safeguard the sustainability of its business model and the outcome thereof has been embedded in KLM's 2026 budget and 5-year plan. In response to the macroeconomic and geopolitical challenges above, KLM continues with the 'Back on Track' programme as a stabilising measure aimed at strengthening both financial performance and operational reliability. In 2026, the programme is set to progress into a broader phase of structural improvement, with a renewed emphasis on operational excellence and predictability as the core drivers of financial performance. Through this initiative, management aims to sustainably improve its operating result and create the financial capacity to support future investments of more technologically advanced aircraft and withstand challenges ahead.

The aforementioned developments and management's actions could have an impact on the Company's financial position, results and ability to finance future investments. We therefore focused on matters which require judgement, such as future scenarios including the impact of KLM's climate action plan as well as the 'Back on Track' programme, which may affect valuation of aircraft and other non-current assets in the 2025 financial statements.

Our response

Our procedures primarily consisted of:

- › making inquiries of management and the Audit Committee of the Supervisory Board to understand the assessment of the potential impact of aforementioned developments and risks on KLM's financial statements in relation to the background of KLM's business and operations and position in the aviation sector;
 - › inquiring and challenging management on the effects of the KLM strategy and its climate action plan on the financial position, results and cashflow forecasting, in particular on reasonableness of assumptions applied in the future scenarios which include potential changes in regulations regarding carbon credit prices and CO2 compensation, potential changes in capacity and productivity, investments for KLM's fleet renewal program, depreciation periods, lease contracts, the use of Alternative Aviation Fuel ('SAF') and on the related disclosures;
 - › obtaining KLM's 2026 budget, 5-year plan and the 'Back on Track' programme and evaluating management's key assumptions and judgments, including those relating to investment in and valuation of aircraft and other non-current assets, as well as the appropriateness of management's sensitivity analyses over profit forecasts and liquidity;
 - › performing inquiries with the 'Back on Track' programme lead covering amongst others the impact, reporting and measures implemented on component level;
 - › inspecting the Board of Managing Directors and Audit Committee meeting minutes to determine any relevant matters impacting KLM's current and future business strategy and or operations;
 - › furthermore, we have read the 'Other information' with respect to these developments, including the risks as included in the Annual Report and considered whether such information contains material inconsistencies with the financial statements or our knowledge obtained through the audit. The extent of the procedures we performed over 'Other information' is further described in section 'Report on the other information in the Annual Report' of our report.
-

**Our observation**

The results of our procedures were satisfactory, and we conclude that the related disclosures are adequate. We note that these disclosures are balanced in the current circumstances and forecasts were made based on the current available information of the Company's operations and its environment. We expect that these disclosures will continue to evolve to reflect the impact of these challenges and risks on the Company's future operations and financial performance.

Fraudulent revenue recognition due to fictitious revenue**Description**

The revenue related to KLM's ordinary activities is recognized when the transportation and/or maintenance services are provided to customers in accordance with IFRS 15, as disclosed in paragraph 'revenues' of the section accounting policies for the statement of profit or loss. There are opportunities and incentives for management to overstate revenues of the current financial year.

We considered fraudulent revenue recognition to be a key audit matter as there may be a tendency to record fictitious revenue, in particular in the transactions in the last period of the financial year. This resulted in a risk that revenue might be overstated.

Our response

- › evaluating the design and implementation of controls around revenues that we considered the most relevant in determining the appropriate timing of revenue recognition;
- › inquiring several individuals involved in the financial reporting process whether there have been any instances of overrides of controls through recording of journal entries or other adjustments related to revenues;
- › assessing whether revenue was appropriately recognised in line with IFRS 15 requirements. For selected sales transactions recognised before year-end we inspected supporting documentation, for example, passenger tickets, airway-bills, flight information and maintenance contracts;
- › assessing underlying data and assumptions of accounting estimates for biases that could result in a material misstatement due to fraud related to the issued but unused passenger tickets;

- › analysing manual revenue journal entries by comparing these to the nature and extent of the manual revenue journal entries in last year; and
- › assessing the appropriateness of high-risk manual revenue journal entries in December 2025 and January 2026, primarily focusing on the possibility of improper shifting of revenue from January 2026 to December 2025;
- › assessing the appropriateness of disclosures in note 2 and 24 to the consolidated financial statements.

Our observation

Our audit procedures did not reveal indications and/or reasonable suspicion of fraudulent revenue recognition. The results of our procedures performed regarding fraudulent revenue recognition due to fictitious revenue are satisfactory and the related disclosures (note 2 and 24) are adequate

Compliance with Regulatory Technical Standard of SBR, including XBRL tagging, not audited

The statutory audit includes verifying that the prepared financial statements comply with the legal requirements under Title 9 of Book 2 of the Dutch Civil Code. Our audit opinion has been issued on the prepared financial statements and will be attached to the digitally filed Annual Report. This means that compliance with all requirements of the Regulatory Technical Standard within the SBR domain for the Trade Register of the Chamber of Commerce (including the applied eXtensible Business Reporting Language (XBRL) tags) was not part of the statutory audit.



Report on the other information included in the Annual Report

In addition to the financial statements and our auditors' report thereon, the Annual Report contains other information. Based on the following procedures performed, we conclude that the other information: is consistent with the financial statements and does not contain material misstatements; and contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the Report of the Managing Directors and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Managing Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

KLM engaged us, KPMG Accountants N.V. and PricewaterhouseCoopers Accountants N.V., to perform a joint audit. We were engaged by the General Meeting of Shareholders as auditors of KLM, on May 22, 2025, for the audit of the year 2025, whereby KPMG Accountants N.V. has operated as statutory joint auditor since financial year 2005. PricewaterhouseCoopers Accountants N.V. operated as statutory joint auditor since financial year 2022.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Managing Directors and the Supervisory Board for the financial statements

The Board of Managing Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Managing Directors is responsible for such internal control as the Board of Managing Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Managing Directors, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Managing Directors is responsible for assessing KLM's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Managing Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Managing Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Managing Directors should disclose events and circumstances that may cast significant doubt on KLM's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.



Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix this auditors' report. This description forms part of our auditors' report.

Maastricht-Airport, March 24, 2026
KPMG Accountants N.V.

Amsterdam, March 24, 2026
PricewaterhouseCoopers
Accountants N.V.

M.E.H. Smeets RA

F.S. van der Ploeg RA

Appendix:

Description of our responsibilities for the audit of the financial statements

Appendix

In addition to what is included in our auditors' report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- › identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- › obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KLM's internal control;
- › evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managing Directors;
- › concluding on the appropriateness of the Board of Managing Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on KLM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause a company to cease to continue as a going concern;
- › evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and



[Independent auditors' report](#)

- › evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are ultimately responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit. We have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the Audit Committee of the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Audit Committee of the Supervisory Board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditors' report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Five-year financial summary

In EUR million	2025	2024	2023	2022	2021
Consolidated statement of profit or loss					
Passenger	9,414	9,032	8,764	7,210	3,109
Cargo	1,137	1,213	1,168	1,748	1,980
Other revenues	2,624	2,436	2,118	1,721	976
Revenues	13,175	12,681	12,050	10,679	6,065
Expenses*	(11,626)	(11,244)	(10,478)	(9,001)	(5,370)
Adjusted EBITDA*	1,549	1,437	1,572	1,678	695
Amortisation, depreciation, impairment and movement in provisions*	(1,133)	(1,021)	(922)	(972)	(922)
Adjusted income from operating activities*	416	416	650	706	(227)
Total APM adjustments*	—	(24)	489	37	(949)
Income from operating activities	416	392	1,139	743	(1,176)
Financial income and expenses	(30)	(299)	(192)	(304)	(340)
Pre-tax income	386	93	947	439	(1,516)
Income tax expenses	(100)	(31)	(238)	305	255
Net result after taxation of consolidated companies	286	62	709	744	(1,261)
Share of results of equity shareholdings	(2)	8	5	-	3
Profit/(loss) for the year	284	70	714	744	(1,258)
Consolidated balance sheet					
Current assets	2,773	3,097	3,702	3,364	2,525
Non-current assets	11,082	9,928	8,861	8,539	8,100
Total assets	13,855	13,025	12,563	11,903	10,625
Current liabilities	5,578	5,972	5,713	5,267	3,882
Non-current liabilities	7,081	6,136	6,053	6,500	7,438
Group equity	1,196	917	797	136	(695)
Total equity and liabilities	13,855	13,025	12,563	11,903	10,625

* See note 9. Alternative performance measures (APM) for the reconciliation to adjust EBITDA and adjusted income from operating activities.



Five-year financial summary

In EUR million	2025	2024	2023	2022	2021
Key financial figures (KLM Group)					
Adjusted income from operating activities for the year as percentage of revenues*	3.2	3.3	5.4	6.6	(20.7)
Earnings per ordinary share (EUR)	6.06	1.47	15.23	15.87	(26.90)
Capital expenditures (net)	(1,094)	(1,273)	(507)	(580)	(481)
Net debt/adjusted EBITDA ratio	2.2	1.6	0.7	1.0	4.5
Dividend per ordinary share (EUR)	0.8357	0.307	-	-	-
Average number of staff (KLM Group)					
(in FTE)					
The Netherlands	27,866	27,349	26,194	24,525	23,705
Outside the Netherlands	3,202	3,115	2,992	2,899	2,902
Employed by KLM	31,068	30,464	29,186	27,424	26,607
Total agency staff	1,994	2,105	1,966	1,561	837
Total KLM Group	33,062	32,569	31,152	28,985	27,444
Traffic (KLM Company)					
Passenger kilometers**	98,971	95,640	92,652	82,289	40,912
Revenue ton freight kilometers**	2,543	2,611	3,244	2,353	3,333
Passenger load factor (%)	88.0	88.2	87.1	83.4	49.6
Cargo load factor (%)	49.0	53.1	49.4	53.4	79.6
Number of passengers (x 1,000)	34,465	33,007	30,332	25,838	14,039
Weight of cargo carried (kilograms)**	325	336	305	306	412
Average distance flown per passenger (in kilometers)	2,872	2,898	3,055	3,185	2,914
Capacity (KLM Company)					
Available seat kilometers**	112,530	108,415	106,336	98,660	82,452
Available ton freight kilometers**	5,189	4,914	4,779	4,402	4,155
Kilometers flown**	465	447	416	378	322
Blockhours (x 1,000)	694	673	627	561	465
Yield (KLM Company)					
Yield (in cents):					
Passenger (per RPK)	9.3	9.2	9.2	8.6	7.3
Cargo (per RTK)	28.7	29.1	29.8	42.7	37.3

* See note 9. Alternative performance measures (APM) for the reconciliation to adjusted EBITDA and adjusted income from operating activities.

** in millions



Provisions of the articles of association on the distribution of profit

UNOFFICIAL TRANSLATION OF ARTICLE 32 OF THE ARTICLES OF ASSOCIATION OF KLM ROYAL DUTCH AIRLINES

1. Out of the profit established in the adopted financial statements, an amount may first be set aside by the meeting of priority shareholders in order to establish or increase reserves. The meeting of priority shareholders shall only do so after consultation of the Board of Managing Directors and the Supervisory Board.
2. So far as possible and permitted by law and these Articles of Association the remainder of the profit shall be distributed as follows:
 - a. the holders of priority shares shall receive first the statutory interest percentage prevailing on the last day of the fiscal year concerned, with a maximum of five per cent (5%) of the paid up amount per priority share; if and to the extent that the profit is not sufficient to make the full aforementioned distribution on the priority shares, in subsequent years a distribution to the holders of priority shares shall first be made to recompense this shortfall entirely before the following paragraph may be given effect;
 - b. next the holders of cumulative preference shares-A shall receive six per cent (6%) of the par value of their cumulative preference shares-A or - in the case of not fully paid-up shares - of the obligatory amount paid thereon; if and to the extent that the profit is not sufficient to make the full aforementioned distribution on the cumulative preference shares-A, in subsequent years a distribution to the holders of cumulative preference shares-A shall be made to recompense this shortfall entirely before the following paragraph may be given effect;
 - c. next the holders of preference shares-B shall receive five per cent (5%) of the par value of their preference shares-B or - in the case of not fully paid-up shares - of the amount obligatorily paid thereon;
 - d. next the holders of preference shares-B shall receive one half per cent (0.5%) of the par value of their shares or - in the case of not fully paid-up shares - of the amount obligatorily paid thereon for each per cent of the ratio (expressed as a percentage) of the profit to the operating revenues mentioned in the adopted consolidated profit and loss account, with the understanding that this dividend percentage shall not be in excess of five per cent (5%) of the nominal amount of the issued common shares;
 - e. subsequently, on each cumulative preference share-C of a series a dividend shall be paid which is equal to a percentage of the amount which has been paid up on the share, calculated by taking the arithmetic average of the effective yield on the Government loans to be described below under letter (f), as published in the Officiële Prijscourant of Euronext Amsterdam N.V. for the last five (5) stock exchange days prior to the day on which a cumulative preference share-C of the series in question was issued for the first time, possibly increased by a supplement established by the Board of Managing Directors and approved by the Supervisory Board and the meeting of priority shareholders in the amount of a maximum of one hundred and thirty-five (135) basic points, depending on the market circumstances which shall prevail at that time, which supplement may be different for each series;
 - f. government loans mentioned under the letter (e) of this paragraph shall be deemed to mean the Government loans to the debit of the State of The Netherlands with a (remaining) life of seven to eight years. If the effective yield on these Government loans has not been published in the Officiële Prijscourant of Euronext Amsterdam N.V., as the time of the calculation of the dividend percentage, then the Government loans referred to under the letter (e) shall be deemed to be the Government loans to the debit of the State of The Netherlands with a (remaining) life which is as close as possible to a (remaining) life of seven to eight years, the effective yield of which has been published in the Officiële Prijscourant of Euronext Amsterdam N.V. at the time of the calculation of the dividend percentage as stated above, on the proviso that the maximum (remaining) life is eight years;
 - g. on the date on which the cumulative preference shares-C of the series in question have been outstanding for eight years, for the first time, and thereafter every subsequent eight years, the dividend percentage of cumulative preference shares-C of the series in question will be adjusted to the effective yield of the Government loans referred to in the preceding subparagraphs which is valid at that time, calculated in the manner as

Provisions of the articles of association on the distribution of profit

described in the foregoing, but on the proviso that the average referred to shall be calculated over the last five (5) exchange days prior to the day as of which the dividend percentage shall be adjusted, possibly increased by a supplement established by the Board of Managing Directors and approved by the Supervisory Board and the meeting of priority shareholders in the amount of a maximum of one hundred and thirty-five (135) basic points, depending on the market circumstances which shall prevail at that time, which supplement may be different for each series. If the dividend percentage is adjusted in the course of a financial year, then for the calculation of the dividend over that financial year, the percentage which applied before the adjustment shall apply up to the day of adjustment, and as from that day, the adjusted percentage;

if and to the extent that profit is not sufficient to make full payment of the dividend on the cumulative preference shares-C referred to in this paragraph, in subsequent years a distribution to the holders of cumulative preference shares-C shall be made to recompensate this shortfall entirely before the following paragraph may be given effect. For the application of the provisions stated under this present letter (h), the holders of the various series of cumulative preference shares-C shall receive equal treatment. No further payment shall be made on the cumulative preference shares-C than those determined in this Article, in Article 11 paragraph 6 and in Article 42; interim payments made in accordance with the provisions of paragraph 6 of this Article for a financial year will be deducted from the payments made pursuant to this paragraph;

- h. if, in the financial year for which the payment referred to above takes place, the amount paid in on the cumulative preference shares-C of a certain series has been reduced, the payment will be reduced by an amount equal to the aforementioned percentage of the amount of the reduction calculated from the time of the reduction;
- i. if the profits over a financial year have been established and in that financial year one or more cumulative preference shares-C have been withdrawn with repayment, then those who were listed in the registry referred to in Article 9 as holders of those cumulative preference shares-C at the time of such withdrawal shall have an inalienable right to payment of profits as described hereinafter. The profits which are to be paid (if possible) to such a holder of cumulative preference shares-C shall be equal to the amount of the payment to which such a holder would be entitled to the grounds of the provisions of this paragraph if, at the time at which profits were determined, he were still a holder of the aforementioned cumulative preference shares-C calculated in proportion to the duration of the period during which he was a holder of those

cumulative preference shares-C in said financial year, from which payment shall be deducted the amount of the payment which was made pursuant to the provisions of Article 32;

- j. if, in the course of a given financial year, issuance of cumulative preference shares-C has taken place, then for that financial year the dividend on the shares in questions will be decreased in proportion to the time passed until the first day of issuance;
 - k. the remainder will be received by the holders of common shares in proportion to the par value of their common shares to the extent the general meeting of shareholders does not make further appropriations for reserves in addition to any reserves established pursuant to paragraphs 1 and 2 of this Article.
3. The Board of Managing Directors, with the approval of the Supervisory Board, resolves on distributions at the expense of the share premium reserve maintained for the holder of the common share-B. Until the share premium reserve maintained for the holder of the common share-B has been distributed in full, the Company shall not make any other distribution (neither from profit nor at the expense of the reserves nor in the context of a repurchase or withdrawal of shares) on common shares.
 4. The reserve and dividend policy of the Company may only be amended with the prior approval of the Supervisory Board and the meeting of priority shareholders.
 5. On the recommendation of the Board of Managing Directors and after approval of such recommendation by the Supervisory Board and the meeting of priority shareholders, the general meeting of shareholders may decide that payments to shareholders shall be wholly or partly effected by issuing shares of the same type of capital stock of the Company as the type of the shares to which these payments relate.
 6. As far as possible and subject to the approval of the Supervisory Board, the meeting of priority shareholders may resolve to distribute one or more interim dividends against the expected dividend, provided that an interim statement of assets and liabilities demonstrates that the Company meets the requirements of Article 105, paragraph 2 Book 2 of the Dutch Civil Code. This interim statement of assets and liabilities shall be drawn up, signed and made public according to the specifications contained in paragraph 4 of the statutory provision mentioned above.
 7. Subject to the approval of the Supervisory Board, the meeting of priority shareholders may, to the extent possible and permitted by law and these Articles of Association, resolve to make a distribution to the holders of common shares out of one or more of the freely distributable reserves with the exception of the share premium reserves.



Provisions of the articles of association on the distribution of profit

8. Subject to the approval of the Supervisory Board, the meeting of priority shareholders may, to the extent possible and permitted by law and these Articles of Association, decide to make, as an advance payment on the distribution referred to in paragraph 2 of this Article, distributions out of the freely distributable reserves, with the exception of the share premium reserves.
9. No other distributions than the distributions provided for in this Article and in Article 42 are made on the priority shares and preference shares.



Appropriation of profit and distribution to shareholders

It is proposed that the net profit for 2025 amounting to EUR 283,481,000 be appropriated as follows:

(In EUR)	
Retained earnings	242,924,000
Dividend distributions	
Priority shareholders 2025 (5%)	794
A cumulative preference shareholder 2025 (6%)	1,057,500
C cumulative preference shareholder 2025 (2.69%)	379,135
A and B ordinary shareholders 2025	39,119,571
Total dividend distributions	40,557,000
Total transfer to reserves	283,481,000



Glossary of terms and definitions

Adjusted EBITDA

EBITDA adjusted for alternative performance measures (APMs) not defined by IFRS. See note 9. Alternative performance measures (APMs) in the Consolidated financial statements.

Adjusted free cash flow

Free cash flow minus net interest payments and redemption payments on lease debt.

Adjusted income from operating activities

Income from operating activities adjusted for alternative performance measures (APMs) not defined by IFRS. See note 9. Alternative performance measures (APMs) in the Consolidated financial statements.

Alternative performance measures (APMs)

The Group considers it relevant to the understanding of its financial performance to use certain APMs not defined by IFRS. These APMs should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. APMs do not have standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. See note 9. Alternative performance measures (APMs) in the Consolidated financial statements.

Available Seat Kilometer (ASK)

One aircraft seat flown a distance of one kilometer.

Available Ton Freight Kilometer (ATFK)

One metric ton (1,000 kilograms) cargo capacity flown a distance of one kilometer.

Average capital employed

The sum of property, plant and equipment, right-of-use assets, intangible assets, investments accounted for using the equity method, other financial assets (excluding shares, marketable securities and financial deposits),

minus related provisions (excluding for pensions, cargo litigation and restructuring) and working capital (excluding market value of derivatives). The capital employed for the year is obtained by taking the average of the year and previous year capital employed.

Cargo load factor

Total Revenue Ton Freight Kilometers (RTFK) expressed as a percentage of the total Available Ton Freight Kilometers (ATFK).

Codesharing

Service offered by KLM and another airline using the KL code and the code of the other airline.

Earnings per ordinary share

The profit or loss attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding.

EBITDA

The earnings before interests, taxes, depreciation, amortisation, impairment and movements in provisions. EBITDA provides a simple indicator of the cash generation during the year.

Free cash flow

This corresponds to the net cash flow from operating activities minus the net cash flow used in investing activities (excluding investments in and proceeds on sale of equity accounted investees, dividends received, interest received and proceeds of short-term deposits and commercial paper).

Net debt

The sum of current and non-current financial liabilities, current and non-current loans from parent company, current and non-current finance lease obligations, current and non-current lease debt, less cash and cash equivalents, short-term deposits and commercial paper and held-to-maturity financial assets.



Passenger load factor

Total Revenue Passenger Kilometers (RPK) expressed as a percentage of the total Available Seat Kilometers (ASK).

Revenue Passenger Kilometer (RPK)

One passenger flown a distance of one kilometer.

Revenue Ton Freight Kilometer (RTFK)

One metric ton (1,000 kilograms) of cargo flown a distance of one kilometer.

Return on capital employed

The sum of income from current operations minus dividends received, the share of results in equity shareholdings and after taxation divided by the average capital employed.



Warning about forward-looking statements

This annual report contains, and KLM and its representatives may make, forward-looking statements, either orally or in writing, about KLM and its business. Forward-looking statements generally can be identified by the use of terms such as ‘ambition’, ‘may’, ‘will’, ‘expect’, ‘intend’, ‘estimate’, ‘anticipate’, ‘believe’, ‘plan’, ‘seek’, ‘continue’ or similar terms. These forward-looking statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate management’s beliefs, and assumptions made by management about future events. Any such statement is qualified by reference to the following cautionary statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside of our control and are difficult to predict, that may cause actual results to differ materially from any future results expressed or implied from the forward-looking statements. These statements are not guarantees of future performance and involve risks and uncertainties including:

- › The airline pricing environment;
- › Competitive pressure among companies in our industry;
- › An economic downturn;
- › Political unrest throughout the world;
- › Changes in the cost of fuel or the exchange rate of the euro to the US dollar and other currencies;
- › Governmental and regulatory actions and political conditions, including actions or decisions by courts and regulators or changes in applicable laws or regulations (or their interpretations), including laws and regulations governing the structure of the combination, the right to service current and future markets and laws and regulations pertaining to the formation and operation of airline alliances;
- › Developments affecting labour relations;
- › The outcome of any material litigation;
- › Future demand for air travel;
- › Future load factors and yields;
- › Industrial actions or strikes by KLM employees, Air France employees or employees of our suppliers or airports;
- › Developments affecting our airline partners;
- › The effects of terrorist attacks, the possibility or fear of such attacks and the threat or outbreak of epidemics (such as the COVID-19 pandemic), hostilities or war, including the adverse impact on general economic conditions, demand for travel, the cost of security and the cost and availability of aviation insurance coverage and war risk coverage;
- › The effects of natural disasters and extreme weather conditions;
- › Changing relationships with customers, suppliers and strategic partners; and
- › Developments in any of these areas, as well as other risks and uncertainties detailed from time to time in the documents we file with or furnish to relevant agencies, could cause actual outcomes and results to differ materially from those that have been or may be projected by or on behalf of us. We caution that the foregoing list of important factors is not exhaustive. Additional information regarding the factors and events that could cause differences between forward-looking statements and actual results in the future is contained in our filings. We do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.



Headoffice

Amsterdamseweg 55
1182 GP Amstelveen
the Netherlands

Postal address

P.O. Box 7700
1117 ZL Schiphol
the Netherlands

Telephone

+31 20 649 9123

Internet

www.klm.com

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the Chamber of Commerce
and Industry Amsterdam,
the Netherlands.