

A photograph of an airplane cabin interior. In the foreground, a man with dark hair, wearing a light blue button-down shirt, is smiling broadly at the camera. Behind him, a woman with long, wavy brown hair is looking towards the camera. The cabin features blue and black seats and oval windows. The lighting is bright and even.

KLM Tax transparency and contribution report 2025

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KLM CFO
Bas Brouns
comments:

“FY2025 has underlined that the operating environment for KLM is structurally more volatile than in the past. Growth alone is not a strategy; predictable performance and disciplined execution are essential to safeguard our earning capacity and long-term resilience. In this context, we are committed to acting transparently, responsibly and professionally by managing all tax and risk matters across the jurisdictions in which we operate. Tax is not only a compliance obligation, but part of our broader responsibility to operate in a sustainable and predictable manner for our stakeholders.”



About this report

By publishing this tax report, KLM wants to provide meaningful insights to all its stakeholders in its approach to tax and the various tax contributions KLM makes. For an open and constructive dialogue about tax, KLM believes it is important to have a shared understanding of the rules governing taxation of companies operating in the international airline industry and the principles that guide KLM's operations worldwide.

This report serves as an addition to KLM's 2025 Annual Report, and we will describe the KLM tax strategy, the governance model, our approach towards incentives and advocacy. In the last paragraph we will then provide insight on the amounts of our worldwide contribution of taxes paid and collected in 2025.



KLM tax strategy and principles

The KLM tax strategy describes the strategic approach and attitude of KLM's Tax Department and is based on the following five key pillars:

1

We strive to act fairly, transparent and with integrity towards all our stakeholders.

2

We commit to act responsibly and professionally in managing all tax and risk matters across the multiple jurisdictions in which we operate.

3

We commit to complying with the letter, the intent and the spirit of the laws and regulations of each country in which we operate. Where necessary we will seek certainty in advance by consulting advisors or authorities.

4

We do not use contrived or specific tax structures that are intended to avoid paying taxes only, having no commercial substance.

5

We act in accordance with the KLM code of conduct >.



Above key pillars result in three guiding principles for tax:

Compliance;
Transparency; and
Risk Management.



Compliance

KLM strives to act in compliance with the letter, the intent and the spirit of all applicable laws, rules, regulations and reporting and disclosure requirements, wherever there is a requirement to do so as a result of our business presence and operations. Ensuring compliance requires awareness of business activities and effective collaboration between tax department and the businesses.

Our employees, acting in KLM capacity, are strictly forbidden to be intentionally involved in tax evasion in any applicable jurisdiction in any way, whether directly or indirectly by way of facilitation or otherwise, either on the part of KLM or on the parts of its suppliers, clients and counterparties.

KLM encourages its employees to report any misconduct via the 'KLM Speak up Policy' >.

Transparency

Mutual respect, transparency, and trust form the basis of KLM's relationships with tax authorities, other relevant government bodies, and external stakeholders. KLM engages in open, transparent, and constructive dialogue.

The objective is to proactively address disputed tax matters, minimize unnecessary challenges and disputes, and achieve upfront certainty wherever possible.

KLM has built a good and open working relationship with the Dutch tax authorities. We are in regular contact with the dedicated customer team of the tax authorities and meet every quarter to discuss business updates of the

company, changes in the KLM group, material positions in our tax returns, how we intend to apply new tax legislation and any ongoing relevant tax compliance item. KLM is one of the 100 companies for which the tax authorities issue an annual Individual Monitoring Plan enabling the tax authorities to establish that KLM monitors its key tax risks sufficiently.

As much as possible KLM deals with the Dutch tax authorities on a real time basis to resolve potential tax controversies in advance of the required tax filings, and, where appropriate, tax clearances are sought with full disclosure of relevant information. The tax authorities have indicated on a regular basis that collaboration with KLM's tax department is constructive. KLM is regarded as a compliant organization that takes the interests of the tax authorities into account.

KLM has committed to comply with the Dutch tax governance code as developed by The Confederation of Netherlands Industry and Employers (known as VNO NCW). The VNO Tax Governance Code not only includes relevant known tax codes and principles but is also more ambitious with regard to:

- a) the view that tax is not a cost factor only but a contribution to society as well,
- b) that tax rules must be interpreted in accordance with the spirit of the law,
- c) the restraint to use tax havens,
- d) transparency, especially on worldwide taxes paid and collected.

Reporting obligations on group-level are met by the holding entity of KLM, Air France KLM S.A. The holding entity files the Country-by-Country Report and Pillar 2 report for the group on an aggregated level, which includes the KLM data as well. For Pillar 2 reporting, the holding entity will submit a tax return in France. KLM can fulfil its obligation by submitting a notification file in the Netherlands and does not expect additional material costs because it estimates that the KLM group in the Netherlands is sufficiently taxed.

Risk management

KLM applies professional care in the management of all risks associated with tax matters and ensures governance and assurance procedures are appropriate. KLM's aim is to take sustainable tax positions which are long-term in nature and above all, in support of the business operations.

In the countries where we incorporate legal entities, these business structures are driven by commercial considerations, aligned with its business activity and have genuine substance. Transactions with group companies are conducted on the arm's length principle.

KLM does not use contrived or specific tax structures that are intended to avoid paying taxes only, having no commercial substance. So-called 'tax haven countries' are not used if there is no actual business operation supporting doing so. The guiding principle we work with is 'tax follows the business and is aligned with the existence of a commercial purpose'.

The tax department anticipates and reduces the tax risks to their lowest possible level, ensuring that reasonable care is applied to all KLM's processes that could materially affect compliance with the tax obligations.

If it concerns risk management, KLM aims for certainty about our tax positions by approaching advisors or tax authorities. In doing so we fully disclose all relevant facts and circumstances.





Tax governance

The KLM tax strategy is aligned with the business strategy, ambitions and objectives. The strategy, policies and guidelines are consistent with OECD recommendations for responsible business conduct in a global environment. The tax strategy is determined by KLM's Tax Department and is approved by the Board of Managing Directors.

The KLM Tax Department is mandated by the Board of Managing Directors to deal with all KLM tax matters, apart from ticket taxes, customs excise duties for which other KLM departments are responsible.

Furthermore, the KLM Tax Department will ensure that it provides regular tax risk reporting required by the Board, including all the relevant risk reporting required under the broader risk management framework (such as the Risk Management Committees and the Audit Committee). Relevant reports are submitted on a semi-annual basis.

The KLM guiding tax principles also apply to our subsidiaries. Subsidiary management consults with the KLM tax department as needed, particularly when there are changes in business activities. KLM tax department notifies its subsidiaries about changes in relevant tax legislation. A list of the KLM significant subsidiaries is published in its Annual Report. The full list of the KLM's subsidiaries, associates, jointly controlled entities and non-controlling interests can be found at the Chamber of Commerce.



KLM tax department's approach is to partner with KLM business operations and group companies to ensure that:

1. The tax strategy is adopted and followed consistently across KLM businesses with clear lines of responsibility and accountability
2. There is alignment of the strategy with KLM's overall approach to corporate governance and risk management, and
3. The correct data have been collected for group tax payments at the right moment required of it under the laws and regulations of the countries in which we operate.

The KLM Tax Department and the Air France Tax Department are each responsible for their own tax compliances. There is regular coordination between the two departments, and they collaborate on common issues.

Advocacy Approach

KLM participates in the tax committees of The Confederation of Netherlands Industry and Employers (VNO-NCW) and the International Air Transport Association (IATA). Besides, KLM provides its view in public consultations on legislative tax proposals, such as on the revision of the Dutch aviation tax.



Approach towards tax incentives

Governments make use of tax incentives to stimulate (economic) growth or a change in behavior of taxpayers. KLM makes use of tax incentives were available and appropriate. During 2025 KLM made use of two specific labor related (tax) incentives:

Deferral payment Corona wage tax debt

Employers suffering from loss of turnover during the COVID-19 crisis were allowed to defer their payments of wage taxes. Due to the enormous impact of COVID-19 on the operations of KLM and the cash position, we gratefully made use of this opportunity. The general rule is to repay the deferred payments in 60 monthly installments. Accordingly, the KLM Group has started with the monthly repayments as from October 2022 and is continuing to do so. The outstanding amount as of December 31, 2025 was EUR 540.5 million.

WBSO Subsidy

For its R&D projects initiated in 2025, KLM was awarded a preliminary WBSO subsidy of EUR 706K. This subsidy which is generally available to employers for hours spent on R&D is formalized by a reduction of wage taxes paid. The final subsidy will be based on the actual hours spent.



Key milestones in 2025

Airtrade

KLM has sold the shares of Airtrade Holding B.V. (a service provider for the travel industry) to a subsidiary of Air France-KLM SA, the parent company of KLM. The sale is a consequence of the new operating model for the group's subsidiaries.

Re-investment reserve

In 2023 KLM formed a tax re-investment reserve for the profit that arose from the transfer of assets of the Flying Blue Loyalty business of KLM, to a French Air France-KLM group entity. As per 2025, the re-investment reserve has been fully set off against newly acquired assets.

Werkkostenregeling (WKR)

As part of the Individual Monitoring Plan, KLM presented to the tax authorities how the WKR is applied and controlled within KLM. Various departments of KLM explained to the authorities how they deal on a day-to-day basis with the various application rules of the WKR and how they all contribute to the annual calculation sheet of where the entire KLM group WKR is consolidated.

SAF

To incorporate alternative Aviation Fuel into regular jet fuel and thereby reduce CO₂ emissions, KLM plans to further expand the current Alternative Aviation Fuel program for its customers. To ensure clarity on the VAT treatment, KLM Tax Department has consulted the tax authorities in advance. The consultation is still pending at the end of 2025.

KLM Flight Academy

In 2025, KLM made an agreement with the tax authorities regarding the costs of the two-year training program at the KLM Flight Academy where one is trained to become a KLM pilot. At the start of the training program, students can opt for a free training program in exchange for a lower starting salary as KLM pilot.

Key tax contributions and collections

The Total Tax Contribution (also referred to as TTC) of KLM in 2025 amounted to EUR 3,345 million (2024: EUR 3,053 million).

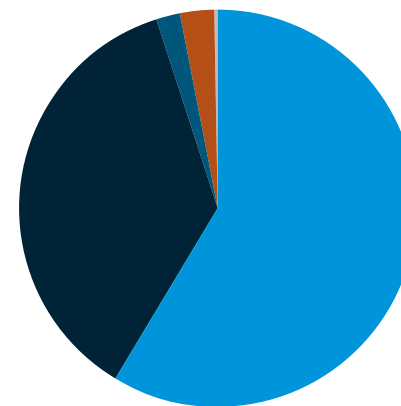
The largest component of the tax contribution relates to industry taxes, representing 59% of the total amount. Whereas the employment taxes, profit tax and product taxes contribute for 36%, 2% and 3% of the total tax contributions respectively.

The main difference with 2024 concerns an increase in industry taxes and employment taxes. In our TTC overview we account for in total five main categories of taxes:

KLM Total Tax Contribution 2025

(EUR 3,345 million)

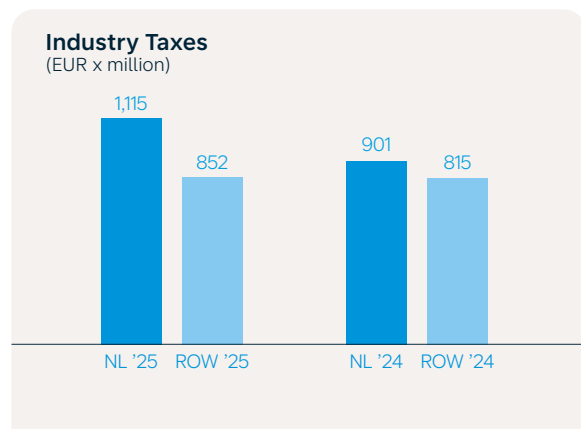
● Industry taxes	1,967
● Employment taxes	1,213
● Product taxes	95
● Profit taxes	64
● Other taxes	6



Industry Taxes

Industry taxes represent the largest category of the total tax contribution by KLM for 2025. Airlines and their customers pay many special taxes and fees to a variety of authorities, both at their home base and abroad. The contributions of these taxes and fees are intended to fund homeland (national) security, environmental protection, agriculture inspection, infrastructure enhancement, airport and airway operations and maintenance and financing countries' general budget. These specific airline related taxes have grown in number, amount, and scope since the advent of air transport. The amount a passenger pays in taxes and fees on a ticket varies according to his itinerary, including the number of times he or she boards a new flight and at what airports. KLM is responsible for collecting specific industry taxes from its passengers such as the specific Flight Tax in the Netherlands and the Air Passenger Duty in the UK.

In 2025 KLM collected EUR 1,967 million on industry taxes worldwide. 57% (EUR 1,115 million) of the total amount accounts for taxes paid in the Netherlands and 43% (EUR 852 million) in the rest of the world (ROW).

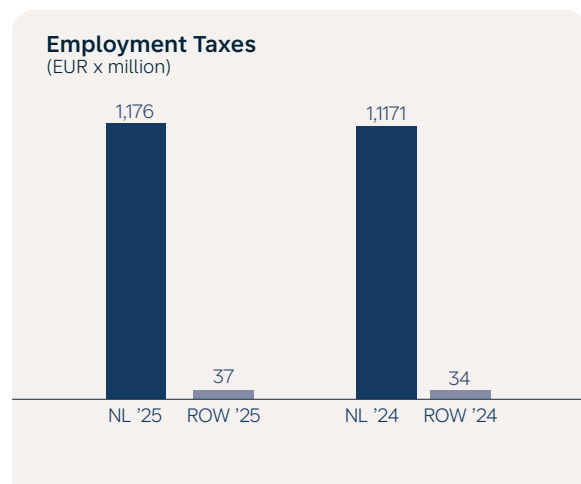


Employment Taxes

KLM is one of the largest employers of the Netherlands, in 2025 employing 27,866 in the Netherlands and 3,115 around the world. On salary payments to its employees KLM withholds wage taxes, social security premiums and other employment taxes as part of total cost of employment. The amounts withheld are directly paid to the respective governments by KLM.

KLM employs staff living outside the Netherlands. Depending on what is agreed in the various applicable tax treaties the taxation of their entire wages is either taxable in the countries where they live or entirely taxable in The Netherlands. KLM closely monitors that these specific allocation rules are applied accordingly.

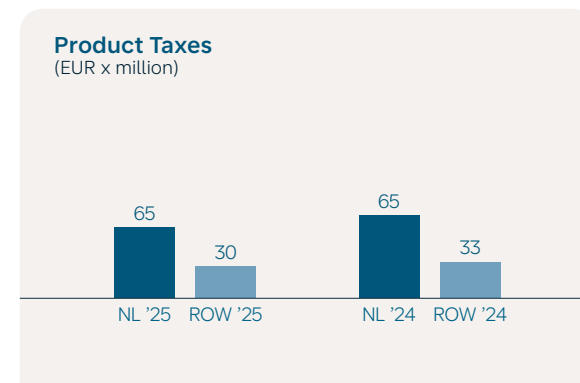
In 2025 KLM paid and collected EUR 1,213 million on employment taxes worldwide in total of which EUR 1,176 million was paid by KLM in the Netherlands (reflecting 97%) and EUR 37 million in the rest of the world (ROW).



Product Taxes

Product taxes, the third category of taxes paid by KLM, include taxes such as Value Added Tax (VAT). VAT is generally charged by a company to its customers on services provided and products sold. A VAT on transportation services would create very complex allocation issues as jurisdictions may only impose tax in their own jurisdictions. The transportation of passengers and cargo involves many jurisdictions, amongst which the international airspace where no taxing rights exist. To avoid these complexities, the EU VAT Directive applied a zero rate on these services from airlines. KLM's services are mainly subject to a zero percent rate of value added tax and similar international taxes such as good and services taxes. KLM's contribution for these taxes therefore is limited to certain services performed by KLM's cargo and maintenance divisions, not directly linked to transportation itself.

In 2025 KLM collected and paid EUR 95 million on product taxes worldwide, where it contributed 68% (EUR 65 million) of the total contribution in the Netherlands and 32% (EUR 30 million) in the rest of the world (ROW).



Profit Taxes

As airlines mainly operate in various tax jurisdictions and in the international airspace outside any tax jurisdiction, the airline industry is unique in its sort. To secure that profits will be taxed in one State alone, the general rule in tax treaties is that the taxing right shall be left to the State in which the place of effective management of the airline is situated. This rule prevents very complex profit allocations and means for KLM that almost all its worldwide earnings are subject to taxation in the Netherlands at the general Dutch corporate income tax rate of 25.8%.

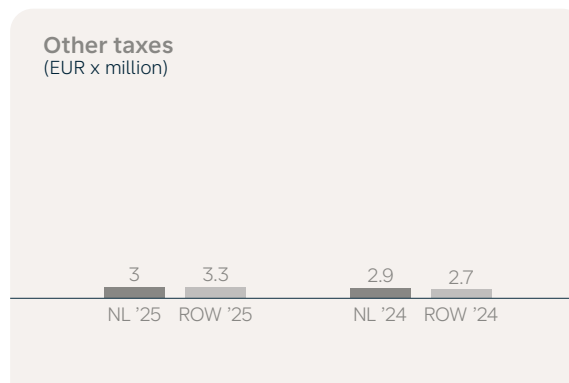
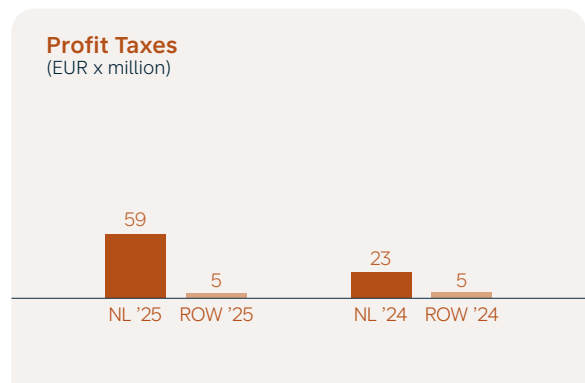
In 2025 KLM paid on net basis an amount of EUR 59 million on corporate income tax.

As per year end 2025 the KLM N.V. fiscal unity has tax losses carried forward amounting to EUR 932 million and the related deferred tax assets is EUR 240 million as per that date.

Other taxes

The final category of taxes reported reflect all remaining taxes, such as stamp duties, property taxes and other local taxes.

In 2025 KLM paid an amount of EUR 6.3 million on other taxes worldwide, of which 52% in the rest of the world and 48% in The Netherlands.



Data retrieve explanations

With reference to the support for data collection of the mentioned tax numbers in this tax transparency and contribution report, it should be noted that the data is collected by KLM through its information systems (SAP) and internal procedures.

However, KLM did not obtain assurance from an external auditor over the financial information included in this report. The data includes all tax payments reported in FY 2025. Hence, taxes payable in relation to FY 2025 results but paid at a later stage are not included in this report. For instance, additional corporate income tax that relates to the reported profit of FY 2025, will be a cash out payment in FY 2026 and as such reported in the FY 2026 KLM Tax Transparency and Contribution Report.





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