



**Speech of Carsten Spohr, CEO of Deutsche Lufthansa AG**

**70TH ANNUAL GENERAL MEETING**

To be checked against delivery

Ladies and Gentlemen, dear shareholders,

A warm welcome to the seventieth Annual General Meeting of Deutsche Lufthansa AG from my side, too.

I am pleased that our Annual General Meeting can be held in a new virtual format for the first time this year. And that you, our shareholders, have more opportunities to participate directly.

In addition to this, for the first time since 2019, the entire Supervisory Board and Executive Board are able to attend in person.

We welcome you together and warmly from the Eisbach studios in Munich. In the history of our company, this is only the second Annual General Meeting to be held in Munich. The first time was over 30 years ago. In 1991. At that time, Munich-Riem Airport was still in operation. Lufthansa was majority state-owned.

That was a long time ago. Since then, we have developed the new Munich Airport into our second hub in Germany and, with it, laid an important foundation for the Lufthansa Group's current success.

The establishment of a second Lufthansa hub was the nucleus of our multi-hub concept. Today, our entire airline strategy is based on this business model.



How do we shape the way forward to a successful future?

What are the most important fields of action here?

What do we prioritize?

That is what I want to talk about today.

However, let me start with a look at the past weeks, around Easter.

The first big travel wave of the year. And, at the same time, the first test of every travel season.

Especially after the experiences of last summer, we prepared ourselves very thoroughly for this:

Among other things, by hiring 4,500 new employees worldwide in the first three months of the year alone. 1,500 every month. Already more than 6,000 in the current year.

At the same time, we have accelerated processes and promoted our digital offerings. And we have had very intensive dialogs with airports and other system partners to improve operational stability.

In sum, all of these measures have had an effect. Over 4 million passengers flew with our airlines during the Easter vacation period.

Reliably and on time. Incidentally, twice as many as during Easter 2022.

I would like to thank all our colleagues who contributed to this. And, of course, all other employees of the Lufthansa Group. Not only have they



mastered this first travel wave of the year. They have also put *your* company, dear shareholders, back on the road to success.

112,000 employees. From 177 nations. A team you can rely on!

\*\*\*

Ladies and gentlemen, our performance as a team leads me to my report on the past fiscal year.

The beginning of the year was still dominated by the pandemic. The Omicron variant was wide-spread. Many countries had travel restrictions in place. Demand was low; the first quarter was a major disappointment.

Then, as of Easter, bookings skyrocketed. At a speed that had never been seen before. No one in our global industry had predicted such a rapid development. The sudden boom in demand showed one thing very clearly: people love flying.

Despite all the sacrifices and hardships of the pandemic, the absence of travel seems to have been particularly painful.

But global air traffic could not cope with such a rapid increase in passenger numbers. The cuts during the pandemic had been too great. Because almost all partners involved in air traffic had to cut staff during the crisis.

This could not be compensated for in mere weeks. Our service providers and system partners in particular had significant problems filling these gaps.



But we, the airlines, also experienced difficulties. For example, due to training, education and licensing being necessary again, capacities were tight in some places.

Flight cancellations, delays and service losses were the result. It turned out to be an extremely difficult summer. First and foremost for our passengers. But also for our employees.

All the more important that we are now significantly better prepared for the upcoming summer.

No – not everything will be perfect yet. But I am very confident that flight operations will be significantly more stable.

Our economic development in 2022 was in contrast to the operational difficulties.

It was very gratifying. And better than we ourselves had expected.

We have succeeded in achieving what is indeed a historic turnaround.

With adjusted earnings of 1.5 billion euros.

This means that in a historical comparison we are once again doing well in absolute terms. It was the seventh-best result of Deutsche Lufthansa. Since its creation.

As a shareholder, you also benefited from our turnaround in 2022: With our share price up by 26 percent. Significantly better than the DAX and M-DAX. And also significantly better than the share prices of our main competitors.



Our market capitalization today is once more over 11 billion euros. Only in 2017 was Deutsche Lufthansa AG ever more valuable.

The capital markets have great confidence in the Crane again. Our long-term credit rating was recently upgraded by Standard & Poor's. The majority of analysts give our stock a 'buy' recommendation. And the prospects for a return to the DAX are good.

This confidence in the Lufthansa Group is based on the positive development of key performance indicators in 2022.

102 million passengers on board our airlines. Twice as many as in the previous year.

33 billion euros in sales. This amount also nearly doubled.

2.5 billion euros in free cash generated. A record level.

Return on capital employed increased to over seven percent.

And our balance sheet was also strengthened sustainably.

Equity increased to 8.5 billion euros and net debt reduced to 6.9 billion euros.

A look at the books of our airlines and service companies reveals the positive development in detail:

The capacity offered by our airlines exceeded that of the previous year by almost 80 percent. On average for the year, we reached 72 percent of the pre-crisis level.



We calculate the capacity of our offering by multiplying the kilometers flown by our aircraft by the number of seats on board.

For 2023, we have set ourselves a target of between 85 and 90 percent – based on the pre-crisis level.

In terms of earnings in euros and cents, all passenger airlines also performed better than in the previous year.

Lufthansa Airline – our core brand – achieved the largest year-on-year increase in earnings.

Almost 2 billion euros better than in the previous year. Nevertheless, it has not yet returned to the black.

Among other things, because its home hub in Frankfurt was particularly strongly affected by the unstable air traffic situation in the summer of '22.

Operationally, things went much more smoothly at the airports in Zurich and Vienna in particular. And also economically. SWISS International Airlines closed the year with a gratifying profit of 476 million euros. And Austrian Airlines also ended the financial year with a narrowly positive result.

Brussels Airlines significantly reduced its prior-year loss.

For Eurowings, on the other hand, the upswing was much slower. This is because the recovery was less pronounced on the short- and medium-haul routes that Eurowings operates. Especially on domestic routes in Germany.



On the development of Eurowings Discover: it has been supplementing our services at the Frankfurt and Munich hubs since 2021. With short-, medium- and long-haul flights. To popular destinations for vacations and private travel. The youngest member of our airline family is developing well and beyond our expectations. As a result, we expect it to break even as early as this year.

For the first time, we expect this from all the passenger airlines in the Group in the current fiscal year. And, of course, this includes our cargo airline Lufthansa Cargo.

Last year, it achieved another record result of 1.6 billion euros.

Our air freight delivers!

It is true that freight rates have declined somewhat recently. But they are still over 60 percent higher than in 2019.

It is paying off that Lufthansa Cargo now flies a uniform fleet of Boeing 777 freighters on long-haul routes.

That is efficient. And productive.

It has also successfully entered the fast-growing intra-European e-commerce business with two additional Airbus A321 freighters.

Lufthansa Technik also demonstrated its earnings strength once more. It achieved a result of half a billion euros. A new record here as well.

The numbers make it clear: We are back!



Your Lufthansa Group is flying on the route to success again.

And yet, we are still unable to pay you a dividend for the past fiscal year. The losses in the years of the pandemic were too high for this. Our confidence is high that this will change. We are optimistic that we will be able to pay you a dividend again for 2023.

\*\*\*

Our confidence is based on three pillars.

- 1) Our strategy. We are consistently developing from an aviation group into an airline group that is becoming increasingly international in the process.
- 2) Our product renewal. We are underpinning our premium claim with the largest investment program for our product and fleet that we have ever seen.
- 3) Our transformation. We are again taking the lead in the industry. Also for more sustainability in aviation.

Ladies and Gentlemen,

We had our sights firmly set on this: guiding Lufthansa through the Covid crisis through consistent crisis management. Without losing focus on our long-term strategy.





We have succeeded in this.

Multi-airline, multi-hub, multi-brand was the right strategy before the pandemic. And it is even more so in the current consolidation of our industry.

This means several airlines with their own identities and individual, strong brands, successful in their European home markets and hubs, specialized in different customer segments in our global markets, as network carriers or in point-to-point traffic under the roof of our Lufthansa Group.

That is our recipe for success. Also for the future.

With 11 airlines and 9 airline brands, we already have a leading global portfolio.

And it is becoming progressively more clear: the diversity of our airline group is not a weakness.

On the contrary. It is increasingly becoming our central strategic success factor.

We are becoming more and more successful at dovetailing our airlines commercially and operationally. And thus creating synergies from the size of our Group.

At the same time, we are preserving our airlines' respective identities, brand strengths and anchorings in the home markets. So that each airline can serve the individual needs of its respective customer group.



Because the focus of our strategy is always the customer

And it is true that we must continue to work hard on making our diversity even more easily accessible to our customers. We need to smooth out system discontinuities. Integrate IT applications even more effectively. And further increase flexibility within the system.

But our customers know very well that the Lufthansa Group's network quality and range of services would not be possible without our diversity of airlines, hubs, and brands.

Passengers appreciate the tailored travel experience on board our airlines. And at the same time, they benefit from the size of the Group.

In line with the further development of this strategy, our talks with the Italian government on a stake in and takeover of the Italian airline ITA are also on a good way.

With this step, we want to strengthen our presence in Europe. And gain another highly attractive home market for our Group.

Italy is the third-largest economy in the EU and also its third-largest airline market. And the Milan metropolitan area is also the third-largest catchment area in Europe, behind London and Paris.

Demand is high, both among business travelers and for privately motivated air travel to and from Italy.

The country is already our largest foreign market. After the US.



And ITA should not be confused with the former Alitalia. The company was only founded in 2020. With 3,900 employees and 70 aircraft, it is very efficiently positioned in Rome and Milan.

Following the conclusion of a purchase agreement and approval by the European Commission, we see good prospects for a success of ITA being a part of our Group.

At the same time, this step will make the Lufthansa Group even more international.

In our view, this is necessary in global competition. Because too great a dependence on a single very restrictive regulatory framework or just one labor market would cause us to fall behind globally.

Even today, less than one third of our sales comes from the German market. The North Atlantic is a concrete example: two-thirds of all tickets for these flights are not sold in Europe. But in America.

At the same time, an internationally successful Lufthansa is and remains enormously important for the German domestic market. In an industrialized and exporting nation like Germany, connectivity and the creation of value are intertwined.

In parallel with the international expansion of our airline group, we are focusing more strongly on our core business. We are divesting activities that offer too few synergies with our core business.



We had already sold the European part of our catering business about two years ago for this reason. And, in early April, the sale of the remaining parts of LSG was agreed on. At the same time, we are negotiating the sale of our credit card company Airplus.

For Lufthansa Technik, we are continuing to investigate the sale of only a minority interest. A decision on this will be made in the coming months. We will retain the majority in any case.

Because the synergies of Lufthansa Technik with our core business are great. In contrast, they are low for catering and credit cards.

We are firmly convinced that all the companies we have divested can be developed further and with more focus by their new owners. Also through investments in the future that we would not be able to make.

Because we have to spend enormous sums on renewing our fleets. 2.5 billion euros. Every year.

This only leaves a limited scope for areas outside our core business.

\*\*\*

Ladies and Gentlemen,

Investments – this is the keyword for the renewal of product and fleet.

An enormous feat. We have ordered almost 200 new aircraft. With a listed value of USD 48 billion in total. And delivery dates until 2030. It is by far the biggest investment program in our corporate history.



This year alone, we are taking delivery of 35 new aircraft from the manufacturers. Mathematically, that is one every ten days.

Modern jets with the latest technology. They are the basis for the future of our airlines in economic and ecological terms.

That is why, even in the depths of our company's economic crisis, we have not eased up on our efforts to continue this renewal.

In the past 20 months alone, we ordered 49 long-haul aircraft in three steps: First, in summer 2021, five Airbus A350-900s and five Boeing 787s.

These aircraft had been built for other airlines. During the crisis, some airlines could no longer take delivery of them. As a result, they were available for us on favorable terms and quickly.

All ten have already been delivered to us. They are flying scheduled services for Lufthansa Airline this summer.

We placed another order with Boeing in the spring of 2022. For a total of 17 additional long-haul aircraft.

And in early March this year, we did it again. With an order for 22 intercontinental jets from Boeing and Airbus.

We are modernizing our short- and medium-haul fleets in parallel. And finally, we will launch a campaign to renew our regional fleet this year.

I would like to make these enormous investments in your company more understandable to you, our shareholders, today. By going into a little more



detail, using the example of Lufthansa's long-haul fleet.

The Boeing 787 is also called the 'Dreamliner'. It is the first wide-body aircraft with a fuselage that is largely made of carbon-fiber-reinforced plastic.

Among other things, this makes it possible to install significantly larger windows than on conventional aircraft.

The cabin can accommodate 294 passengers.

Our newly ordered 'Dreamliners' are powered by Trent 1000 engines from Rolls-Royce. These state-of-the-art engines with a thrust of up to 74,000 pounds allow flight distances of a maximum of 15,400 kilometers.

Thanks to innovative technology, lower weight, good aerodynamics and its modern engines, the Boeing 787 is up to 30 percent more fuel-efficient than its predecessors.

We are planning to include a total of 34 Boeing 787s in our fleets.

Here you can see our Airbus A350-900. The Lufthansa airline already operates more than 20 aircraft of this type. The cabin is slightly wider and longer than the Dreamliner's.

Like the Boeing 787, it has seats for just under 300 passengers. And is also powered by highly efficient Rolls-Royce engines.



As a result, it also consumes up to 30 percent less kerosene. And consequently emits up to 30 percent less carbon dioxide.

This generation of aircraft is also considerably quieter than its predecessors. Noise emissions are also one-third lower.

The range of the A350 is also 15,000 kilometers. Just like the 'Dreamliner', it can even operate ultra-long-haul routes non-stop.

The Airbus A350-1000 is the big sister of the Airbus A350-900. With a fuselage length of almost 74 meters, it is about seven meters longer.

Due to the longer fuselage, the aircraft has a capacity that is about 15 percent higher than the A350-900's, with a slightly shorter range.

So far, we are not flying the A350-1000. All the more reason for us to look forward to the first deliveries. They will start in 2026.

The Boeing 777-9 is the latest development stage of the successful Triple-Seven series. We have ordered a total of 20 jets of this type.

Actually, we should have been operating this aircraft in service for two years already. But, unfortunately, Boeing has major delays. As a result, it will probably take until 2025. We do not expect the first delivery before then.



The 777-9 also features state-of-the-art technology. Carbon-fiber-reinforced plastics for fuselage and wings. The world's largest and newest engine from General Electric. At 3.4 meters, it has roughly the same diameter as the fuselage of a Boeing 737.

The folding wingtips are a notable innovation. This allows the aircraft to fly to airports with limited space.

When it comes to passenger comfort, nothing is left to be desired. Spacious cabin, large windows, improved humidity and higher cabin pressure.

We are eagerly waiting for this aircraft that will offer a capacity for 400 passengers.

You see: our airlines' fleets are becoming more modern than ever. In terms of technology. And equally in terms of comfort.

Because the new cabin equipment also sets new standards.

Two months ago, Lufthansa Airline unveiled its new "Allegris" class. To a very positive response.

With Allegris, we are introducing ultra-modern suites in First Class. With seats that can be converted into double beds.

Allegris is also redefining business class. Seven options for choosing the





right seat. It hardly gets more personalized than that. You can book an extra-long bed. Or enjoy a seat with particularly high privacy.

And Allegris is also taking Premium Economy and Economy Class to a new level: with improved seats, new 4k monitors. And additional offers for relaxed sleeping in Economy Class.

SWISS passengers can also look forward to a redefined long-haul experience. It will be launched under the SWISS Senses brand. Here, too, there will be new seats in all classes. In addition, there will be many product improvements throughout the travel chain.

In total, our airlines will receive 30,000 new seats. Investments in greater product quality will add up to a further 2.5 billion euros by 2025.

Allegris and SWISS Senses exemplify our numerous product and service initiatives. In all companies of our Group.

Offering premium quality is in the DNA of the Lufthansa Group. Our passengers should feel the customized expression of the premium claim when entering each aircraft. In any class. On any route. Whether short-haul, medium-haul, or intercontinental.

This includes the digital experience of flying.

We want to make booking a flight even easier. Like ordering from Amazon or Uber.



We want to understand even more about their travel preferences. The way Spotify understands their taste in music.

We want to solve problems along the travel chain even better. Just like Google Maps calculates a new route when there is a traffic jam.

That is why we have created a "Digital Hangar". 600 digital experts from all areas of the Group are working together to improve the digital travel chain. From the inspiration for a trip to booking, payment, and travel arrangements.

Flying should become even easier and more pleasant for our passengers. To be informed in the best possible way at any time, at any place.

This includes: making air travel more sustainable.

This brings me to the third point: our transformation to more sustainable air transport.

Today, global aviation is responsible for around three percent of global carbon emissions.

Compared to road traffic, agriculture or energy production, this may be relatively little. Nevertheless: air traffic undoubtedly contributes to climate change through this.

That is why we invented "Compensaid," among other things.



A platform that offers customers various options for more sustainable flying. Passengers can book sustainable fuel using Compensaid. So that no additional carbon dioxide is emitted for their individual journey.

Aircraft will then be fueled with SAF – Sustainable Aviation Fuel. This is not physically possible on the booked flight itself. But it is fed into the network where it is available.

This option has been available for over three years. It is still used by too few passengers. The additional cost for sustainable fuel deters many. For a flight across the North Atlantic, the surcharge adds up to around 400 euros. Not everyone can or wants to afford that.

That is why we have invented 'Green Fares'. A new and additional booking option. The next step in our sustainability strategy. 'Green Fares' is a tariff that includes offsetting from the outset. 80 percent through carbon compensation and 20 percent through the use of SAF. Without additional booking.

Today, three percent of our passengers already use these options. We want to increase this rate as quickly as possible.

On the subject of sustainability, I would like to go into more detail.



We aim to halve our net carbon emissions by 2030 compared with the base year 2019. We aim to achieve a neutral carbon footprint by 2050.

We have described and defined our reduction path for carbon emissions until 2030 in concrete terms. And have received the seal of the "Science Based Target Initiative" for this. As the first European airline.

The biggest step on our carbon reduction path will undoubtedly be made possible by new, fuel-efficient aircraft. I have already gone into detail on this aspect.

The second major lever is the aforementioned use of sustainable fuels.

Unfortunately, there are not enough of these yet. The total amount of SAF available worldwide would last just five days. Not for global aviation as a whole. But for the operation of our 700 aircraft alone.

Starting in 2025, it will be mandatory in Europe to add two percent of SAF to fossil kerosene. Then six percent in 2030. And by 2050, the share is expected to rise to 70 percent.

In principle, the approach is right.

But the supply is too small. Production is only getting into gear slowly. As things stand today, it is completely open whether the required blending ratios will be available at all.



There is also another problem: EU regulations on climate protection are not competition-neutral.

What does this mean?

Currently, the mandatory blending quotas only apply within Europe, including feeder flights to our hubs.

Non-European airlines are not required to fill up with the sustainable but expensive fuel at their hubs.

This will make tickets from European airlines more expensive. Because no airline can compensate for the additional cost.

This increases the likelihood that passengers will prefer connections outside Europe. Because the airfare is cheaper. Even at the cost of detours.

Ultimately, this means that in their current form, these EU regulations only lead to a shift in carbon emissions. At the same time, it would be like a subsidy program for airlines outside Europe.

Which, on top of everything else, have significantly worse environmental and social standards.

Can this really be Europe's intention? Surely not.

Unfair climate protection regulations put European airlines at a



disadvantage.

In doing so, they are harming not only us. But also the climate.

To prevent this, help is needed from politicians. In Brussels, in Berlin. And in the other European capitals.

\*\*\*

We perceive that there is also tremendous support for another important issue. The expansion of intermodal services. By this we mean the networking of different modes of transport. Plane and train. The route networks are becoming increasingly complementary.

We are the world champions of intermodal transport. By now, our passengers reach 40 destinations by train. In Germany, Switzerland, Austria and Belgium. With air-rail routes operated by Lufthansa, SWISS, Austrian and Brussels Airlines.

Over 800,000 passengers took advantage of this offer last year. With a strong upward trend.

And with our recently agreed-upon cooperation with the Italian state railroad company, we are further expanding our intermodal offering.

\*\*\*



Ladies and Gentlemen,

You are the shareholders of Lufthansa.

Your company connects people, cultures and economic regions.  
Sustainably.

Sustainable not only in the ecological sense. But also sustainable in the sense of spanning generations.

Lufthansa was first founded in 1926. In three years we will celebrate our 100th anniversary.

We are aware of our great responsibility for the future of this unique company.

And for the generations of customers, shareholders, and employees to come, who will continue to ensure the long-term success of the Crane.

We – more than 100,000 Lufthanseats – are working on this with great passion.

Every day.

Thank you for your loyalty, for your trust, and for your interest in us.



Thank you for your continued support!

---