

2019

FINANCIAL STATEMENTS



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LUFTHANSA GROUP

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The management report for Deutsche Lufthansa AG and the Group management report have been combined and published in the Lufthansa Annual Report 2019. The financial statements and the combined management report and Group management report of Deutsche Lufthansa AG for the financial year 2019 are published in the German Federal Gazette (Bundesanzeiger) and are also accessible from the internet site of the company registry.

2019 financial statements for Deutsche Lufthansa AG

Balance Sheet

as of 31 December 2019

T01 BALANCE SHEET - ASSETS

in €m	Notes	31.12.2019	31.12.2018
Intangible assets		309	323
Aircraft		6,679	6,429
Property, plant and other equipment		82	89
Financial investments	4	16,440	15,588
Non-current assets	3	23,510	22,429
Inventories	5	108	78
Trade receivables	6	642	601
Other receivables and other assets	6	1,725	1,718
Securities	7	41	–
Cash and cash equivalents	7	897	755
Current assets		3,413	3,152
Prepaid expenses	8	60	31
Deferred tax assets	9	2,142	1,851
Excess of plan assets over provisions for pensions	10	7	–
Total assets		29,132	27,463

T02 BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

in €m	Notes	31.12.2019	31.12.2018
Issued capital	11	1,224	1,217
Capital reserve	12	378	343
Retained earnings	12	6,200	5,902
Distributable earnings	30	298	380
Shareholders' equity		8,100	7,842
Provisions for pensions and similar obligations		1,066	1,063
Tax provisions		287	561
Other provisions		5,249	5,145
Provisions	13	6,602	6,769
Bonds		1,098	1,000
Liabilities to banks		2,089	1,967
Payables to affiliated companies		6,094	5,512
Other liabilities		5,135	4,366
Liabilities	14	14,416	12,845
Deferred income		14	7
Total shareholders' equity and liabilities		29,132	27,463

Income statement

For the financial year 2019

The regulations of the German Accounting Directive Implementation Act (BilRUG) on structuring the income statement no longer provide for the presentation of the result from ordinary activities. However, to provide a better overview and for greater transparency, this earnings indicator will still be shown as the sum of the result from operating activities and the financial result.

T03 INCOME STATEMENT

in €m	Notes	2019	2018
Traffic revenue	18	14,885	14,677
Other revenue	19	1,388	1,406
Total revenue		16,273	16,083
Other operating income	20	1,663	1,158
Cost of materials and services	21	-10,762	-10,002
Staff costs	22	-3,049	-3,134
Depreciation, amortisation and impairment	23	-594	-534
Other operating expenses	24	-2,985	-2,812
Result from operating activities		546	759
Result from equity investments	25	476	942
Net interest	26	-352	-1,333
Impairment on investments and current securities	27	-45	-46
Financial result		79	-437
Result from ordinary activities		625	322
Current income taxes	28	-293	-363
Deferred income taxes	28	291	421
Profit after income taxes		623	380
Other taxes	28	-28	-41
Net profit for the year		595	339
Transfer to retained earnings	12	-297	-
Withdrawals from retained earnings	12	-	41
Distributable earnings	30	298	380

Statement of changes in non-current assets

As of 31 December 2019

T04 STATEMENT OF CHANGES IN NON-CURRENT ASSETS														
in €m														
	Acquisitions				Accumulated depreciation and amortisation				Carrying amounts					
	as of 01.01.2019	Additions	Disposals	Reclassifi- cations	as of 31.12.2019	as of 01.01.2019	Additions	Disposals	Write-ups	Reclassifi- cations	as of 31.12.2019	as of 31.12.2018	as of 31.12.2019	
I. Intangible assets														
1. Purchased concessions, intellectual property and similar rights and assets and licences in such rights and assets	563	14	4	15	588	296	38	3	-	-	331	267	257	
2. Advance payments	71	31	7	-15	80	15	13	-	-	-	28	56	52	
	634	45	11	-	668	311	51	3	-	-	359	323	309	
II. Aircraft														
1. Aircraft and equipment	8,274	730	1,143	139	8,000	2,859	517	482	-	-	2,894	5,415	5,106	
2. Advance payments and plant under construction	1,014	772	74	-139	1,573	-	-	-	-	-	-	1,014	1,573	
	9,288	1,502	1,217	-	9,573	2,859	517	482	-	-	2,894	6,429	6,679	
III. Property, plant and equipment														
1. Land, leasehold rights and buildings including buildings on third-party land	188	2	8	0	182	138	10	6	-	-	142	50	40	
2. Other equipment, operating and office equipment	167	17	5	0	179	134	16	5	-	-	145	33	34	
3. Advance payments and plant under construction	6	2	0	0	8	-	-	-	-	-	-	6	8	
	361	21	13	0	369	272	26	11	-	-	287	89	82	
IV. Investments														
1. Shares in affiliated companies	11,913	1,167	161	-	12,919	913	24	5	49	-	883	11,000	12,036	
2. Loans to affiliated companies	4,373	144	322	-	4,195	13	-	-	-	-	13	4,360	4,182	
3. Equity investments	169	0	-	-	169	-	-	-	-	-	-	169	169	
4. Non-current securities	5	-	0	-	5	-	-	-	-	-	-	5	5	
5. Other loans	48	41	2	-	87	-	21	2	-	26	45	48	42	
6. Prefinancing of leasehold	6	-	0	-	6	-	-	-	-	-	-	6	6	
	16,514	1,352	485	-	17,381	926	45	7	49	26	941	15,588	16,440	
Total	26,797	2,920	1,726	0	27,991	4,368	639	503	49	26	4,481	22,429	23,510	

Notes

Deutsche Lufthansa AG 2019

GENERAL REMARKS

1 Application of the German Commercial Code (HGB)

The financial statements of Deutsche Lufthansa AG, Cologne, registered at Cologne District Court under the number HRB 2168, have been prepared in accordance with the German Commercial Code (HGB) and the supplementary regulations of the German Stock Corporation Act (AktG) and the Articles of Association, and have been audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf. In accordance with Section 315e Paragraph 1 HGB, Deutsche Lufthansa AG, the parent company of the Deutsche Lufthansa AG Group, prepares consolidated financial statements on the basis of the International Financial Reporting Standards (IFRS). Consolidated financial statements are therefore not drawn up on the basis of the German Commercial Code. The financial year is the calendar year.

The separate and consolidated financial statements are published in the electronic Federal Gazette. They are permanently available online at <https://investor-relations.lufthansagroup.com/de/publikationen/finanzberichte.html>.

The income statement has been prepared using the total cost method.

To make the presentation clearer, certain items of the balance sheet and the income statement have been grouped together and are shown and explained separately in the notes. Over and above the statutory classification, the balance sheet item "Aircraft" is listed separately in order to improve the clarity of the financial statement as well as the commonly used result from ordinary activities.

2 Summary of significant accounting policies and valuation methods

CURRENCY TRANSLATION

In-house conversion rates for foreign currencies are set monthly in advance according to the exchange rates on international markets. These serve as the basis for converting foreign currency items into euros in the month in which entries are made.

Receivables / liabilities in foreign currencies, cash and provisions are translated at the mean spot rate on the reporting date in accordance with Section 256a HGB. For other non-current receivables / liabilities in foreign currency, the lower / higher-of-cost-or-market principle is observed by compar-

ing the purchase cost with the value on the balance sheet date.

The cost of capital goods purchased in foreign currencies – mainly aircraft invoiced in US dollars – is determined by translation at the exchange rates in effect at the time of payment. Assets for which payments are hedged against exchange rate fluctuations are recognised within the framework of separate valuation units.

Fair value and cash flow hedges of interest rate, exchange rate and fuel price risks are described in Note 17.

INTANGIBLE ASSETS

Intangible assets are measured at cost and generally amortised on a straight-line basis over five years or their contractual useful lives, whichever is longer. Internally developed intangible assets are not capitalised. Purchased take-off and landing rights are not amortised unless permanently impaired.

PROPERTY, PLANT AND EQUIPMENT

Scheduled straight-line depreciation of property, plant and equipment is based on the purchase and manufacturing costs depreciated over the asset's useful life. Interest on liabilities is not recognised as part of the purchase or manufacturing costs.

Movable assets with a finite useful life and acquisition costs of up to EUR 250 are depreciated in full in the year of purchase. Minor assets costing between EUR 251 and EUR 1,000 are pooled in an annual account and depreciated on a straight-line basis over five years.

AIRCRAFT

New commercial aircraft have been depreciated on a straight-line basis over a period of 20 years to a residual value of 5%.

Aircraft purchased in used condition are depreciated individually on a straight-line basis depending on their age at the time of acquisition. Aircraft less than 16 years old at the time of acquisition are depreciated up to an age of 20 years to a residual carrying amount of 5%. Aircraft more than 16 years old at the time of acquisition are depreciated in full over four years without any residual value.

Aircraft are either the legal property of the Company or are leased from aircraft holding entities in which the Company holds a direct or indirect equity interest or from external third parties. Leased aircraft are recognised as non-current assets when the Company is deemed to have economic ownership of them. Economic ownership is determined on

the basis of general commercial law and the tax provisions concerning leased assets, if applicable.

OTHER PROPERTY, PLANT AND EQUIPMENT

Buildings are assigned a useful life of between 20 and 50 years. Buildings and installations on land belonging to third parties are written down on a straight-line basis according to the term of the lease or are assigned a shorter useful life. Operating and office equipment is depreciated over three to fourteen years on a straight-line basis in normal circumstances of usage.

FINANCIAL INVESTMENTS

Financial investments are shown at cost, adjusted by any necessary impairment charges or write-ups. No write-downs are recognised if the impairment is not permanent.

CURRENT ASSETS

Raw materials, consumables and supplies are valued at cost, with stock risks being accounted for by appropriate mark-downs.

Securities are shown at their purchase price less any necessary impairment charges. Emissions certificates issued free of charge are held at a residual amount; those purchased are held at acquisition cost.

In addition to individual write-downs necessary for known risks applying to other current assets, adequate provision is made for general credit risk by a write-down of each item by a standard amount. The standardised write-downs on trade receivables reflect previous defaults, days past due, the business model and the region of the customer.

PENSION OBLIGATIONS

To meet retirement benefit obligations, phased early retirement obligations and claims on employees' lifetime working hours accounts, appropriate funds have been invested in insolvency-proof funds and insurance policies, which are not accessible to the Company's other creditors.

Pension assets are measured at fair value using external price information and netted out with the underlying obligations. If there is an excess of obligations over assets, it is recognised in provisions. If the fair value of the relevant pension assets exceeds that of the corresponding obligations, the difference is shown separately as "excess of plan assets over provisions for pensions". If the fair value of the relevant pension assets is higher than their historic acquisition cost, the resulting income may not be distributed as a dividend (Section 268 Paragraph 8 Sentence 3 HGB).

PROVISIONS

Pension obligations are calculated using actuarial principles based on the projected unit credit method using the Heubeck 2018 G actuarial tables. As well as appropriate projected rates of fluctuation and career progress, a salary trend of 2.5% as well as a basic pension trend of 1% and transitional

benefits for cockpit staff of 2.5% are used, as in the previous year.

Discounting took place at the average market interest rate for the past ten years with an assumed term to maturity of 15 years as published by the German Bundesbank. For measurement as of 31 December 2019, the corresponding interest rate is forecast as of 31 December 2019 on the basis of interest rate information published as of 30 November 2019. In the reporting year, the rate was 2.71% (previous year: 3.21%). The effect of this interest rate change is recognised in interest expense. The difference between the amount of provisions calculated using the ten-year and the seven-year average interest rate as of 31 December 2019 may not be distributed as a dividend. As of 31 December 2019, the seven-year average interest rate used to calculate this difference was 1.97% (previous year: 2.32%).

Benefit obligations from retirement benefit commitments that are funded by reinsurance or capital market investments are recognised at the fair value of the underlying securities, insofar as this amount exceeds the minimum commitment.

The provision for partial retirement agreements is recognised at the amount needed to settle the obligation. This amount is composed of the salary outstanding as of 31 December 2019, which is paid during the early retirement phase, as well as additional employer contributions to statutory pension insurance and superannuation premiums. The provision is calculated making reasonable use of biometric probabilities and a continued salary trend of 2.5%. It is discounted on the basis of average terms to maturity at a seven-year average interest rate forecast as of 31 December 2019. In the reporting year, the rate was 0.72% (previous year: 0.98%).

The other provisions are made for the amount considered necessary to settle the obligations using sound commercial judgement. Provisions with a term to maturity of more than one year are discounted at the average market interest rate for the past seven years corresponding to their remaining term.

LIABILITIES

Liabilities are shown at the amount needed to settle them. Advance payments received are recognised at their nominal value.

DEFERRED TAXES

Deferred taxes are recognised for temporary differences between the valuations of assets, liabilities and deferred income in the financial statements for commercial law and tax purposes. Deutsche Lufthansa AG not only recognises differences resulting from items in its own balance sheet, but also for companies in the same income tax group. Deferred taxes that would have been incurred for the LSG Catering subsidiaries held for sale in 2020 are no longer recognised this year.

VALUATION OPTIONS

To improve the presentation of the net assets, financial and earnings position, the option offered by Section 274 Paragraph 1 Sentence 2 HGB of capitalising the net asset of EUR 2,142m resulting from offsetting deferred tax assets and liabilities has been used.

To improve the presentation of the earnings position, instruments to hedge the price of future fuel requirements, foreign currency hedging transactions to hedge exchange rates as well as interest rate hedges for interest-bearing financial liabilities are combined with corresponding hedged items within valuation units in accordance with Section 254 HGB. Possible onerous contracts in the form of a valuation unit are calculated in line with sales markets, so that, according to the principal of loss-free valuation, no impending losses are recognised, insofar as no loss is incurred from future sales business.

NOTES TO BALANCE SHEET

Assets

3 Non-current assets

Changes in individual non-current asset items during the financial year 2019 are shown in a separate table.

In addition to the Company's own aircraft listed in the statement of changes in non-current assets and in the balance sheet, further aircraft were chartered, in some cases complete with crews. In addition, the following aircraft leased exclusively from Group companies are in service for Deutsche Lufthansa AG:

T05 NUMBER OF LEASED AIRCRAFT

Aircraft type	31.12.2019	31.12.2018
Airbus A319-100	25	25
Airbus A320-200	48	30
Airbus A321-100	20	20
Airbus A321-200	28	23
Airbus A330-300	15	15
Airbus A340-300	17	15
Airbus A340-600	13	14
Airbus A380-800	5	5
Boeing 747-400	13	13
Boeing 747-8	17	17
Bombardier CRJ 900	6	6
Embraer 190	9	9
Embraer 195	17	17
	233	209

In the reporting year, the number of aircraft contributed to the various sale-and-lease-back models (33) was higher than the number of aircraft sold (9).

4 Financial investments

The main indirect and direct equity investments of Deutsche Lufthansa AG can be found in the annexe to the notes, "List of shareholdings".

5 Inventories

T06 INVENTORIES

in €m	31.12.2019	31.12.2018
Raw materials, consumables and supplies	14	16
Emission certificates	80	49
Merchandise	14	13
	108	78

6 Receivables and other assets

T07 RECEIVABLES AND OTHER ASSETS

in €m	31.12.2019	thereof due after more than one year	31.12.2018	thereof due after more than one year
Trade receivables	642	–	601	–
Receivables from affiliated companies	801	–	846	–
Receivables from companies held as other equity investment	4	–	4	–
Other assets	920	204	868	173
	2,367	204	2,319	173

7 Securities and liquid assets

Money market funds valued at EUR 41m were held as of the reporting date. Cash in hand and bank balances consist almost entirely of deposits held with banks.

Foreign currency bank balances of EUR 13m that are not likely to be transferred in the near future and which are discounted appropriately are reported as other assets.

8 Prepaid expenses

This item essentially consists of payments of EUR 18m to several aircraft leasing companies for future maintenance and leasing services (previous year: EUR 5m).

9 Deferred tax assets

This item consists of the net asset balance of EUR 2,142m remaining after deferred tax assets and liabilities on temporary differences between carrying amounts for commercial law and tax purposes have been offset. They are made up as follows:

T08 DEFERRED TAX ASSETS AND LIABILITIES

in €m	31.12.2019	31.12.2018
Non-current assets	3	83
Inventories, receivables and other assets	151	159
Provisions	1,942	1,567
Liabilities	46	42
	2,142	1,851

Deferred tax assets result primarily from different amounts of pension provisions and similar obligations, other provisions and inventories. Deferred tax liabilities, mainly arising from different valuations of aircraft and other equipment, are more than offset by deferred tax assets.

Deferred taxes are calculated using the combined income tax rate for Deutsche Lufthansa AG's tax group, which is currently 25%. The combined income tax rate comprises corporation tax, trade tax and the solidarity surcharge.

Deferred tax assets that would have been recorded for the LSG Catering subsidiaries held for sale in 2020 are no longer recognised in the reporting year.

10 Excess of plan assets over provisions for pensions

This item consists of the net surplus of EUR 7m from offsetting fund assets against pension obligations.

Shareholders' equity and liabilities

11 Issued capital

SHARE CAPITAL

Deutsche Lufthansa AG's issued capital totals EUR 1,224m. Issued capital is divided into 478,194,257 registered shares, with each share representing EUR 2.56 of issued capital.

AUTHORISED CAPITAL

A resolution passed at the Annual General Meeting on 7 May 2019 authorised the Executive Board until 6 May 2024, subject to approval by the Supervisory Board, to increase the Company's issued capital by up to EUR 450,000,000 by issuing new registered shares on one or more occasions for payment in cash or in kind (Authorised Capital A). In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

A resolution passed at the Annual General Meeting on 7 May 2019 authorised the Executive Board until 6 May 2024, subject to approval by the Supervisory Board, to increase the issued capital by up to EUR 30,000,000 by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders' subscription rights are excluded. In order to issue new shares to employees of Deutsche Lufthansa AG and its affiliated companies, the Executive Board of Deutsche Lufthansa AG decided, with the approval of the Supervisory Board, to make partial use of the authorisation voted at the Annual General Meeting on 07 May 2019 (Authorised Capital B) and increase the Company's issued capital by EUR 7,637,831.68, excluding shareholders' subscription rights, by issuing 2,983,528 new registered shares with transfer restrictions and profit entitlement from 1 January 2019 for payment in cash. The capital increase was entered in the Commercial Register of Cologne District Court (HRB 2168) on 25 October 2019. As of 31 December 2019, Authorised Capital B amounted to EUR 22,362,168.32.

CONTINGENT CAPITAL

A resolution passed at the Annual General Meeting on 28 April 2016 authorised the Executive Board until 27 April 2021, subject to approval by the Supervisory Board, to issue bearer or registered convertible bonds, bond/warrant packages, profit sharing rights or participating bonds (or combinations of these instruments), on one or more occasions, for

a total nominal value of up to EUR 1.5bn, with or without restrictions on maturity. To do so, contingent capital (Contingent Capital II) was created for a contingent capital increase of up to EUR 237,843,840 by issuing up to 92,907,750 new registered shares. The contingent capital increase will only take place insofar as the holders of convertible bonds or warrants from bond/warrant packages decide to exercise their conversion and/or option rights.

AUTHORISATION TO PURCHASE TREASURY SHARES

A resolution passed at the Annual General Meeting held on 7 May 2019 authorised the Executive Board pursuant to Section 71 Paragraph 1 No. 8 Stock Corporation Act (AktG) to purchase treasury shares until 6 May 2024. The authorisation is limited to 10% of current issued capital, which can be purchased on the stock exchange or by a public purchase offer to all shareholders. The authorisation states that the Executive Board can use the shares, in particular, for the purposes defined in the resolution passed at the Annual General Meeting. According to the resolution of the Annual General Meeting held on 7 May 2019, the Executive Board is also authorised to purchase treasury shares by means of derivatives and to conclude corresponding derivative transactions.

At various points in 2019, Deutsche Lufthansa AG bought back 95,753 of its own shares at an average price of EUR 17.27. This corresponds to 0.02% or EUR 245,127.68 of share capital.

The shares purchased or created by means of the capital increase were used as follows:

- 2,098,795 shares were transferred to the employees of Deutsche Lufthansa AG and to 34 other affiliated companies and equity investments as part of the profit-sharing for 2018, at a share price of EUR 14.18.
- 974,540 shares were transferred as part of performance-related variable remuneration in 2019 to managers and non-payscale employees of Deutsche Lufthansa AG and to 45 further affiliated companies and equity investments at a price of EUR 17.43.
- 377 shares were transferred for previous years' programmes (performance-related variable remuneration for 2017 and 2018 to managers, non-payscale employees and other employees of Deutsche Lufthansa AG and to further affiliated companies and equity investments from profit-sharing for 2017) at a price of EUR 29.58.
- 5,569 shares were resold at a price of EUR 16.54.

On the balance sheet date, treasury shares were no longer held.

SHAREHOLDER STRUCTURE

Notifications received in accordance with Section 33 Paragraph 1 Securities Trading Act (WpHG) on changes in voting rights in the share capital held by third parties are disclosed in abbreviated form below. If a notifying party reaches, exceeds or falls below the thresholds defined in Section 33 Paragraph 1 WpHG more than once, only the last notification that the threshold has been reached or exceeded or is no longer reached is disclosed below.

- On 30 May 2016, Deutsche Asset & Wealth Management Investment GmbH, Frankfurt, Germany, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3% on 19 May 2016 and on this date came to 2.90% (13,471,331 voting shares). 2.90% (13,471,331 voting shares) were attributable to Deutsche Asset & Wealth Management Investment GmbH in accordance with Section 34 WpHG (previously Section 22 WpHG).
- On 14 November 2016, Franklin Templeton Investment Funds, Luxembourg, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3% on 8 November 2016 and on this date came to 2.96% (13,861,910 voting shares). 2.96% (13,861,910 voting shares) are attributable to Franklin Templeton Investment Funds directly in accordance with Section 33 WpHG (previously Section 21 WpHG).
- On 14 November 2016, Franklin Templeton International Services S.à r.l., Luxembourg, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3% on 8 November 2016 and on this date came to 2.96% (13,861,910 voting shares). 2.96% (13,861,910 voting shares) are attributable to Franklin Templeton International Services S.à r.l. in accordance with Section 34 WpHG (previously Section 22 WpHG).
- On 22 March 2017, Templeton Investment Counsel, LLC, Fort Lauderdale, Florida, USA, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3% on 17 March 2017 and on this date came to 2.98% (13,959,454 voting shares). 2.98% (13,959,454 voting shares) were attributable to Templeton Investment Counsel, LLC in accordance with Section 34 WpHG (previously Section 22 WpHG).
- Templeton Growth Fund, Inc., Maryland, USA, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3% on 6 April 2017 and on this date came to 2.90% (13,611,171 voting shares) in accordance with Section 33 WpHG (previously Section 21 WpHG).
- Templeton Global Advisors Limited, Nassau, Bahamas, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3% on 13 June 2017 and on this date came to 2.87% (13,508,944 voting shares). 2.87% (13,508,944 voting shares) were indirectly attributable to Templeton Growth Fund, Inc., in accordance with Section 34 WpHG (previously Section 22 WpHG).
- Norges Bank, Oslo, Norway, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3% on 18 March 2019 and on this date came to 2.73% (12,963,142 voting shares). 2.73% (12,963,142 voting shares) were indirectly attributable to Norges Bank in accordance with Section 34 WpHG.
- Norges Bank, Oslo, Norway, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 3% on 24 April 2019 and on this date came to 3.20% (15,199,406 voting shares). 3.20% (15,199,406 voting shares) were indirectly attributable to Norges Bank in accordance with Section 34 WpHG.
- Lansdowne Partners International Ltd., George Town, Grand Cayman, Cayman Islands, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 5% on 17 May 2019 and on this date came to 5.08% (24,124,898 voting shares). 5.08% (17,045,008 voting shares) were attributable to Lansdowne Partners International Ltd. indirectly in accordance with Section 34 WpHG.
- Lansdowne Partners International Ltd., George Town, Grand Cayman, Cayman Islands, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 5% on 30 May 2019 and on this date came to 4.94% (23,476,451 voting shares). 4.94% (23,476,451 voting shares) were attributable to Lansdowne Partners International Ltd. indirectly in accordance with Section 34 WpHG.
- Amundi S.A., Paris, France, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 3% on 31 July 2019 and on this date came to 3.15% (14,952,168 voting shares). 3.15% (14,952,168 voting shares) were indirectly attributable to Amundi S.A. in accordance with Section 34 WpHG.
- Amundi S.A., Paris, France, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3% on 19 September 2019 and on this date came to 2.69% (12,784,379 voting shares). 2.69% (12,784,379 voting shares) were indirectly attributable to Amundi S.A. in accordance with Section 34 WpHG.
- BlackRock, Inc., Wilmington, Delaware, USA, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 3% on 2 March 2020 and on this date came to 3.09% (14,780,221 voting shares). 3.09% (14,780,221 voting shares) are attributable to BlackRock, Inc., indirectly in accordance with Section 34 WpHG.
- BlackRock, Inc., Wilmington, Delaware, USA, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3% on 4 March 2020 and on this date came to 2.81% (14,439,503 voting shares). 2.81% (14,439,503 voting shares) are attributable to BlackRock, Inc., indirectly in accordance with Section 34 WpHG.

For further details, we refer to the individual notifications on voting rights published on our website www.lufthansa.com.

12 Reserves

The capital reserve contains the premiums resulting from capital increases and the proceeds from the issue of debt securities for conversion options to acquire Company shares. In 2019, a share premium of EUR 35m was added from a capital increase for employee shares.

The legal reserve contained in retained earnings is unchanged at EUR 26m; other reserves consist of other retained earnings. An amount of EUR 4,615bn may not be distributed as dividends. This is made up of EUR 2,142m from the recognition of deferred tax assets for temporary differences between the valuations for commercial and tax purposes, EUR 1,262m from the difference between the application of ten-year or seven-year average interest rates to discount the pension obligations and EUR 1,211m from the amount by which the fair value of plan assets exceeds their cost. There are sufficient free retained earnings to cover the amount that may not be distributed.

13 Provisions

T09 PROVISIONS

in €m	31.12.2019	31.12.2018
Provisions for pensions and similar obligations	1,066	1,063
Tax provisions	287	561
Obligations in respect of unused flight documents	2,290	2,076
Other provisions	2,959	3,069
	6,602	6,769

A Company pension scheme exists for staff working in Germany and staff seconded abroad. Benefit obligations are mainly funded by means of contributions to an external trust fund to which access is restricted.

There are also obligations from the conversion of salary components that are funded by assets held in insurance policies. The actuarial obligations are netted with the corresponding assets measured at fair value as of 31 December 2019 to obtain the carrying amount for the balance sheet. The acquisition costs of the fund assets were EUR 9,012m as of 31 December 2019. Their fair value as of 31 December 2019 was EUR 10,218m. The actuarial amount required to settle the obligation is recognised at EUR 11,276m as of 31 December 2019.

The wage agreement “Lufthansa Pension Ground” introduced a new system of retirement benefits in the form of a defined-contribution pension commitment for ground staff employed in Germany. For employees recruited before 1 January 2016, the entitlements vested up until 31 December 2015 are maintained. For service periods starting from 1 January 2016, employees can reach the same level of bene-

fits by making contributions from their own pocket. For employees recruited from 1 January 2016, the contributions to the new model will be invested on the capital market. When the employee reaches retirement age, the entire account balance is converted into an annuity on the basis of the applicable BilMoG interest rate, subject to a pension adjustment of 1% per annum and while guaranteeing the contributions that were originally made.

On 17 March 2017, the wage agreement “Lufthansa Pension Cabin” for the cabin crew was signed with the trade union UFO. It includes the provision that employees who started work at Lufthansa before 30 June 2016 maintain their pension entitlements vested up to this point. For service periods from 1 July 2016, the employees receive employer contributions to the Company pension scheme depending on their eligible gross salary. In addition, the previous entitlements to transitional benefits were replaced by an initial contribution to the new capital-market-based benefits system, calculated as of the date on which the change was made. All employees are free to make their own contributions on a voluntary basis. Contributions from both employer and employee, as well as the initial transitional benefit contribution, are invested on the capital markets with a capital guarantee. When the employee reaches retirement age, the available account balance is converted into an annuity on the basis of the applicable BilMoG interest rate, subject to a pension adjustment of 1% per annum.

On 21 December 2017, the “Lufthansa Pension Cockpit” wage agreement for cockpit staff was signed with the Vereinigung Cockpit pilots’ union. At the same time, a new “Transitional Benefit Cockpit” wage agreement was signed. For employees recruited before 1 January 2017, the pension entitlements vested up until 31 December 2016 are maintained. For service periods from 1 January 2017, the employees receive employer contributions to the Company pension scheme depending on their eligible gross salary. All employees are free to make their own contributions on a voluntary basis. The capital is invested on capital markets with a capital guarantee, in addition to the guaranteed interest rate offered by life insurance companies (currently 0.9% p.a.) for cockpit crew as an extra commitment. When the employee reaches retirement age, the available account balance is converted into an annuity on the basis of the applicable BilMoG interest rate, subject to a pension adjustment of 1% per annum.

The old rules fundamentally continue to apply to transitional benefits. The collective retirement age for pilots will go up in stages from 58 to 60 by 2021.

In the new Company retirement benefit scheme for ground, cabin and cockpit staff, the obligations from the capital market components are recognised at the fair value of the corresponding plan assets and are offset against these, insofar as they exceed the minimum guaranteed amount. The employer contributions recognised in staff costs constitute service expense.

Accrued interest expenses on provisions and expenses from measuring the obligation with a lower discount rate than in the previous year of EUR 1,231m in total were offset against income of EUR 1,067m from the market valuation of plan assets.

The change from a seven-year average interest rate to a ten-year average for calculating the settlement amounts resulted in a difference of EUR 1,262m as of 31 December 2019 that is not available for distribution.

Obligations under partial retirement agreements are recognised in other provisions. Obligations of EUR 73m are netted with fund assets with a fair value of EUR 49m. The acquisition costs of the fund assets are EUR 51m. Net income of EUR 2.3m from fund assets was offset against expenses of EUR 0.6m in accrued interest on the provision.

Working hours accounts have been managed for cabin crew since 2017, for which net plan assets of EUR 86m were held. The acquisition costs of the fund assets are EUR 81m.

Other provisions mainly include amounts for purchased services, fuel, maintenance, restructuring, profit-sharing and commissions.

14 Liabilities

T10 LIABILITIES

in €m	31.12.2019				31.12.2018			
	Total	Due within one year	Due after more than one year	Of which due after more than five years	Total	Due within one year	Due after more than one year	Of which due after more than five years
Bonds	1,098	98	1,000	–	1,000	500	500	–
Liabilities to banks	2,089	665	1,424	34	1,967	599	1,368	34
Advance payments for orders	6	6	–	–	0	0	–	–
Trade payables	697	697	–	–	713	713	–	–
Payables to affiliated companies	6,094	6,094	–	–	5,512	5,512	0	–
Payables to companies held as other investments	6	6	–	–	8	8	–	–
Other liabilities	4,426	761	3,665	1,979	3,645	846	2,799	1,460
thereof for taxes	92	92	–	–	156	156	–	–
thereof relating to social security obligations	3	3	–	–	2	2	–	–
	14,416	8,327	6,089	2,013	12,845	8,178	4,667	1,494

EUR 67m of the liabilities to banks were secured by aircraft in the previous year. The funding was repaid early in the reporting year. Of the other liabilities, obligations arising from finance leases totalling EUR 3,518m are secured by the aircraft concerned.

The amounts listed under liabilities from guarantees include EUR 1,623m in co-debtors' guarantees given in favour of North American fuelling and handling companies. There was no requirement to recognise these guarantee obligations as a liability, because the fuelling and handling companies are expected to be able to meet the underlying liabilities and a claim is therefore unlikely. Furthermore, this amount is matched by compensatory claims against the other co-debtors amounting to EUR 1,586m. These amounts are in some cases preliminary, since current financial statements from some counterparties are not available yet.

15 Contingent liabilities

T11 CONTINGENT LIABILITIES

in €m	31.12.2019	31.12.2018
Relating to guarantees, bills of exchange and cheque guarantees	1,819	1,152
thereof to affiliated companies	195	168
Relating to warranty agreements	400	243
thereof to affiliated companies	111	112
thereof to joint ventures	244	110
Relating to the provision of collateral for third-party obligations	25	25

Of the liabilities relating to warranties, EUR 92m refer to co-debtors' guarantees in favour of the Terminal One Group Association, L.P. joint venture at New York's JFK Airport. No provision was recognised, as a claim is not considered likely. The assumption is that the Company will be able to meet its obligations itself. The obligations under the warranties are matched by compensatory claims against the other co-debtors amounting to EUR 69m. The increase in liabilities under warranties to joint ventures results from the financing of two new freighter aircraft in service at Aerologic GmbH.

16 Other financial obligations

Financial obligations on the basis of order commitments, loan commitments and long-term contracts came to EUR 15,863m as of the reporting date.

ORDER COMMITMENTS

Order commitments for capital expenditure on property, plant and equipment came to EUR 12,934m as of 31 December 2019. Of the corresponding payment obligations, EUR 11,406m falls due in the years 2020 to 2024, and EUR 1,514m falls due in the years 2025 to 2027.

Obligations to acquire Company shares and to contribute capital to investee companies totalling EUR 221k existed as of the balance sheet date. There were also loan commitments of EUR 395m towards affiliated companies.

OBLIGATIONS UNDER TENANCY AGREEMENTS

The Company carries on its business almost exclusively in rented premises. Rental agreements generally run for up to ten years. Facilities at Frankfurt and Munich airports are rented for longer periods, in some cases for up to 30 years, and are partly prefinanced by Lufthansa. Annual rental payments amount to around EUR 167m.

Expenses for longer-term operating leases pertaining to aircraft with terms up to 2026 came to EUR 865m in the financial year 2018. Expenses for operating leases were mainly payable to affiliated companies; EUR 65m were paid to several external lessors (previous year: EUR 52m).

OBLIGATIONS UNDER LONG-TERM MAINTENANCE CONTRACTS

Long-term maintenance contracts with external providers signed as of the balance sheet date with durations up to 2030 gave rise to expenses of EUR 169m in the financial year. Of the corresponding payment obligations, EUR 849m falls due in the years 2020 to 2024, and EUR 653m falls due in the years 2025 to 2030.

17 Hedging policy and financial derivatives

As an international airline, Deutsche Lufthansa AG is exposed to the risk of changes in exchange rates, interest rates and fuel priced in US dollars.

EXCHANGE RATE HEDGES

For US dollars, Lufthansa is mainly in a net payer position as regards currency risks from its operating business, since fuel payments are dollar-denominated. There is always a net surplus for other currencies. The main risks in this respect stem from the Chinese renminbi, the Swiss franc, British pound sterling, the Japanese yen and the Indian rupee. Depending on market liquidity, currency risks from projected operational exposure are hedged gradually over a period of 24 months by means of futures contracts. The target hedging level is defined in the Group's internal guidelines. At the

end of 2019, exposure to the major foreign currency items from operations for the next 24 months was as follows:

T12 FOREIGN CURRENCY EXPOSURE FROM OPERATIONS

31.12.2019 in €m	USD	CNY	JPY	GBP	INR
Exposure (currency)	-1,202	4,563	77,161	592	37,958
Exposure (EUR at spot rate)	-1,072	583	632	693	475
Hedges (currency)	497	-1,858	-31,858	-238	-7,120
Hedge ratio	41%	41%	41%	40%	19%
Hedge rate	1.24	8.19	124.08	0.89	82.56

Anticipated macro measurement units have been formed prospectively for operational currency hedges since 1 January 2019 in accordance with Section 254 HGB and presented using the net hedge method to improve presentation of the net assets, financial and earnings position. The hedged items are the net positions of highly probable future cash flows in foreign currencies from the operating business for each foreign currency and hedging month. Since the target hedging level is always less than the total foreign currency exposure, the hedges are considered to be fundamentally effective, so no provision for impending losses from measurement units has to be recognised.

No measurement units were formed for operational currency hedges concluded before 1 January 2019, so provisions for impending losses are recognised for negative market valuations. The nominal volume of these outstanding external hedging transactions is EUR 1,652m as of the reporting date.

Forward currency transactions and swaps are valued individually at their respective forward curve and discounted to the reporting date based on the corresponding interest rate curve. The market prices of currency options are calculated using recognised option pricing models.

The following table shows the market values of external hedges for Deutsche Lufthansa AG and its subsidiaries, as well as any provisions for impending losses.

T13 FOREIGN EXCHANGE RATE HEDGES FOR EXPOSURE FROM OPERATIONS

31.12.2019 in €m	Nominal volume	Market value	Maturities up to	Carrying amounts of other provi- sions
External hedges	5,849	10	2023	29
External hedges for subsidiaries	6,154	-2	2022	-

HEDGED CAPITAL EXPENDITURE

Exchange rate hedges in the form of micro hedges are combined with expected aircraft deliveries to form valuation units for the purpose of hedging the risk of price increases due to exchange rate movements and presented in the

balance sheet using the net hedge method. Aircraft purchases are now only hedged by means of forward transactions. The exposure for capital expenditure at year-end 2019, the relevant hedging volume and the effects of the hedges on the acquisition costs of the hedged investments are as follows:

T14 HEDGED USD CAPITAL EXPENDITURE

Year	Exposure in \$m	Volume hedged in \$m	Market values in €m	Hedge ratio
2020	1,687	1,290	170	76%
2021	2,567	1,875	182	73%
2022	2,496	1,598	199	64%
2023	2,779	1,651	139	59%
2024	1,516	784	45	52%
2025	1,114	582	34	52%
2026	368	205	9	56%
2027	147	73	3	50%
	12,674	8,058	781	64%

INTEREST RATE HEDGES

Suitable interest rate swaps and combined interest rate/currency swaps are arranged with external parties to hedge interest rate risks on balance sheet bonds, loans and lease liabilities. They are combined in valuation units as micro hedges and presented in the balance sheet using the net hedge method. Hedged items and hedges have identical maturities, up to 2031 at the latest. As the reciprocal cash flows balance each other out, the interest rate swaps are not presented in the balance sheet. As of 31 December 2019, provisions for onerous contracts of EUR 69m are recognised for impending losses regarding interest rate hedges with no hedged items.

Furthermore, Deutsche Lufthansa AG and its subsidiaries have arranged combined interest rate / currency swaps that are matched by interest rate / currency swaps of the same type, volume and maturity with external third parties. They are also combined in valuation units as micro hedges. Hedged items and hedges have identical maturities, up to 2028 at the latest. The hedged cash flows balance each other fully, so that the valuation units are fully effective. As of 31 December 2019, provisions for onerous contracts of EUR 2m are recognised for impending losses regarding other internal interest rate hedges.

T15 INTEREST RATE HEDGES

31.12.2019 in €m	Volume hedged	Market value	Maturities up to	Carrying amount of other provision
External hedges with hedged items	5,214	90	2031	-
External hedges without hedged items	1,212	-66	2027	69
External hedges for subsidiaries	548	-1	2028	-
Internal hedges with subsidiaries	141	-	2027	2

The fair values of interest rate derivatives correspond to their respective market values, which are measured using appropriate mathematical methods, such as discounting future cash flows. Discounting takes market standard interest rates and the residual term of the respective instruments into account.

FUEL HEDGING

As of 31 December 2019, exposure to fuel prices was as follows:

T16 FUEL PRICE EXPOSURE

		2020	2021
Fuel exposure	in thousand t	6,139	6,189
Volume hedged	in thousand t	4,817	1,708
Hedge ratio	in %	78%	28%

As of the reporting date, there were hedges covering 408 thousand tonnes in the form of crack swaps for the price difference between gas oil and crude oil for 2020. The hedges run until early 2020 and had a market value of EUR 0.2m as of the reporting date.

Suitable forward transactions, spread options and combinations of hedges are arranged with external counterparties to hedge price risks from future fuel requirements. They have been combined with the hedged items as macro valuation units and presented using the net hedge method to improve presentation of the earnings position.

T17 FUEL PRICE HEDGES

31.12.2019	Volume of hedged items in thousand t	Market value in €m	Maturities up to	Carrying amount of other assets in €m
Range options	6,269	80	2021	98
Swaps	71	1	2021	0
Hedging combinations	184	1	2021	3

The market prices of options used to hedge fuel prices are determined using acknowledged option pricing models. The market values correspond to the price at which an inde-

pendent third party would assume the rights and/or obligations from the financial instrument.

FINANCIAL INSTRUMENTS HELD AS FINANCIAL INVESTMENTS

T18 BALANCE SHEET ITEMS - FINANCIAL INVESTMENTS

in €m	Market values 31.12.2019	Carrying amounts 31.12.2019
Shares in affiliated companies	1,791	1,791
Loans to affiliated companies	6	6
Other loans	1	1

Shares in affiliated companies held at fair value relate to an equity interest of 100% in Crane Strategic Investment S.C.S., Belgium. This is an equity investment in a foreign investment vehicle within the meaning of Section 1 Paragraphs 1 and 2 of the German Investment Code (KAGB). No distribution was made in the reporting year. It can be returned on a daily basis without any restriction. The investment serves to hold a strategic minimum liquidity.

As of the reporting date, the loans to affiliated companies include another foreign currency loan to Lufthansa Aviation Training USA Inc. Its fair value is EUR 6m, which differs only negligibly from its carrying amount.

NOTES TO THE INCOME STATEMENT

18 Traffic revenue

T19 TRAFFIC REVENUE BY TRAFFIC REGION

in €m	2019	2018
Europe	5,589	5,689
North America	4,341	4,159
Asia /Pacific	2,878	2,780
South America	959	1,019
Africa	630	582
Middle East	488	448
	14,885	14,677

T20 TRAFFIC REVENUE BY SECTOR

in €m	2019	2018
Scheduled	14,366	14,140
Charter	519	537
	14,885	14,677

19 Other revenue

T21 OTHER REVENUE

in €m	2019	2018
Travel services (commissions / fees)	513	503
Aircraft on operating leases	195	231
Matrix allocation	252	205
Ground services / in-flight sales	169	175
Services rendered	141	135
Staff secondment	15	52
Rent for land / buildings	55	50
Other	48	55
	1,388	1,406

81% of other revenue was generated in Europe (previous year: 84%).

Changes to the regional charter contract with Lufthansa CityLine GmbH affected income from operating leases on aircraft. Changes in the item “Matrix allocation” were due to higher year-on-year internal transfer prices in the context of the process-oriented matrix organisational structure. The item “Other” mainly consists of income from advertising and product placement.

Revenue from other periods came to EUR 61m in the reporting year and consists largely of income from unused flight documents from prior years.

20 Other operating income

T22 OTHER OPERATING INCOME

in €m	2019	2018
Proceeds on the disposal of non-current assets	13	12
Exchange rate gains from foreign currency translation	1,150	611
Reversal of provisions	178	217
Compensation received for damages	17	12
Earnings from write-backs on assets	58	74
Other operating income	247	232
	1,663	1,158

Gains from foreign currency translation include EUR 402m from a currency hedge terminated early. Other operating income includes income from training services, reimbursements for benefits from continued remuneration, maternity or other employment prohibition as well as income from compensation payments.

Income from other periods came to EUR 244m in the reporting year and consisted mainly of write-backs of provisions.

21 Cost of materials and services

T23 COST OF MATERIALS AND SERVICES

in €m	2019	2018
Aircraft fuel and lubricants	3,672	3,272
Other costs of raw materials, consumables and supplies and goods purchased	97	77
Costs of services purchased	6,993	6,653
	10,762	10,002

22 Staff costs

T24 STAFF COSTS

in €m	2019	2018
Wages and salaries	2,405	2,454
Social security, pensions and benefit contributions	644	680
thereof for retirement benefits	322	372
	3,049	3,134

T25 AVERAGES NUMBER OF EMPLOYEES

	2019	2018
Flight staff	25,874	25,627
Ground staff	11,811	11,800
Trainees	36	45
	37,721	37,472

23 Depreciation, amortisation and impairment

Depreciation, amortisation and impairment of intangible assets, aircraft and other property, plant and equipment are detailed in the statement of changes in non-current assets. Impairment losses of EUR 54m were recognised in the financial year. They were incurred for one A340-600, three A380s held for sale, and capitalised development expenses for a Group-wide digital distribution platform.

Total depreciation and amortisation in financial year 2019 is shown in the statement of changes in non-current assets and includes amortisation of financial investments.

24 Other operating expenses

T26 OTHER OPERATING EXPENSES

in €m	2019	2018
Exchange rate losses from foreign currency translation	713	598
Expenses for computerised distribution systems	277	287
Travel expenses	244	235
Sales commission paid to agencies	241	218
Advertising and sales promotions	211	232
Rental and maintenance expenses	178	174
Payment system expenses (especially credit card commission payments)	160	161
Matrix allocation	159	128
Auditing, consulting and legal expenses	130	108
Courses / training for flight staff	76	79
Insurance for flight operations	25	24
Impairment charges / depreciation and amortisation for current assets	21	43
Other operating expenses	550	525
	2,985	2,812

Expenses from other periods came to EUR 72m in the reporting year, mainly for MRO expenses.

25 Result from equity investments

T27 RESULTS FROM EQUITY INVESTMENTS

in €m	2019	2018
Income from profit transfer agreements	493	620
Expenses from loss transfer agreements	714	378
Income from equity investments	697	700
thereof from affiliated companies	691	695
	476	942

Income/expenses from profit and loss transfer agreements are shown including tax contributions. Income from equity investments consists primarily of the dividends from AirTrust AG and the accrued dividends from the Austrian

leasing companies for the financial year 2019 due to aligning the timing of profit recognition.

26 Net interest

T28 NET INTEREST

in €m	2019	thereof affiliated companies	2018	thereof affiliated companies
Income from other securities and non-current financial loans	37	35	42	40
Other interest and similar income	117	14	96	10
Interest and similar expenses	-506	-1	-1,471	-1
thereof accrued interest	-1,251	-	-734	-
thereof from market valuation of pension fund assets	1,077	-	-568	-
	-352	48	-1,333	49

Changes in interest expenses result primarily from the positive year-on-year change in the market value of pension assets used to fund retirement benefit obligations.

Net interest includes expenses from other periods of EUR 148m, which is largely due to a tax back payment following a ruling by the Federal Tax Court.

27 Impairment of investments and current securities

Impairment losses of EUR 45m were recognised on investments due to their impairment, which is expected to be permanent. This relates to a write-down of EUR 25m on the carrying amount of two Austrian aircraft sale-and-lease-back entities and to a receivable of EUR 21m owed by an insolvent business partner.

28 Taxes

T29 TAXES

in €m	2019	2018
Income taxes	2	-58
thereof deferred taxes (income)	-291	-421
Other taxes	28	41
	30	-17

Taxes on income and earnings include back taxes of EUR 194m due to a ruling by the Federal Tax Court concerning the non-deductibility of partial write-downs on cross-border loans.

Taxes on income and earnings and other taxes also include net items from previous years of EUR 136m.

OTHER DISCLOSURES

29 Supervisory Board and Executive Board

The members of the Supervisory Board and the Executive Board are listed on p. 28f.

The principles of the remuneration system, including the changes valid from 2019 as well as the amount of remuneration paid to the individual Executive Board and Supervisory Board members, are shown and explained in detail in the remuneration report. The remuneration report forms part of the combined management report.

EXECUTIVE BOARD

Remuneration for the Executive Board members active in the reporting year is as follows:

T30 TOTAL REMUNERATION OF EXECUTIVE BOARD MEMBERS

in €k	2019	2018
Basic salary	5,934	4,832
Other	110	427
One-year variable remuneration	2,091	4,845
Long-term variable remuneration	2,844	1,018
Share programme 1)	2,988	1,893
Total remuneration	13,967	13,015
Severance payment	4,055	–
Staff costs of pension commitments	3,076	3,191

1) Fair value at the time the options are granted

The employment contract with Ms Bettina Volkens was terminated prematurely as of 31 December 2019 in accordance with a Supervisory Board resolution of 3 December 2019 and the corresponding severance agreement. Ms Volkens shall receive a severance payment of EUR 4,055k for the remaining term of her employment contract and keeps her pro rata entitlement for 2019 to the annual and long-term variable remuneration.

The Executive Board's remuneration consists of the following components:

Non-performance-related remuneration

- **Fixed annual salary.** Basic remuneration, paid monthly as a salary.
- **Retirement benefit commitments.** The members of the Executive Board receive retirement benefit commitments based on a defined contribution plan. Since the financial year 2019, every Executive Board member receives, for the duration of their employment, a fixed annual amount, which is credited to their personal pension account.

- **Other.** Other benefits include, in particular, the non-cash benefit of using company cars, the discount granted in connection with share programmes, benefits from concessionary travel in accordance with the relevant IATA regulations and attendance fees, and also daily allowances for work on the supervisory boards of affiliated companies.

Performance-related remuneration:

- **One-year variable remuneration (annual bonus).** The annual bonus is based on financial targets (85%) and non-financial targets (15%). For the financial targets, half each of the EBIT margin and the Adjusted EBIT growth compared with the four-year average are compared with a target figure. For 2019 the Supervisory Board defined "customers" and "employees" as focal points for the sustainability targets in the one-year variable remuneration.
- **Long-term variable remuneration.** The current long-term variable remuneration includes still ongoing programmes from several financial years, which are partly based on remuneration systems in effect before 1 January 2019. As of 2019 the long-term variable remuneration is based on the Total Shareholder Return (TSR) in relation to the DAX companies and on the Adjusted Return on Capital Employed (Adjusted ROCE) which each have a weighting of 42.5%. In addition, sustainability parameters are included with a weighting of 15%. The performance period for the targets is four years. Payment is in cash after the consolidated financial statements have been adopted for the last year of the respective performance period.
- **Share-based remuneration.** Up to and including 2018, the Executive Board members were also obliged to take part in the share programme for Executive Board members and managers. The programmes are scheduled to run for four years. A new share-based remuneration component applies as of 2019, which is described in more detail in the remuneration report.

In addition to the provision for the one-year variable remuneration of EUR 2,091k (previous year: EUR 4,845k), provisions totalling EUR 2,844k were recognised for the future payment of long-term variable remuneration for the Executive Board members active as of 31 December 2019 (previous year: EUR 1,018k).

As of 31 December 2019, the members of the Executive Board held the following shares from current share programmes:

T31 SHARE PROGRAMMS EXECUTIVE BOARD
(Number of shares acquired from own funds)

	2018	2017	2016
Carsten Spohr	10,125	6,525	15,120
Thorsten Dirks	6,750	4,350	–
Harry Hohmeister	6,750	4,350	10,080
Ulrik Svensson	6,750	4,350	–
Bettina Volken	6,750	4,350	10,080

Expenses of EUR 1,942k for share-based remuneration were recognised for current share programmes. This represents the fair value of the options granted during the financial year and changes in the value of options granted in prior years.

Current payments to former members of the Executive Board and their surviving dependants came to EUR 6.4m (previous year: EUR 6.8m). This includes payments by subsidiaries as well as benefits in kind and concessionary travel.

Pension obligations towards former Executive Board members and their surviving dependants amount to EUR 62.6m (previous year: EUR 62.2m).

SUPERVISORY BOARD

Fixed remuneration for the Supervisory Board came to EUR 2,170k for the financial year (previous year: EUR 2,107k). Other remuneration, mainly attendance fees, amounted to EUR 62k (previous year: EUR 68k).

The Deutsche Lufthansa AG Supervisory Board members were also paid EUR 2k for work on supervisory boards of Group companies (previous year: EUR 27k). In addition to their Supervisory Board remuneration, employee representatives on the Supervisory Board received compensation for their work in the form of wages and salaries including pension entitlements amounting to EUR 1.1m in total (previous year: EUR 1.1m).

In the reporting year, as in the previous year, no loans or advance payments were made to members of the Executive Board or Supervisory Board.

30 Proposal on the appropriation of distributable profit

As the parent company of the Group, Deutsche Lufthansa AG reported a distributable profit of EUR 298m for the 2019 financial year. The Executive Board and the Supervisory Board will table a proposal at the Annual General Meeting to be held on 5 May 2020 to transfer these distributable earnings into the retained earnings.

31 Events after the reporting period

Spread of the coronavirus significantly affects financial performance of the Lufthansa Group

The ongoing spread of the coronavirus has led to a significant fall in demand for air travel. Some countries, including the USA, imposed a travel ban for passengers from the European Union. This led to a decline in bookings at the Group airlines and to flight cancellations. In response, the Group has decided to cut its flight capacity significantly and to implement a wide range of cost-cutting measures affecting staff costs, operating costs and project budgets. Steps to raise liquidity will also improve the Group's capital structure.

Agreement with UFO on resolution process for collective bargaining dispute

The Lufthansa Group and the independent flight attendants' union UFO agreed on 31 January 2020 on a multi-stage process to resolve the collective bargaining dispute. The process provides for a separation of wage and non-wage topics in three stages: mediation, arbitration and an out-of-court settlement. In the mediation process, questions of cooperation will be discussed, with a focus on future dealings with one another, and solutions found. At the same time the parties will begin a comprehensive arbitration process covering the wage claims made by UFO and other collective bargaining topics. In a separate, out-of-court settlement process, the specific legal affairs of both parties and individual officials will be presented to a labour law judge, ideally resulting in definitive solutions.

32 Declaration of compliance in accordance with Section 161 German Stock Corporation Act (AktG)

The declaration of compliance with the German Corporate Governance Code required by Section 161 of the German Stock Corporation Act (AktG) was issued by the Executive Board and Supervisory Board and made public permanently as part of the declaration on corporate governance in line with Section 289f HGB on the Company's website at www.lufthansagroup.com/declaration-of-compliance.

33 Auditors' fees

Auditors' fees recognised in expenses in the financial year in accordance with Section 319 Paragraph 1 HGB are made up as follows:

T32 Auditors' fees

in €m	2019	2018
Audit services	3.5	3.2
Other certification services	0.2	0.2
Tax advisory services	0.9	0.6
Other services	1.7	0.1
	6.3	4.1

The auditing services mainly consist of fees for auditing the consolidated financial statements, the review of the half-yearly financial statements and the audit of the financial statements of Deutsche Lufthansa AG and its consolidated subsidiaries. The fees reported under other services relate in particular to the audit of information systems and processes and services in connection with legal and contractual requirements. Tax advisory services mainly consist of tax advice on transfer pricing, international taxes and inspections by tax authorities. Other services relate mainly to IT advisory services.

Declaration by the legal representatives

„We declare that, to the best of our knowledge and according to the applicable accounting standards, the financial statements give a true and fair view of the net assets, the financial and earnings positions of the Company, and that the management report, which has been combined with the Group management report, includes a fair view of the course of business, including the business result and the situation of the Company, and suitably presents the principal opportunities and risks to its future development.“

Frankfurt, 13 March 2020

Deutsche Lufthansa Aktiengesellschaft

Carsten Spohr
Chairman of the Executive Board
and CEO

Thorsten Dirks
Member of the Executive Board
IT, Digital & Innovation

Christina Foerster
Member of the Executive Board
Customer &
Corporate Responsibility
(since 1 January 2020)

Harry Hohmeister
Member of the Executive Board
Commercial Passenger Airlines

Detlef Kayser
Member of the Executive Board
Airline Resources & Operations
Standards

Michael Niggemann
Member of the Executive Board
Corporate Human Resources and Legal Affairs
(since 1 January 2020)

Ulrik Svensson
Member of the Executive Board
Chief Financial Officer

Independent Auditor's Report

To Deutsche Lufthansa AG, Cologne

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Deutsche Lufthansa AG, Köln, which comprise the balance sheet as at 31 December 2019, and the statement of profit and loss for the financial year from 1 January to 31 December 2019, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Deutsche Lufthansa AG, which is combined with the group management report, for the financial year from 1 January to 31 December 2019. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities, and financial position of the Company as at 31 December 2019, and of its financial performance for the financial year from 1 January to 31 December 2019, in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsi-

bilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2019. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- 1 Recognition of traffic revenue, including provision for unused flight documents
- 2 Accounting treatment of aircraft, including investments in aircraft ownership companies
- 3 Pension provisions
- 4 Accounting treatment of hedging transactions

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

- 1 Recognition of traffic revenue, including the provision for unused flight documents
 - ① Until they are used due to departure, sold flight documents are recognized as a provision for unused flight documents in the Company's annual financial statements. Once a passenger coupon has been used due to departure, the corresponding traffic revenue is recognized as revenue in the income statement. First of all, the part of the flight documents that has not yet been used in the financial year and is still valid in the following year is added to the provision for unused flight documents. In addition, based on historical data, the amount of expired flight documents which are expected to not

be used is estimated; this amount is also recognized as a provision for unused flight documents. In the financial year 2019, the Company realized traffic revenue of € 14.9 billion in total.

From our point of view, the recognition of traffic revenue was of particular significance for our audit, as recognition and measurement of this item, which is specific to the business model and significant in amount, are dependent to a large extent on the estimates and assumptions of the executive directors regarding the use behavior of passengers with regard to flight documents, to which calculation processes that are, in some cases, complex are applied.

- ② We also included our specialists in the Risk Assurance Service (RAS) to audit traffic revenue. With their support, we evaluated, among other things, the appropriateness and effectiveness of the established internal control system used to settle and realize traffic revenue, including the IT systems used by the Company. To the extent that we were not able to conduct our own evaluation of the internal control system of services relating to IT systems or processes outsourced to third parties, we obtained an assurance report attesting to the appropriateness and effectiveness of the internal control system established by the service provider (ISAE 3402 Type II or SSAE 16), which our specialists assessed. In our audit of the provision for unused flight documents, we reconstructed among other things the individual steps used in the calculations. Specifically, we examined the open flight documents and their measurement by year of sale and validity. Furthermore, we considered the consistency and continuity of the method used to calculate the flight prices, fees, taxes and other levies attributable to the flight documents no longer expected to be used. Thereby, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors were consistently derived and sufficiently documented.
- ③ The disclosures on traffic revenue and the provisions for unused flight documents are contained in sections 2), 13) and 18) of the notes to the annual financial statements.
- ② Accounting treatment of aircraft, including investments in aircraft ownership companies
- ① Under the balance sheet item "Aircraft", the Company reports aircraft and prepayments on newly ordered aircraft in the amount of € 6.7 billion in its annual financial statements. The aircraft reported include, on the one hand, the aircraft that are legally owned and used by the Company. On the other hand, the Company leases aircraft from aircraft ownership companies in which the Company holds a direct or indirect stake and the investments in which are reported under "Long-term financial assets" in an amount of € 1.5 billion, and from external lessors. The Company reports leased aircraft in its annual financial statements when they are attributa-

ble to it for economic purposes. The economic attribution is based on the general principles of German commercial law and - where applicable - on the fiscal decrees on leasing.

In accordance with German commercial law, the aircraft are measured at cost less depreciation and write-downs. The depreciation was calculated based on the average actual useful life of the aircraft at the Company. In the event of a permanent impairment due to changes in an aircraft's use situation, a write-down to the lower fair value is made, taking into account a market price overview published on a regular basis by Aircraft Value Analysis Company Ltd.

Investments in aircraft ownership companies are measured in accordance with German commercial law at the lower of cost and fair value. The fair value of the investment is determined based on the fair value of the assets, primarily the aircraft, held by the aircraft ownership company, which is derived from the prices observed on the market, taking into account a market price overview published on a regular basis by Aircraft Value Analysis Company Ltd.

In our view, these matters were of particular significance in the context of our audit because the recognition and measurement of these items – which are significant in terms of its amount are based to a large extent on estimates and assumptions made by the Company's executive directors.

- ② As part of our audit, we evaluated whether the aircraft additions and disposals, as well as the prepayments on aircraft, had been recognized completely and accurately, based on purchase agreements and transfer documents/based on payment plans derived from the aircraft orders and proof of payment, among other things. We assessed whether the carrying amounts of the investments in the aircraft ownership companies had been recognized completely and accurately on the basis of company resolutions, transfer documents and proof of payment. Together with our specialists from Risk Assurance Service (RAS) we assessed the appropriateness and effectiveness of the established internal control system related to the IT system used. We also requested proof of who the aircraft owner and holder was, in the form of a confirmation issued by the German Federal Aviation Authority, on a sample basis. We also verified whether the approval of the supervisory board had been obtained for aircraft orders. We assessed the lease agreements concluded for aircraft with regard to their correct allocation of beneficial ownership. We also evaluated the appropriateness of the measurement assumptions used by the executive directors to arrive at the aircraft depreciation, as well as the fair values of the aircraft and aircraft ownership companies, taking the available information into account. In individual cases in which the fair value was lower than the carrying amount and no write-downs were applied, we assessed whether there was a permanent impairment. We also verified

whether profit and loss transfers had been recognized in full and accurately based on company resolutions and annual financial statements. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors were substantiated and sufficiently documented.

- ③ The disclosures on the aircraft and prepayments on aircraft and the long-term financial assets are contained in sections 2), 3) and 4) of the notes to the annual financial statements.

③ Provisions for pensions

- ① There are various pension plans and plan assets in place for the individual Deutsche Lufthansa AG employee groups. If the settlement amount of the respective pension obligation in accordance with German commercial law exceeds the fair value of the plan assets, then the net amount for the pension plan in question is reported on the liabilities side under the balance sheet item "Provisions for pensions and similar obligations". Otherwise, it is reported on the assets side under the balance sheet item "Excess of plan assets over pension liability". The "Provisions for pensions and similar obligations" of € 1.1 billion reported in the balance sheet correspond to the balance of the direct obligations from the Company's pension plans in the amount of € 11.3 billion and the fair value of the plan assets of € 10.2 billion.

The direct pension obligations are measured using the projected unit credit method. This requires assumptions to be made in particular about long-term rates of growth in salaries and pensions, average life expectancy and staff turnover. The Company's plan assets are measured at fair value, which in turn involves making estimates that are subject to uncertainties.

From our point of view, these matters were of particular significance as part of our audit, as the recognition and measurement of these items, which are significant in amount, are to a large extent based on the estimates and assumptions made by the Company's executive directors.

- ② As part of our audit we evaluated the actuarial expert reports obtained and the professional qualifications of the external experts. Due to the specific features of the actuarial calculations, we were assisted by internal specialists from Pension Consulting. Together with them, we evaluated the numerical data, the actuarial parameters and the valuation methods and assumptions on which the valuations were based for appropriateness. On this basis, we then assessed the calculations of the figures presented on the balance sheet, the accounting entries for the provisions and the disclosures in the balance sheet and the notes to the financial statements based on the expert opinions. Our evaluation of the fair values of plan assets was based on bank confirmations submitted to us. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions

made by the executive directors were substantiated and sufficiently documented.

- ③ The Company's disclosures relating to the pension provisions and plan assets are contained in sections 2) and 13) of the notes to the annual financial statements.

④ Accounting treatment of hedging transactions

- ① The Company uses a variety of derivative financial instruments to hedge against currency, fuel price and interest rate risks arising from its ordinary business activities. The hedging policy defined by the executive directors serves as the basis for these transactions and is documented in corresponding internal guidelines. Currency risks arise primarily from sale transactions, procurement transactions (in particular fuel and investments in aircraft) and financing denominated in foreign currencies. The risk associated with changes in fuel prices results from future procurement transactions that are subject to market price risks. The risk of changes in interest rates results from floating and fixed-rate financing. In addition to the hedging instruments for its own business activities, the Company also concludes derivative financial instruments with its subsidiaries to hedge against interest rate and currency risks assumed in the context of hedging transactions of subsidiaries within the Group.

The positive fair values of the derivative financial instruments used for hedging purposes amounted to € 1,364 million at the balance sheet date and; the negative fair values amounted to € 469 million. As far as possible, the derivative financial instruments are combined with the respective hedged transactions into hedging relationships for accounting purposes under German commercial law. The consequence of this is that, due to the application of the net hedge presentation method, changes in the values or cash flows of the derivative financial instruments over the term of the hedging relationship are not reflected in the financial statements, provided that the hedging relationship is effective. If the hedging relationship is ineffective and results in a net loss, a provision for anticipated losses is recognized. In this regard, provisions amounting to € 100 million were recognized as at balance sheet date.

In our view, these matters were of particular significance due to the high complexity and number of hedging instruments as well as the extensive accounting requirements.

- ② As part of our audit and together with the assistance of our internal specialists from Corporate Treasury Solutions, among other things we assessed the contractual and financial bases of the hedging relationship between the hedged transactions and the derivative financial instruments as hedging instruments, together with the accounting treatment adopted including the impact on earnings. We assessed the requirements for recognizing and accounting for hedging relationships, including the ineffective amounts. Together with our specialists, we

also assessed the Company's risk management system related to derivative financial instruments, including the internal activities to monitor compliance with the hedging policy. We evaluated the Company's internal guidelines on hedging against currency, interest rate and fuel price risks, in particular with respect to a risk management strategy documented in writing and the assignment of responsibilities by the executive directors, and assessed their appropriateness and functionality. Our audit of the fair values also used market data and the underlying contractual data to evaluate the measurement methods. We obtained bank confirmations as at balance sheet date for the purpose of assessing the completeness of the hedging instruments and the correctness of the fair values of the currency, interest rate and fuel price derivatives. With respect to the effectiveness of the hedging relationships, we essentially carried out a retrospective assessment of the past hedge effectiveness and of the expected hedge effectiveness in the future. In doing so, we were able to satisfy ourselves that the conditions for the recognition of valuation units are sufficiently substantiated and documented.

- ③ The Company's disclosures relating to the hedging transactions are contained in sections 2) and 17) of the notes to the annual financial statements.

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "Corporate Governance" of the management report
- the corporate governance report pursuant to No. 3.10 of the German Corporate Governance Code
- the non-financial statement pursuant to § 289b Abs. 1 HGB and § 315b Abs. 1 HGB included in section "Summarized non-financial statement" of the management report

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

§ 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 7 May 2019. We were engaged by the supervisory board on 19 July 2019. We have been the auditor of the Deutsche Lufthansa AG, Köln, without interruption since the financial year 1955.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement
is Eckhard Sprinkmeier.

Dusseldorf, 13 March 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Petra Justenhoven
Wirtschaftsprüferin
(German Public Auditor)

Eckhard Sprinkmeier
Wirtschaftsprüfer
(German Public Auditor)

SUPERVISORY BOARD AND EXECUTIVE BOARD

Supervisory Board

Karl-Ludwig Kley

Chairman of the Supervisory Board
E.ON SE
Chairman

Christine Behle

Deputy Chair of the National Executive Board of the trade union ver.di
Employee representative *
Deputy Chair

Alexander Behrens

Flight attendant and member of the trade union UFO e.V.
Employee representative *

Jörg Cebulla

Flight captain
Employee representative

Herbert Hainer

President of FC Bayern München e.V.

Christian Hirsch

Information management consultant/
Works Council member on leave of absence –
ver.di section
Employee representative

Carsten Knobel

Chair of the Executive Board and CEO
Henkel AG & Co. KGaA

Holger Benjamin Koch

Senior Director Airport /
Industry Charges & Commercial
Provider Management
Employee representative

Martin Koehler

Former head of the Aviation Competence Centre at The Boston Consulting Group

Martina Merz

Chair of the Executive Board of thyssenkrupp AG

Michael Nilles

Chief Digital &
Information Officer (CDIO)
Henkel AG & Co. KGaA

Monika Ribar

President of the Board of Directors of the Swiss Federal Railways (SBB AG), Switzerland

Birgit Rohleder

Teamlead IT Application Management Airport Services
Employee representative

Miriam Sapiro

Managing Director &
Vice Chair (Public Affairs),
Sard Verbinen & Co., USA

Ilja Schulz

Flight captain and member of the Vereinigung Cockpit pilots' union
Employee representative *

Olivia Stelz

Purser
Employee representative

Stephan Sturm

Chairman of the Executive Board and CEO
Fresenius Management SE

Christina Weber

Administrative staff member
Employee representative

Klaus Winkler

Engine technician
Employee representative

Matthias Wissmann

Senior International Counsel
WilmerHale

Honorary Chairman

Dipl.-Ing. Jürgen Weber

Former Chairman of the Supervisory Board
Deutsche Lufthansa AG

* Trade union representative in accordance with Section 7 Paragraph 2 Co-determination Act (MitbestG).

Executive Board (structure since 1 January 2020)

Carsten Spohr

Chairman of the Executive Board and CEO

Thorsten Dirks

Member of the Executive Board
IT, Digital & Innovation

Christina Foerster

Member of the Executive Board
Customer & Corporate Responsibility
(since 1 January 2020)

Harry Hohmeister

Member of the Executive Board
Commercial Passenger Airlines

Detlef Kayser

Member of the Executive Board
Airline Resources & Operations Standards

Michael Niggemann

Member of the Executive Board
Corporate Human Resources and Legal Affairs
(since 1 January 2020)

Ulrik Svensson

Member of the Executive Board
Chief Financial Officer

Bettina Volkens

Member of the Executive Board
Corporate Human Resources and Legal Affairs
(until 31 December 2019)

MANDATES

Other mandates of the Supervisory Board members of Deutsche Lufthansa AG

(As of 31.12.2019)

Karl-Ludwig Kley

- a) BMW AG ³⁾ (Deputy Chair)
- E.ON SE ³⁾ (Chair)

Christine Behle

- a) BREMER LAGERHAUS-GESELLSCHAFT
- Aktiengesellschaft von 1877 -³⁾
(Deputy Chair)
Dortmunder Stadtwerke AG
(DSW21)/ Dortmunder Stadtwerke Holding GmbH

Jörg Cebulla

- a) Sparda-Bank Hessen eG
- b) Albatros Versicherungsdienste GmbH

Herbert Hainer

- a) Allianz SE ³⁾
FC Bayern München AG
(Chair, since 9 December 2019)
- b) Accenture plc., Ireland ³⁾

Carsten Knobel

- b) Henkel Central Eastern Europe GmbH, Austria ²⁾ (Chair)
Henkel (China) Investment Co. Ltd., China ²⁾
Henkel & Cie. AG, Switzerland²⁾
(Deputy Chair)
Henkel Ltd., United Kingdom ²⁾
Henkel of America Inc., USA ²⁾
(Chair)

Martin Koehler

- a) Delton Technology SE
(Deputy Chairman)
- b) American Funds Investment Fund, managed by the Capital Group, USA
FlixBility GmbH

Martina Merz

- a) thyssenkrupp AG ³⁾
(Chair, seat in abeyance, delegated to the Executive Board until
30 September 2020)
- b) AB Volvo, Sweden ³⁾
Imerys SA, France ³⁾
(until 4 May 2020)
SAF-HOLLAND SA,
Luxembourg ³⁾ (Chair until 26
September 2019)

Michael Nilles

- a) Lufthansa Technik AG
- b) Medela Holding AG, Switzerland
(Board of Directors),
Medela AG, Switzerland (Board
of Directors)

Monika Ribar

- b) Chain IQ Group AG, Switzerland
Schweizerische Bundesbahnen
SBB AG, Switzerland (President
of the Board of Directors)
Sika AG, Switzerland ³⁾

Miriam Sapiro

- b) Project HOPE, USA

Stephan Sturm

- a) Fresenius Kabi AG ¹⁾ (Chair)
Fresenius Medical Care
Management AG ¹⁾ (Chair)
- b) VAMED AG, Austria ²⁾ (Deputy
Chairman)

Christina Weber

- a) LSG Lufthansa Service
Holding AG

Matthias Wissmann

- b) ODDO BHF SCA

- a) Membership of German supervisory boards required by law.
- b) Membership of comparable monitoring bodies at companies in Germany and abroad.
- 1) Group mandate in accordance with Section 100 Paragraph 2 Sentence 2 AktG.
- 2) Other Group mandates.
- 3) Publicly listed company.

Mandates of the Executive Board members of Deutsche Lufthansa AG

(As of 31.12.2019)

Carsten Spohr

- a) Lufthansa Technik AG ¹⁾ (Chair)
thyssenkrupp AG ³⁾
(until 26 September 2019)

Thorsten Dirks

- a) Eurowings GmbH ¹⁾ (Chair)
Germanwings GmbH ¹⁾ (Chair)
- b) Eurowings Europe GmbH (Chair)
Günes Ekspres Havacilik A.S.
(SunExpress), Turkey
(Deputy Chairman)
SN Airholding SA/NV, Belgium ²⁾
(Chair)

Christina Foerster

- a) Lufthansa CityLine GmbH ¹⁾

Harry Hohmeister

- a) Lufthansa Cargo AG ¹⁾ (Chair)
- b) Aircraft Maintenance and Engineering Corporation (AMECO),
China
Austrian Airlines AG,
Austria ²⁾ (Chair)
Swiss International Air Lines AG,
Switzerland ²⁾

Detlef Kayser

- a) Aerodata AG
LSG Lufthansa Service Holding
AG ¹⁾ (Chair)
Lufthansa Technik AG ¹⁾
- b) Günes Ekspres Havacilik A.S.
(Sun Express), Turkey

Michael Niggemann

- a) Lufthansa CityLine GmbH ¹⁾
- b) Austrian Airlines AG,
Austria ²⁾ (Deputy Chairman)
Global Brand Management AG,
Switzerland ²⁾ (Chair) (until close
of 31 December 2019)
Swiss Aviation Software AG,
Switzerland ²⁾ (Chair) (until close
of 31 December 2019)

Ulrik Svensson

- a) Lufthansa AirPlus Servicekarten
GmbH ¹⁾ (Chair)
- b) Swiss International Air Lines AG,
Switzerland ²⁾

Bettina Volken

- a) LSG Lufthansa Service Holding
AG ¹⁾ (until 5 June 2019)

- a) Membership of German supervisory boards required by law.
- b) Membership of comparable monitoring bodies at companies in Germany and abroad.
- 1) Group mandate in accordance with Section 100 Paragraph 2 Sentence 2 AktG.
- 2) Other Group mandates.
- 3) Publicly listed company

LIST OF SHAREHOLDINGS – SIGNIFICANT EQUITY INVESTMENTS

T33 SIGNIFICANT EQUITY INVESTMENTS

Name, registered office	Stake in %	Net profit of the last business year in €m *	Shareholders' equity in €m *
Aerococina S.A. de C.V., Mexico-City, Mexico	51.98%	2	10
Aerologic GmbH, Schkeuditz, Germany	50.00%	0 ¹⁾	0 ¹⁾
Air Dolomiti S.p.A. Linee Aeree Regionali Europee, Dossobuono di Villafranca (Verona), Italy	100.00%	0 ¹⁾	57
Aircraft Maintenance and Engineering Corp., Beijing, China	25.00%	34 ²⁾	291 ²⁾
AIRO Catering Services - Ukraine, Boryspil, Ukraine	100.00%	0 ¹⁾	0 ¹⁾
AIRO Catering Services Eesti OÜ, Tallinn, Estonia	100.00%	1	1
Airo Catering Services Latvija SIA, Marupe, Latvia	100.00%	0 ¹⁾	0 ¹⁾
AIRO Catering Services Sweden AB, Upplands Väsby, Sweden	100.00%	1 ¹⁾	12
AirPlus Air Travel Card Vertriebsgesellschaft mbH i.L., Vienna, Austria	100.00%	1 ¹⁾	0
AirPlus Holding GmbH i.L., Vienna, Austria	100.00%	2	1
AirPlus International AG, Kloten, Switzerland	100.00%	3	18
AirPlus International Limited, London, United Kingdom	100.00%	7	11
AirPlus International S.r.l., Bologna, Italy	100.00%	5	32
AirPlus International, Inc., Alexandria, USA	100.00%	2	19
AirPlus Payment Management Co. Ltd., Shanghai, China	100.00%	7	48
AirTrust AG, Zug, Switzerland	100.00%	403	98
Alpha LSG Limited, Manchester, United Kingdom	50.00%	-43 ¹⁾	-28 ¹⁾
Arlington Services Mexico, S.A. de C.V., Mexico-City, Mexico	100.00%	2	17
Arlington Services Panama S.A., Panama-City, Panama	100.00%	0 ¹⁾	10
Arlington Services, Inc., Wilmington, USA	100.00%	0 ¹⁾	2
AUA Beteiligungen Gesellschaft m.b.H., Vienna-Airport, Austria	100.00%	2	10
Austrian Airlines AG, Vienna-Airport, Austria	100.00%	39	394
Austrian Airlines Lease and Finance Company Ltd., Guernsey, United Kingdom	100.00%	-1	0 ¹⁾
AVIAPIT-SOCHI OOO, Sotschi, Russia	100.00%	0 ¹⁾	1
Bahia Catering Ltda., Sao Cristovao (Salvador), Brazil	100.00%	0 ¹⁾	2
Belém Serviços de Bordo Ltda., CRP Belém, Brazil	70.00%	0 ¹⁾	0 ¹⁾
BizJet International Sales & Support, Inc., Tulsa, USA	100.00%	0 ¹⁾	20
Brussels Airlines SA/NV, Brussels, Belgium	100.00%	-41	-45
Capital Gain International (1986) Ltd., Hong Kong, China	100.00%	1	4
Cater Suprimento de Refeicoes, Ltda., Rio de Janeiro, Brazil	100.00%	-1	-7
Caterair Servicos de Bordo e Hotelaria Ltda., Rio de Janeiro, Brazil	100.00%	0 ¹⁾	7
CateringPor - Catering de Portugal, S.A., Lisbon, Portugal	49.00%	2 ²⁾	7 ²⁾
Charm Food Service Co. Ltd., Incheon, South Korea	80.00%	0 ¹⁾	4
CLS Catering Services Ltd., Vancouver, British Columbia, Canada	70.00%	4	28
Comercializadora de Servicios Limitada, Santiago de Chile, Chile	100.00%	0 ⁴⁾	0 ¹⁾
Comisariato de Baja California, S.A. de C.V., Tijuana, Mexico	51.00%	0 ¹⁾	3
Comisariatos Gotre, S.A. de C.V., Torreon, Mexico	51.00%	0 ¹⁾	1
Constance Food Group, Inc., New York, USA	100.00%	2	19
Cosmo Enterprise Co., Ltd., Narita City, Japan	20.00%	0 ⁴⁾	0 ⁴⁾
Crane Strategic Investment S.C.S., Grevenmacher, Luxembourg	100.00%	0 ⁴⁾	0 ⁴⁾
Delvag Versicherungs-AG, Cologne, Germany	100.00%	7	60
Diners Club Spain S.A., Madrid, Spain	25.00%	0 ⁴⁾	0 ⁴⁾
DLH Fuel Company mbH, Hamburg, Germany	100.00%	3	7
Edelweiss Air AG, Kloten, Switzerland	100.00%	36	87
EME Aero Sp.z.o.o., Jasionka, Poland	50.00%	-13	35

T33 SIGNIFICANT EQUITY INVESTMENTS

Name, registered office	Stake in %	Net profit of the last business year in €m *	Shareholders' equity in €m *
Eurowings Aviation GmbH, Cologne, Germany	100.00%	5	3
Eurowings Digital GmbH, Cologne, Germany	100.00%	0 ¹⁾	0 ¹⁾
Eurowings Europe GmbH, Vienna-Airport, Austria	100.00%	3	5
Eurowings GmbH, Dusseldorf, Germany	100.00%	-139	262
Eurowings Technik GmbH, Cologne, Germany	100.00%	0 ¹⁾	0 ¹⁾
Evertaste GmbH, Alzey, Germany	100.00%	2	1
Evertaste Limited, Hounslow, United Kingdom	51.00%	2	3
Evertaste Oy, Vantaa, Finland	100.00%	-1	1
Evertaste S.r.l., Fiumicino, Italy	100.00%	0 ¹⁾	3
Fortaleza Serviços de Bordo Ltda., Fortaleza, Brazil	70.00%	0 ¹⁾	1
Gansu HNA LSG Sky Chefs Co., Ltd, Lanzhou, China	49.00%	1	4
Germanwings GmbH, Cologne, Germany	100.00%	14	33
Global Brand Management AG, Basel, Switzerland	100.00%	57	466
Günes Ekspres Havacilik Anonim Sirketi (Sun Express), Antalya, Turkey	50.00%	0 ⁴⁾	0 ⁴⁾
Hamburger Gesellschaft für Flughafenanlagen mbH, Hamburg, Germany	100.00%	10	217
Hawker Pacific Aerospace, Sun Valley, USA	100.00%	-5	12
HEICO Aerospace Holdings Corp., Florida, USA	20.00%	54	140
Hongkong Beijing Air Catering Ltd., Hong Kong, China	45.00%	7 ²⁾	6 ²⁾
Hongkong Shanghai Air Catering Ltd., Hong Kong, China	45.00%	6 ²⁾	12 ²⁾
Inflight Catering (Pty) Ltd., Johannesburg, South Africa	100.00%	0 ⁴⁾	0 ¹⁾
Inflight Catering Services Limited, Dar es Salaam, Tanzania	61.99%	0 ¹⁾	3
Inflite Holdings (Cayman) Ltd., Grand Cayman, Cayman Islands	49.00%	14	45
Inflite Holdings (St. Lucia) Ltd., Castries, St. Lucia	49.00%	6	26
International Food Services Ltd., Hong Kong, China	100.00%	0 ¹⁾	4
JASEN Grundstücksgesellschaft mbH & Co. oHG, Grünwald, Germany	100.00%	1	24
Jettainer Americas Inc., Wilmington, USA	100.00%	0 ¹⁾	6
Jettainer GmbH, Raunheim, Germany	100.00%	1	5
LeaseAir GmbH & Co. Verkehrsflugzeuge V KG, Dusseldorf, Germany	100.00%	1	39
LHAMI LEASING LIMITED, Dublin, Ireland	100.00%	-1	627
LHAMIH LIMITED, Dublin, Ireland	100.00%	3	4,260
LHBD Holding Limited, London, United Kingdom	100.00%	0	0
LSG Asia GmbH, Neu-Isenburg, Germany	100.00%	21	0 ¹⁾
LSG Catering (Thailand) Ltd., Bangkok, Thailand	100.00%	3	2
LSG Catering China Ltd., Hong Kong, China	100.00%	-1	-5
LSG Catering Guam, Inc., Guam, USA	100.00%	3	-1
LSG Catering Hong Kong Ltd., Hong Kong, China	100.00%	8	93
LSG Catering Saipan, Inc., Saipan, Micronesia	100.00%	0 ¹⁾	0 ¹⁾
LSG France SAS, Paris, France	100.00%	-1	2
LSG Helvetia SAS, Paris, France	100.00%	-2	0 ¹⁾
LSG Holding Asia Ltd., Hong Kong, China	86.88%	3	18
LSG Linearis S.A.S., Paris, France	100.00%	0 ¹⁾	0 ¹⁾
LSG Lufthansa Service - Sky Chefs do Brasil Catering, Refeições Ltda., Guarulhos, Brazil	100.00%	-3	-24
LSG Lufthansa Service Asia Ltd., Hong Kong, China	100.00%	5	34
LSG Lufthansa Service Cape Town (Pty) Ltd., Cape Town, South Africa	100.00%	0 ⁴⁾	0 ¹⁾
LSG Lufthansa Service Catering- und Dienstleistungsgesellschaft mbH, Neu-Isenburg, Germany	100.00%	-1	0 ¹⁾
LSG Lufthansa Service Enterprises Ltd., Hong Kong, China	100.00%	2	2
LSG Lufthansa Service Europa/Afrika GmbH, Neu-Isenburg, Germany	100.00%	15	279
LSG Lufthansa Service Guam, Inc., Guam, USA	100.00%	3	9
LSG Lufthansa Service Holding AG, Neu-Isenburg, Germany	100.00%	-47	746

T33 SIGNIFICANT EQUITY INVESTMENTS

Name, registered office	Stake in %	Net profit of the last business year in €m *	Shareholders' equity in €m *
LSG Lufthansa Service Hong Kong Ltd., Hong Kong, China	41.62% ⁵⁾	6	25
LSG Lufthansa Service Saipan, Inc., Saipan, Micronesia	100.00%	1	8
LSG Sky Chefs - First Catering Schweiz AG, Bassersdorf, Switzerland	60.00%	2	2
LSG Sky Chefs (India) Private Ltd., Mumbai, India	100.00%	1	7
LSG Sky Chefs (Qingdao) Co., Ltd., Laixi City, China	100.00%	2	2
LSG Sky Chefs (Thailand) Ltd., Bangkok, Thailand	64.30%	5	14
LSG Sky Chefs Argentina S.A., Buenos Aires, Argentina	100.00%	8	12
LSG Sky Chefs Belgium N.V., Zaventem, Belgium	100.00%	-3	8
LSG Sky Chefs Berlin GmbH, Neu-Isenburg, Germany	100.00%	1	1
LSG Sky Chefs Bremen GmbH, Neu-Isenburg, Germany	100.00%	0 ¹⁾	-1
LSG Sky Chefs Brussels International BVBA, Zaventem, Belgium	100.00%	4	0 ¹⁾
LSG Sky Chefs Czechia spol. s.r.o., Bor, Czech Republic	100.00%	0 ¹⁾	4
LSG Sky Chefs Danmark A/S, Dragør, Denmark	100.00%	0 ¹⁾	1
LSG Sky Chefs de Venezuela C.A., Caracas, Venezuela	99.99%	2	2
LSG Sky Chefs Düsseldorf GmbH, Neu-Isenburg, Germany	100.00%	-1	-5
LSG Sky Chefs Europe GmbH, Neu-Isenburg, Germany	100.00%	0 ¹⁾	0 ¹⁾
LSG Sky Chefs Frankfurt International GmbH, Neu-Isenburg, Germany	100.00%	-4	-20
LSG Sky Chefs Frankfurt ZD GmbH, Neu-Isenburg, Germany	100.00%	-25	-35
LSG Sky Chefs Hamburg GmbH, Neu-Isenburg, Germany	100.00%	1	-5
LSG Sky Chefs Havacilik Hizmetleri A.S., Sefaköy-Istanbul, Turkey	100.00%	-3	-1
LSG Sky Chefs Istanbul Catering Hizmetleri A.S., Istanbul, Turkey	100.00% ⁶⁾	0 ¹⁾	9
LSG Sky Chefs Kenya Limited, Nairobi, Kenya	50.20%	-2	3
LSG Sky Chefs Köln GmbH, Neu-Isenburg, Germany	100.00%	0 ¹⁾	1
LSG Sky Chefs Korea Co Ltd., Incheon, South Korea	80.00%	1	89
LSG Sky Chefs Leipzig GmbH, Neu-Isenburg, Germany	100.00%	0 ¹⁾	-1
LSG Sky Chefs Lounge GmbH, Neu-Isenburg, Germany	100.00%	2	0 ¹⁾
LSG Sky Chefs Lounge, Inc., Wilmington, USA	100.00%	0 ¹⁾	0 ¹⁾
LSG Sky Chefs Malmö AB, Stockholm, Sweden	100.00%	0 ¹⁾	1
LSG Sky Chefs München GmbH, Neu-Isenburg, Germany	100.00%	2	-35
LSG Sky Chefs New Zealand Limited, Auckland, New Zealand	100.00%	1	28
LSG Sky Chefs Norge AS, Gardermoen, Norway	100.00%	0 ¹⁾	2
LSG Sky Chefs North America Solutions, Inc., Wilmington, USA	100.00%	2	26
LSG Sky Chefs Objekt- und Verwaltungsgesellschaft mbH, Neu-Isenburg, Germany	100.00%	4	122
LSG Sky Chefs RPC West GmbH, Neu-Isenburg, Germany	100.00%	0 ¹⁾	0 ¹⁾
LSG Sky Chefs Rus, Moskau, Russia	100.00%	1	4
LSG Sky Chefs S.p.A., Fiumicino, Italy	100.00%	12	26
LSG Sky Chefs Schweiz AG, Bassersdorf, Switzerland	100.00%	1	6
LSG Sky Chefs South Africa (Proprietary) Ltd., Johannesburg, South Africa	100.00%	-1	-7
LSG Sky Chefs Spain, S.A., Madrid, Spain	100.00%	-1	0 ¹⁾
LSG Sky Chefs Supply Chain Solutions, Inc., Wilmington, USA	100.00%	1	27
LSG Sky Chefs Sverige AB, Landvetter, Sweden	100.00%	0 ¹⁾	2
LSG Sky Chefs TAAG Angola S.A., Luanda, Angola	40.00% ⁵⁾	6	7
LSG Sky Chefs UK Ltd., West Drayton, United Kingdom	100.00%	1	0 ¹⁾
LSG Sky Chefs USA, Inc., Wilmington, USA	100.00%	14	704
LSG Sky Chefs Verwaltungsgesellschaft mbH, Neu-Isenburg, Germany	100.00%	-46	82
LSG South America GmbH, Neu-Isenburg, Germany	100.00%	8	4
LSG Transalpino SAS, Paris, France	100.00%	0 ¹⁾	0 ¹⁾
LSG/Sky Chefs Europe Holdings Ltd., West Drayton, United Kingdom	100.00%	-52	5
LSG-Food & Nonfood Handel GmbH, Neu-Isenburg, Germany	100.00%	0 ¹⁾	1

T33 SIGNIFICANT EQUITY INVESTMENTS

Name, registered office	Stake in %	Net profit of the last business year in €m *	Shareholders' equity in €m *
LSY GmbH, Norderstedt, Germany	100.00%	16	527
Luftfahrtgesellschaft Walter mit beschränkter Haftung, Dortmund, Germany	100.00%	-5	0 ¹⁾
Lufthansa AirPlus Servicekarten GmbH, Neu-Isenburg, Germany	100.00%	-3	213
Lufthansa Asset Management GmbH, Frankfurt am Main, Germany	100.00%	4	4,105
Lufthansa Asset Management Leasing GmbH, Frankfurt am Main, Germany	100.00%	0 ¹⁾	98
Lufthansa Aviation Training Berlin GmbH, Berlin, Germany	100.00%	0 ¹⁾	8
Lufthansa Aviation Training Germany GmbH, Frankfurt am Main, Germany	100.00%	9	30
Lufthansa Aviation Training GmbH, Hallbergmoos, Germany	100.00%	-17	138
Lufthansa Aviation Training Switzerland AG, Kloten, Switzerland	100.00%	5	62
Lufthansa Bombardier Aviation Services GmbH, Schönefeld, Germany	51.00%	-2 ²⁾	0 ^{1) 2)}
Lufthansa Cargo AG, Frankfurt am Main, Germany	100.00%	-90	289
Lufthansa CityLine GmbH, Munich-Airport, Germany	100.00%	5	176
Lufthansa Commercial Holding GmbH, Frankfurt am Main, Germany	100.00%	25	5,654
Lufthansa Engineering and Operational Services GmbH, Frankfurt am Main, Germany	100.00%	0 ¹⁾	6
Lufthansa Global Business Services GmbH, Frankfurt am Main, Germany	100.00%	-3	-6
Lufthansa Global Tele Sales GmbH, Berlin, Germany	100.00%	-2	7
Lufthansa Industry Solutions AS GmbH, Norderstedt, Germany	100.00%	8	12
Lufthansa Industry Solutions BS GmbH, Raunheim, Germany	100.00%	7	4
Lufthansa Industry Solutions GmbH & Co. KG, Norderstedt, Germany	100.00%	18	49
Lufthansa Leasing Austria 1. Beteiligungs GmbH, Salzburg, Austria	100.00%	3	4
Lufthansa Leasing Austria GmbH & Co. OG Nr. 10, Salzburg, Austria	100.00%	38	49
Lufthansa Leasing Austria GmbH & Co. OG Nr. 12, Salzburg, Austria	100.00%	26	35
Lufthansa Leasing Austria GmbH & Co. OG Nr. 14, Salzburg, Austria	100.00%	34	54
Lufthansa Leasing Austria GmbH & Co. OG Nr. 15, Salzburg, Austria	100.00%	17	23
Lufthansa Leasing Austria GmbH & Co. OG Nr. 16, Salzburg, Austria	100.00%	14	26
Lufthansa Leasing Austria GmbH & Co. OG Nr. 17, Salzburg, Austria	100.00%	16	21
Lufthansa Leasing Austria GmbH & Co. OG Nr. 18, Salzburg, Austria	100.00%	3	26
Lufthansa Leasing Austria GmbH & Co. OG Nr. 19, Salzburg, Austria	100.00%	3	6
Lufthansa Leasing Austria GmbH & Co. OG Nr. 20, Salzburg, Austria	100.00%	11	17
Lufthansa Leasing Austria GmbH & Co. OG Nr. 21, Salzburg, Austria	100.00%	20	27
Lufthansa Leasing Austria GmbH & Co. OG Nr. 22, Salzburg, Austria	100.00%	11	83
Lufthansa Leasing Austria GmbH & Co. OG Nr. 24, Salzburg, Austria	100.00%	4	67
Lufthansa Leasing Austria GmbH & Co. OG Nr. 25, Salzburg, Austria	100.00%	3	60
Lufthansa Leasing Austria GmbH & Co. OG Nr. 26, Salzburg, Austria	100.00%	6	192
Lufthansa Leasing Austria GmbH & Co. OG Nr. 27, Salzburg, Austria	100.00%	6	31
Lufthansa Leasing Austria GmbH & Co. OG Nr. 28, Salzburg, Austria	100.00%	36	235
Lufthansa Leasing Austria GmbH & Co. OG Nr. 29, Salzburg, Austria	100.00%	21	39
Lufthansa Leasing Austria GmbH & Co. OG Nr. 30, Salzburg, Austria	100.00%	10	22
Lufthansa Leasing Austria GmbH & Co. OG Nr. 31, Salzburg, Austria	100.00%	2	24
Lufthansa Leasing Austria GmbH & Co. OG Nr. 32, Salzburg, Austria	100.00%	12	116
Lufthansa Leasing Austria GmbH & Co. OG Nr. 33, Salzburg, Austria	100.00%	1	59
Lufthansa Leasing Austria GmbH & Co. OG Nr. 34, Salzburg, Austria	100.00%	4	96
Lufthansa Leasing Austria GmbH & Co. OG Nr. 35, Salzburg, Austria	100.00%	-1	73
Lufthansa Leasing Austria GmbH & Co. OG Nr. 36, Salzburg, Austria	100.00%	0 ¹⁾	23
Lufthansa Leasing Austria GmbH & Co. OG Nr. 37, Salzburg, Austria	100.00%	4	270
Lufthansa Leasing Austria GmbH & Co. OG Nr. 38, Salzburg, Austria	100.00%	-1	37
Lufthansa Leasing Austria GmbH & Co. OG Nr. 39, Salzburg, Austria	100.00%	-3	17
Lufthansa Leasing Austria GmbH & Co. OG Nr. 42, Salzburg, Austria	100.00%	2	151
Lufthansa Leasing Austria GmbH & Co. OG Nr. 43, Salzburg, Austria	100.00%	0 ¹⁾	46

T33 SIGNIFICANT EQUITY INVESTMENTS

Name, registered office	Stake in %	Net profit of the last business year in €m *	Shareholders' equity in €m *
Lufthansa Leasing Austria GmbH & Co. OG Nr. 50, Salzburg, Austria	100.00%	54	71
Lufthansa Malta Aircraft-Leasing Ltd., St. Julians, Malta	100.00%	185	1,219
Lufthansa Malta Blues LP, St. Julians, Malta	99.99%	0 ¹⁾	-562
Lufthansa Malta Corporate Finance Limited, St. Julians, Malta	100.00%	6	617
Lufthansa Malta Finance Holding Limited, St. Julians, Malta	100.00%	3	638
Lufthansa Process Management GmbH, Neu-Isenburg, Germany	100.00%	1	0 ¹⁾
Lufthansa Seeheim GmbH, Seeheim-Jugenheim, Germany	100.00%	0 ¹⁾	3
Lufthansa Systems Americas, Inc., Irving, USA	100.00%	0 ¹⁾	2
Lufthansa Systems GmbH & Co. KG, Raunheim, Germany	100.00%	-1	-30
Lufthansa Technik AERO Alzey GmbH, Alzey, Germany	100.00%	45	45
Lufthansa Technik AG, Hamburg, Germany	100.00%	300	898
Lufthansa Technik Airmotive Ireland Holdings Ltd., Dublin, Ireland	100.00%	3	169
Lufthansa Technik Airmotive Ireland Leasing Ltd., Dublin, Ireland	100.00%	39	252
Lufthansa Technik Budapest Repülögép Nagyjavító Kft., Budapest, Hungary	100.00%	1	9
Lufthansa Technik Component Services LLC, Tulsa, USA	100.00%	6	25
Lufthansa Technik Immobilien- und Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00%	7	35
Lufthansa Technik Landing Gear Services UK Ltd., Kestrel Way, Hayes, United Kingdom	100.00%	-2	-12
Lufthansa Technik Logistik GmbH, Hamburg, Germany	100.00%	3	2
Lufthansa Technik Logistik Services GmbH, Hamburg, Germany	100.00%	4	1
Lufthansa Technik Maintenance International GmbH, Frankfurt am Main, Germany	100.00%	-3	5
Lufthansa Technik Malta Limited, Luqa, Malta	92.00%	1	7
Lufthansa Technik North America Holding Corp., Tulsa, USA	100.00%	0 ¹⁾	243
Lufthansa Technik Objekt- und Verwaltungsgesellschaft mbH, Hamburg, Germany	100.00%	7	141
Lufthansa Technik Philippines, Inc., Manila, Philippines	51.00%	36	85
Lufthansa Technik Puerto Rico LLC, San Juan, Puerto Rico	100.00%	1	10
Lufthansa Technik Shannon Limited, Claire, Ireland	100.00%	1	36
Lufthansa Technik Sofia OOD, Sofia, Bulgaria	75.10%	2	17
MARDU Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Grünwald, Germany	100.00%	12	152
Miles & More GmbH, Neu-Isenburg, Germany	100.00%	79	44
MIM IFE Limited, Dublin, Ireland	100.00%	0 ¹⁾	1
MUSA Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Grünwald, Germany	100.00%	4	31
Myanmar LSG Lufthansa Service Ltd., Yangon, Myanmar	100.00%	3	9
N3 Engine Overhaul Services GmbH & Co. KG, Arnstadt, Germany	50.00%	16	125
Nanjing Lukou International Airport LSG Catering Co Ltd., Nanjing, China	40.00%	3 ²⁾	12 ²⁾
Natal Catering Ltda., Aeroporto São Gonçalo do Amarante, Brazil	70.00%	0 ¹⁾	0 ¹⁾
Oakfield Farms Solutions, L.L.C., Wilmington, Delaware, USA	100.00%	4	11
ÖLB Österreichische Luftverkehrs-Beteiligungs GmbH, Vienna-Airport, Austria	100.00%	0 ¹⁾	352
ÖLH Österreichische Luftverkehrs-Holding GmbH, Vienna-Airport, Austria	100.00%	-4 ⁷⁾	168
ÖLP Österreichische Luftverkehrs-Privatstiftung, Vienna-Airport, Austria	0.00%	0 ¹⁾	0 ¹⁾
Quinto Grundstücks-gesellschaft mbH & Co. oHG, Grünwald, Germany	99.73%	3	76
Retail In Motion Asia Limited, Hong Kong, China	100.00%	-1	1
Retail in Motion GmbH, Neu-Isenburg, Germany	100.00%	10	26
Retail in Motion Latin America SpA, Santiago de Chile, Chile	100.00%	0 ¹⁾	1
Retail in Motion Limited, Dublin, Ireland	100.00%	2	47
Retail In Motion Mexico S. de R.L. de C.V., Mexico-City, Mexico	51.00%	0 ¹⁾	1
Retail Inmotion Middle East L.L.C., Abu Dhabi, United Arab Emirates	100.00%	0 ¹⁾	-1
Risto Rail Portugal, LDA Lisbon, Portugal	100.00%	0 ¹⁾	0 ¹⁾
SC International Services, Inc., Wilmington, USA	100.00%	0 ¹⁾	0 ¹⁾
SCIS Air Security Corporation, Wilmington, USA	100.00%	5	6

T33 SIGNIFICANT EQUITY INVESTMENTS

Name, registered office	Stake in %	Net profit of the last business year in €m *	Shareholders' equity in €m *
ServCater Internacional Ltda., Guarulhos, Brazil	90.00%	-4	-23
Servicios Complementarios de Cabina, S.A. de C.V., Mexico-City, Mexico	51.88%	0 ¹⁾	1
Shanghai Pudong International Airport Cargo Terminal Co. Ltd., Shanghai, China	29.00%	74 ²⁾	181 ²⁾
Siam Flight Services Ltd., Bangkok, Thailand	49.00%	3	4
Silver Wings Bulgaria OOD, Sofia, Bulgaria	28.75% ⁸⁾	0 ¹⁾	5
Sky Chefs Argentine, Inc., Wilmington, USA	100.00%	0 ¹⁾	0 ¹⁾
Sky Chefs Chile SpA, Santiago de Chile, Chile	100.00%	0 ¹⁾	15
Sky Chefs De Mexico, S.A. de C.V., Mexico-City, Mexico	51.00%	7	14
Sky Chefs de Panama, S.A., Panama-City, Panama	100.00%	4	28
Sky Chefs Things Remembered Services FZE, Lagos, Nigeria	51.00%	-1	-4
Sky Chefs Things Remembered Services Limited, Lagos, Nigeria	51.00%	0 ¹⁾	0 ¹⁾
Sky Chefs, Inc., Wilmington, USA	100.00%	6	167
SkylogistIX GmbH, Neu-Isenburg, Germany	51.00%	1	1
SN Airholding SA/NV, Brussels, Belgium	100.00%	0 ¹⁾	195
Spairliners GmbH, Hamburg, Germany	50.00%	-5 ²⁾	74 ²⁾
Spiriant Asia Pacific Limited, Hong Kong, China	100.00%	0 ¹⁾	2
Spiriant Bahrain Limited W.L.L., Manama, Bahrain	60.00%	0 ¹⁾	0 ¹⁾
Spiriant GmbH, Neu-Isenburg, Germany	100.00%	6	8
Supply Chain S.à.r.l., Senningerberg, Luxembourg	100.00%	6	24
Swiss Aviation Software AG, Basel, Switzerland	100.00%	10	18
Swiss Global Air Lines AG, Basel, Switzerland	100.00%	0 ¹⁾	1
Swiss International Air Lines AG, Basel, Switzerland	100.00%	307	1,784
Terminal 2 Gesellschaft mbH & Co oHG, Munich-Airport, Germany	40.00%	78	61
TGV DLH, Dusseldorf, Germany	100.00%	18	1,797
time:matters GmbH, Neu-Isenburg, Germany	100.00%	7	1
time:matters Holding GmbH, Neu-Isenburg, Germany	100.00%	23	69
time:matters Spare Parts Logistics GmbH, Neu-Isenburg, Germany	100.00%	2	0 ¹⁾
Tolmachevo Catering OOO, Novosibirsk, Russia	26.00%	2 ²⁾	1 ²⁾
Wenzhou Longwan International Airport LSG Sky Chefs Co Ltd, Wenzhou City, China	40.00%	-- ⁴⁾	-- ⁴⁾
Western Aire Chef, Inc., Wilmington, USA	100.00%	2	7
XEOS Sp.z.o.o., Środa Śląska, Poland	51.00%	-24 ²⁾	117 ²⁾
Xian Eastern Air Catering Co. Ltd, Xian, China	30.00%	4 ²⁾	7 ²⁾
Yunnan Eastern Air Catering Co. Ltd., Kunming, China	24.90%	3 ²⁾	11 ²⁾
ZAO Aeromar, Moscow Region, Russia	49.00%	19	67
AFS Aviation Fuel Services GmbH, Hamburg, Germany	33.00%	2 ³⁾	2 ³⁾
AviationPower GmbH, Hamburg, Germany	49.00%	3 ³⁾	12 ³⁾
ZAO AeroMEAL, Yemelyanovo, Russia	100.00%	0 ¹⁾	1

* IFRS disclosures

1) < EUR 500k.

2) Local GAAP disclosures.

3) Financial statements from 2018.

4) No figures available.

5) Management responsibility for this company lies within the LH Group.

6) 33.34% of the equity stake and 50.01% of voting rights are attributed via a call option.

7) 50.20% of the equity stake and voting rights come from ÖLP.

8) 28.75% of the equity stake and voting rights are attributed via a call option.

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Further information

Comprehensive, up-to-date information about Lufthansa's economic development, including the Group annual report and interim reports, is available online at

<http://www.lufthansagroup.com/investor-relations>

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