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Financial Statements 2021

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Financial statements of

Deutsche Lufthansa Aktiengesellschaft, Cologne, 31 December 2021

CONTENTS

The management report for Deutsche Lufthansa AG and the Group management report have been combined and published in the Lufthansa Annual Report 2021. The financial statements and the combined management report and Group management report of Deutsche Lufthansa AG for the financial year 2021 are published in the German Federal Gazette (Bundesanzeiger) and are also accessible from the internet site of the company registry.

Balance Sheet
as of 31 December 2021

T01 BALANCE SHEET - ASSETS

in €m	Notes	31.12.2021	31.12.2020
Intangible assets		348	385
Aircraft	3	5,892	5,783
Property, plant and other equipment		55	69
Financial investments	4	16,062	16,800
Non-current assets	3	22,357	23,037
Inventories	5	114	111
Trade receivables	6	229	102
Other receivables and other assets	6	1,525	1,299
Securities	7	5,084	3,655
Cash and cash equivalents	7	1,479	788
Current assets		8,431	5,955
Prepaid expenses	8	84	73
Deferred tax assets	9	3,908	3,207
Total assets		34,780	32,272

Balance Sheet
as of 31 December 2021

T02 BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABLITIES

in €m	Notes	31.12.2021	31.12.2020
Issued capital*	10	3,060	1,530
Capital reserve	11	1,010	378
Retained earnings	11	6,498	6,498
Balance sheet deficit	29	-3,090	-780
Shareholders' equity		7,478	7,626
Provisions for pensions and similar obligations		2,752	2,230
Tax provisions		526	523
Other provisions		5,207	4,111
Provisions	12	8,485	6,864
Bonds		6,804	2,827
Liabilities to banks		1,813	4,215
Payables to affiliated companies		4,641	4,659
Other liabilities		5,542	6,067
Liabilities	13	18,800	17,768
Deferred income		17	14
Total shareholders' equity and liabilities		34,780	32,272

*contingent capital as of 31 December 2021 amounts to EUR 275m (previous year EUR 1.122m)

Income statement

for the financial year 2021

T03 INCOME STATEMENT

in €m	Notes	2021	2020
Traffic revenue	17	4,480	3,502
Other revenue	18	684	778
Total revenue		**5,164**	**4,280**
Other operating income	19	875	6,825
Cost of materials and services	20	-4,776	-5,071
Staff costs	21	-2,408	-2,217
Depreciation, amortisation and impairment	22	-398	-1,135
Other operating expenses	23	-1,780	-2,342
Result from operating activities		**-3,323**	**340**
Result from equity investments	24	1,008	-806
Net interest	25	-634	-1,162
Impairment on investments and current securities	26	-23	-147
Financial result		**351**	**-2,115**
Current income taxes	27	-8	-51
Deferred income taxes	27	701	1,065
Loss after income taxes		**-2,279**	**-761**
Other taxes	27	-31	-19
Net loss for the year		**-2,310**	**-780**
Profit/Loss carried-forward	11	-780	298
Transfer to retained earnings		–	-298
Balance sheet deficit	29	**-3,090**	**-780**

Statement of changes in non-current assets as of 31 December 2021

T04 STATEMENT OF CHANGES IN NON-CURRENT ASSETS

in €m	Acquisitions					Accumulated depreciation and amortisation					Carrying amounts	
	as of 01.01.2021	Additions	Disposals	Reclassifi-cations	as of 31.12.2021	as of 01.01.2021	Additions	Disposals	Write-ups	as of 31.12.2021	as of 31.12.2020	as of 31.12.2021
I. Intangible assets												
1. Purchased concessions, intellectual property and similar rights and assets and licences in such rights and assets	615	8	2	10	631	371	41	2	–	410	244	221
2. Geschäfts- oder Firmenwerte	103	–	–	–	103	10	11	–	–	21	93	82
3. Advance payments	61	21	13	-10	59	13	9	8	–	14	48	45
	779	29	15	–	793	394	61	10	–	445	385	348
II. Aircraft												
1. Aircraft and equipment	8,273	60	151	-6	8,176	3,925	316	109	10	4,122	4,348	4,054
2. Advance payments and plant under construction	1,435	442	42	6	1,841	–	3	–	–	3	1,435	1,838
	9,708	502	193	–	10,017	3,925	319	109	10	4,125	5,783	5,892
III. Property, plant and equipment												
1. Land, leasehold rights and buildings including buildings on third-party land	180	0	7	–	173	142	7	6	–	143	38	30
2. Other equipment, operating and office equipment	172	4	53	0	123	144	11	54	–	101	28	22
3. Advance payments and plant under construction	3	0	0	0	3	–	–	–	–	–	3	3
	355	4	60	–	299	286	18	60	–	244	69	55
IV. Investments												
1. Shares in affiliated companies	14,369	448	338	–	14,479	966	–	12	–	954	13,403	13,525
2. Loans to affiliated companies	3,218	60	915	–	2,363	22	–	0	10	12	3,196	2,351
3. Equity investments	169	–	–	–	169	–	–	–	–	–	169	169
4. Non-current securities	5	0	–	–	5	–	–	–	–	–	5	5
5. Other loans	76	0	10	–	66	55	9	5	0	59	21	7
6. Prefinancing of leasehold	6	–	1	–	5	–	–	–	–	–	6	5
	17,843	508	1,264	–	17,087	1,043	9	17	10	1,025	16,800	16,062
Total	28,685	1,043	1,532	–	28,196	5,648	407	196	20	5,839	23,037	22,357

Notes
Deutsche Lufthansa AG 2021

GENERAL REMARKS

1 Principles

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), the supplementary provisions of the German Stock Corporation Act (AktG) and the Articles of Association, and have been audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt am Main. 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) as adopted by the EU.

Its financial year is the calendar year.

The separate and consolidated financial statements are published in the Federal Gazette. They are permanently available online at **https://investor-relations.lufthansagroup.com/en/publications/financial-reports.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. For the same reason, disclosures indicating how these items also belong to other items and disclosures marked “of which” have likewise been made at this point. Over and above the statutory classification system, the entry relating to aircraft is listed separately in order to improve the clarity of the financial statements.

2 Summary of significant accounting policies and valuation methods

As before, preparation of the financial statements was essentially based on the following accounting policies.

GOING CONCERN

Despite a significant improvement in the situation compared with the previous year, the business activities of the Lufthansa Group companies were again impacted by the effects of the coronavirus pandemic in 2021 and the related far-reaching tightening of international travel restrictions and quarantine regulations worldwide. Positive developments in the MRO and Catering airline service segments, which both generated positive earnings in the reporting period, and the cargo business, which again generated record earnings, were only partly able to offset the results of the passenger business, which remained negative.

The strongly reduced volume of business continues to affect liquidity, although the cash flow from operating activities improved significantly due to the increased inflows from ticket sales in the reporting period. Liquidity at Deutsche Lufthansa AG and its domestic and foreign subsidiaries was initially secured in 2020 thanks to the government aid provided as part of the stabilisation packages. In addition, the Group has successfully and repeatedly raised funds on capital markets since the second half of 2020, which not only cover its medium-term financing needs but also enabled the full repayment of the stabilisation measures received in Germany.

The stabilisation measures were applied for, negotiated and approved in Germany, Switzerland, Austria, Belgium and the USA in the previous year.

The framework agreement concluded in Germany between the Lufthansa Group, the Economic Stabilisation Fund (WSF) and the KfW has an overall financing framework of up to EUR 9.0bn. Funding agreed in Switzerland, Austria and Belgium is to be offset against this. WSF funding totalling EUR 6.0bn was provided by subscribing for shares amounting to 20% of subscribed capital, and in the form of a silent participation in Deutsche Lufthansa AG. As well as the issuance of shares and the full payment made for Silent Participation II in the amount of EUR 1.0bn in the previous year, an amount of EUR 1.5bn was drawn down from Silent Participation I in the second quarter of the 2021 financial year.

The framework agreement with the Economic Stabilisation Fund provides for extensive information and auditing rights for the Economic Stabilisation Fund and obligations for the Lufthansa Group including regarding the suspension of dividend payments, limitations on management compensation, a commitment not to make equity investments, waiver of up to 24 slots at both the Frankfurt and Munich airports and pursuit of a sustainable corporate policy. Compliance with the obligations across the Lufthansa Group is crucial and it may in some cases be demanding in the current situation since some of the obligations call for interpretation, taking into account the understanding of the EU Commission.

The WSF reduced its equity interest to 14% in the course of the third quarter of the financial year. A decision was taken and successfully carried out at the end of the third quarter to increase capital by EUR 2.2bn, making partial use of Authorised Capital C. The WSF participated in the capital increase by contributing EUR 282m from Silent Participation I. In connection with the capital increase, the mandatory disposal rules in the framework agreement with the WSF were amended. On the condition that the WSF silent participation is repaid in full, the agreement now includes an obligation to sell the shares within seven to 24 months of the capital increase. This obligation is in particular subject to the proviso that the WSF can obtain a price for its shares that gives it a minimum return of twelve per cent p.a. on the time-weighted capital used to purchase the shares. Deutsche Lufthansa AG fulfilled the conditions for the WSF sale obligation in the fourth quarter of the financial year with the full repayment of the amounts drawn down from the silent participation and the subsequent cancellation of the stabilisation funds still available.

As well as the issuance of bonds for EUR 4.1bn within the scope of the EMTN programme, the other refinancing measures implemented in 2021 included aircraft financing and the issuance of borrower's note loans.

As of 31 December 2021, Deutsche Lufthansa AG had liquidity of EUR 4.1bn.

Since there is still great uncertainty regarding travel opportunities and customer behaviour, the Lufthansa Group regularly updates its rolling liquidity planning to reflect the changing parameters for its forecast course of business. The uncertainty surrounding the military conflict between Russia and Ukraine represents an additional risk for the continued recovery of business. Performance in 2022 will depend to a great extent on the further course of the pandemic and the economic impact of the Russia/Ukraine conflict, which in turn are significant factors for the recovery potential of the aviation industry. Under these circumstances, further easing of the travel restrictions still in place around the world and the impact of the Ukraine conflict on the economic parameters for aviation will be decisive for the speed at which the airlines' earnings recover.

Progress was made with the internal activities in the ReNew programme. Capacity reductions advanced by means of voluntary redundancy programmes for flight and ground staff at Lufthansa AG. Management continues to assume that the entire volume of measures will be successfully implemented.

To the extent that it is legally possible, state aid in the form of short-time working benefits and the reimbursement of social security contributions will continue to be received in the first quarter of upcoming financial year 2022 to mitigate the economic consequences of the pandemic.

Current corporate planning only anticipates that the effects of the coronavirus pandemic will end starting in 2025, whereby significantly positive earnings are expected in the recovery phase from 2023. The potential impact of the conflict between Russia and Ukraine does increase the uncertainty of future earnings development, but does not affect the going-concern forecast. The Lufthansa Group's current corporate planning assumes that the Group will regain its pre-crisis level in terms of available seat-kilometres from 2025, but it expects that demand will still be down on 2019 in the business travel segment. The forecast for developments in the tourist travel segment is more positive. This means the planning is in line with sector forecasts, such as the most recent IATA study from November 2021, which in a base case scenario predicts that passenger numbers will return to pre-crisis levels in 2024. The restructuring measures, some of which have been initiated and others completed, should then lead to a profitable growth path again. The main business risks for the recovery phase from 2022 until 2025 relate in particular to the macroeconomic consequences of current military conflicts as well as to forecasting customers' future travel patterns once travel restrictions are lifted, especially for corporate customers.

Taking into account the corporate planning – which assumes an average available capacity of over 70% and over 85% of the 2019 level in 2022 and 2023 respectively – and the resulting liquidity planning, the further potential funding measures and the uncertainties about the future course of business, the Company's Executive Board considers the Company's liquidity to be secure for the next 18 months. In the management's assessment, the uncertainties in connection with the public and political debate on climate protection are not a threat to this forecast. The individual financial statements have therefore been prepared on a going concern basis.

MAIN ESTIMATION ASSUMPTIONS

The ongoing coronavirus pandemic and the steps taken worldwide to contain the virus have continued to have a massive impact on the Company's business operations in the reporting year. Uncertainty and restrictions due to lockdowns and new virus variants had a direct impact on bookings with Deutsche Lufthansa AG, for example. The uncertainties resulting from the crisis are vital for the general assessment of the Company's status as a going concern, but also for specific accounting judgements and estimates. It is therefore of fundamental importance how long and at what intensity government measures to contain the pandemic will continue to affect air travel and the economy as whole, and over which period a recovery will take place. In addition, it is not possible to say what the new normal level will be for air transport in general and Deutsche Lufthansa AG in particular. The main estimated assumptions were therefore based on the liquidity and profit forecasts of Deutsche Lufthansa AG and those of its significant equity investments. Critical accounting areas that may be affected most severely by the ongoing uncertainty about the further course of the pandemic are:

- Carrying amount of equity investments, which depend to a large degree on the speed of the recovery and the level of post-crisis business.
- Carrying amount of aircraft, which are affected by uncertainties about future capacities and so the extent to which the fleet can be used.

- The carrying amount of deferred tax assets due to the assumption that the earnings position will only recover slowly and that sustained positive tax results will probably only be achieved from 2023 onwards.
- Financial instruments, for which assumptions were made about the volume of future items to be hedged (particularly kerosene consumption) when judging effective hedging relationships and so the necessity of recognising gains and losses through profit or loss.
- Accounting for unused flight documents, for which there was – and will continue to be – greater uncertainty about how customers would redeem miles or use tickets. Estimating the expected expiration of tickets will largely depend on when and to what extent air travel is possible again without restrictions.

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 comparing 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.

As a rule, acquired goodwill is amortised over the expected useful life of five to fifteen years. This is based on the expected benefit of the businesses acquired and is primarily determined by economic factors such as future growth and profit forecasts, synergy effects and workforce.

PROPERTY, PLANT AND EQUIPMENT

Straight-line depreciation of property, plant and equipment is based on the purchase and manufacturing costs depreciated over the asset's expected 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 capital goods costing between EUR 251 and EUR 1,000 are pooled in an annual tax account and in the commercial balance sheet for reasons of simplicity. They are 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 depreciated 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 markdowns.

Other current securities are recognised at cost or, if applicable, at lower values as per stock exchanges or market prices on the reporting date, in accordance with Section 253 Paragraph 4 HGB.

Emissions certificates issued free of charge are held at a residual amount; those purchased are held at acquisition cost.

Receivables and other assets are recognised at their nominal value.

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 time 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 historical 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, 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 2021, the corresponding interest rate is forecast as of 31 December 2021 on the basis of interest rate information published as of 30 November 2021. In the reporting year, the rate was 1.87% (previous year: 2.30%). 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 2021 may not be distributed as a dividend. As of 31 December 2021, the seven-year average interest rate used to calculate this difference was 1.35% (previous year: 1.60 %).

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 present value of the guarantee.

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 2021, which is paid during the early retirement phase, as well as the superannuation premiums comprising the salary portion and the additional employer contributions to statutory pension insurance. The provision is calculated making reasonable use of biometric probabilities and a salary trend of 1.67%, which was reduced as a result of the crisis. It is discounted on the basis of average terms to maturity at a seven-year average interest rate forecast as of 31 December 2021. In the reporting year, the rate was 0.40% (previous year: 0.54%).

The other provisions are made for the amount considered necessary to settle the obligations using sound commercial judgement, including future cost and price increases. 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

Temporary or quasi-permanent differences between the valuations of assets, liabilities and deferred income in the financial statements for commercial law and tax purposes, or resulting from lax loss carry-forwards are measured and recognised using the individual tax rates at the time when the differences are removed. Deferred tax assets and liabilities are recognised as a net amount. 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.

Tax loss carry-forwards are recognised to the extent that the deferred tax assets are likely to be used in the future. Company earnings forecasts are used to determine whether deferred tax assets from tax losses carried forward are usable or not, i.e. whether they have a value that can be realised. A five-year period is used to account for deferred taxes on loss carry-forwards.

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 3,908m 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.

Interests which are acquired through a contribution in kind or premium in kind are usually measured as acquisition costs at the time value of the asset contributed. The time value is normally calculated using generally accepted valuation methods (e.g. as the value of future income based on the discounted cash flow method) while applying the principles of IDW S 1.

NOTES TO BALANCE SHEET

Assets

3 Non-current assets

Changes in individual non-current asset items during the financial year 2021 are shown in a separate table.

In addition to the Company's 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. The following aircraft, primarily leased from Group companies, are in service for Deutsche Lufthansa AG:

T05 NUMBER OF LEASED AIRCRAFT

Aircraft type	31.12.2021	31.12.2020
Airbus A319-100	31	24
Airbus A320-200	41	49
Airbus A321-100	20	20
Airbus A321-200	34	29
Airbus A330-300	15	19
Airbus A340-300	17	17
Airbus A340-600	13	13
Airbus A350-900	1	–
Airbus A380-800	5	5
Boeing 747-400	8	10
Boeing 747-8	17	17
Bombardier CRJ 900	6	6
Embraer 190	9	9
Embraer 195	17	17
	234	235

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	31.12.2021	31.12.2020
Raw materials, consumables and supplies	31	11
Emission certificates	80	90
Merchandise	3	10
	114	111

6 Receivables and other assets

T07 RECEIVABLES AND OTHER ASSETS

in €m	31.12.2021	thereof due after more than one year	31.12.2020	thereof due after more than one year
Trade receivables	229	–	102	–
Receivables from affiliated companies	551	25	488	7
Receivables from companies held as other equity investment	1	–	4	–
Other assets	973	158	807	162
	1,754	183	1,401	169

The share of trade receivables from affiliated companies under receivables from affiliated companies amounts to EUR 526m (previous year EUR 69m).

7 Securities and liquid assets

Money market funds valued at EUR 3,888m and primarily managed by Amundi, BNP Paribas and BlackRock were held as of the reporting date. In addition, Deutsche Lufthansa AG invested EUR 1.2bn in a fund launched at HSBC INKA on 2 November 2021. The fund, which is measured at market value, is an investment fund as defined in Article 1 (6) 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 liquidity.

Cash in hand and bank balances consist almost entirely of deposits held with banks. Foreign currency bank balances of EUR 31m (previous year: EUR 32m) 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 discounts on bonds issued in the 2021 financial year amounting to EUR 25 million.

9 Deferred tax assets

This item consists of the net asset balance of EUR 3,908m remaining after deferred tax assets and liabilities on temporary or quasi-permanent differences between carrying amounts for commercial and tax purposes have been offset. They are made up as follows:

T08 DEFERRED TAX ASSETS AND LIABILITIES

in €m	31.12.2021		31.12.2020	
	active	passive	active	passive
Loss carried forward	677	–	455	–
Non-current assets	228	75	171	79
Receivables and other assets	64	4	68	0
Pension accruals	2,449	–	2,041	–
other Provisions	293	–	321	–
Liabilities	60	0	57	52
Inventories	216	–	225	–
Balancing	-79	-79	-131	-131
	3,908	–	3,207	–

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

In addition to recognised deferred tax assets from tax loss carry-forwards, further tax loss carry-forwards totalling EUR 964m (previous year: EUR 746m) exist for which no deferred tax assets could be recognised.

Deferred taxes are calculated using the individual tax rates for Deutsche Lufthansa AG's tax group, which are between 24% and 31%. The tax rate used in each case comprises corporation tax, trade tax and the solidarity surcharge.

Shareholders' equity and liabilities

10 Issued capital

SHARE CAPITAL

By resolution of the Executive Board of Deutsche Lufthansa AG dated 19 September 2021, with the approval of the Supervisory Board on the same date, the share capital of Deutsche Lufthansa AG was increased by EUR 1,530,221,624.32 to EUR 3,060,443,248.64 through the issue of 597,742,822 registered shares using Authorised Capital C. The capital increase took effect on 6 October 2021 when it was entered in the commercial register. Issued capital is divided into 1,195,485,644 registered shares, with each registered 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 EUR 30,000,000 by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders' subscription rights are excluded. As of 31 December 2021, the issued capital was increased under this authorisation by a total of EUR 7,637,831.68, so that Authorised Capital B still amounted to EUR 22,362,168.32 as of the reporting date.

A resolution passed at the Annual General Meeting on 4 May 2021 authorised the Executive Board until 3 May 2026, subject to approval by the Supervisory Board, to increase the Company's issued capital by up to EUR 5,500,000,000.00 by issuing new registered shares on one or more occasions for payment in cash or in kind, in order to use the net issue proceeds largely to repay the capital provided to Deutsche Lufthansa AG by the Economic Stabilisation Fund or for other purposes mentioned in Section 7f of the German Economic Stabilisation Act (WStBG) (Authorised Capital C). Existing shareholders are to be granted subscription rights. The Economic Stabilisation Fund is entitled to subscribe for the new registered shares to which it is entitled as of its exercise of its subscription rights in accordance with the subscription ratio, in return for payment in kind through the contribution of Silent Participation I and/or II either in whole or in part (including the rights to the coupons and any additional payment). The Executive Board is authorised to prescribe the further contents of the share rights and the terms and conditions of the issuance of shares with the consent of the Supervisory Board. As of 31 December 2021, the issued capital was increased under this authorisation by a total of EUR 1,530,221,624.32, so that Authorised Capital C still amounted to EUR 3,969,778,375.68 as of the reporting date.

The Executive Board is authorised, in the event of the fulfilment of the requirements stipulated in Section 4 Paragraph 3 of the German Aviation Compliance Documentation Act (LuftNaSiG) and with the consent of the Supervisory Board, to increase the issued capital by up to 10% by issuing new shares in return for payment in cash and without subscription rights for existing shareholders. The issue price for the new shares must be determined subject to the agreement of the Supervisory Board and may not be significantly lower than the market price. The authorisation may only be made use of insofar as this is necessary in order to achieve the non-applicability of the conditions stipulated in Section 4 Paragraph 3 LuftNaSiG.

The Executive Board is authorised, according to Section 5 Paragraph 2 LuftNaSiG and subject to the approval of the Supervisory Board, to require shareholders to sell some or all of their shares and to provide the Company with proof of this sale without delay insofar as this is necessary for compliance with the requirements for the maintenance of air traffic rights and in the sequence prescribed in Section 5 Paragraph 3 LuftNaSiG, subject to an appropriate time limit and while indicating the legal consequence which would otherwise be possible of the loss of their shares in accordance with Section 5 Paragraph 7 LuftNaSiG.

CONTINGENT CAPITAL

A resolution of the Annual General Meeting on 5 May 2020 increased the Company's contingent capital by up to EUR 122,417,728. The contingent capital increase serves to provide shares to the holders or creditors of conversion and/or option rights from convertible bonds that may be issued by the Company or its Group companies until 4 May 2025. In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

A resolution of the extraordinary general meeting on 25 June 2020 increased the contingent capital of Deutsche Lufthansa AG by up to EUR 102,014,776.32. The contingent capital increase serves to provide shares for the exercise of conversion rights granted to the Economic Stabilisation Fund created by the Stabilisation Fund Act as a silent shareholder of the Company for Silent Participation II-A at a strike rate of EUR 2.56 per share by resolution of the extraordinary general meeting on 25 June 2020. The rights can be exercised if a decision is published to make a takeover offer pursuant to Section 10 of the German Securities Acquisition and Takeover Act (WpÜG) or if control is acquired pursuant to Sections 35 and 29 WpÜG. The buyer can exercise the conversion rights at any time if Silent Participation II-A is sold to a private purchaser.

A resolution of the extraordinary general meeting on 25 June 2020 increased the contingent capital of Deutsche Lufthansa AG by up to EUR 897,985,223.68. The contingent capital increase serves to provide up to 350,775,478 shares for the exercise of conversion rights granted to the Economic Stabilisation Fund created by the Stabilisation Fund Act as a silent shareholder for antidilution and/or coupon protection for Silent Participation II-B by resolution of the extraordinary general meeting on 25 June 2020. If the conversion right is exercised to protect against dilution, the new shares will be issued at the current market price on the conversion date, less 10%. If the conversion right is exercised to protect the coupon, the shares are issued at the current market price on the conversion date, less 5.25%. The conversion rights expire if Silent Participation II-B is assigned to a third party.

The repayment of the silent participations made by the ESF rendered the conditional capital increases described in the previous two paragraphs irrelevant. Their repeal is planned for the next Annual General Meeting.

A resolution of the Annual General Meeting on 4 May 2021 increased the Company's contingent capital by up to EUR 153,022,161.92. The contingent capital increase serves to provide shares to the holders or creditors of conversion and/or option rights from convertible bonds that may be issued by the Company or its Group companies until 3 May 2026. In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

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 of the German 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 07 May 2019, the Executive Board is also authorised to purchase treasury shares by means of derivatives and to conclude corresponding derivative transactions.

Deutsche Lufthansa AG did not buy back any of its own shares in 2021. As a result, no treasury shares were held as of the balance sheet date.

SHAREHOLDER STRUCTURE

Notifications pursuant to Section 160 Paragraph 1 No. 8 of the German Stock Corporation Act (AktG) in conjunction with Section 33 Paragraph 1 of the German Securities Trading Act (WpHG) on changes in voting rights in the share capital held by third parties are disclosed in abbreviated form below (as of 31 December 2021).

— The Economic Stabilisation Fund (ESF), Berlin, on behalf of the Federal Republic of Germany, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 15% on 6 October 2021 and on this date came to 14.09% (168,451,373 voting shares). 14.09% (168,451,373 voting shares) were indirectly attributable to the Economic Stabilisation Fund (ESF) 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 17 December 2021 and on this date came to 3.18% (37,995,622 voting shares). 3.18% (37,995,622 voting shares) are attributable to BlackRock, Inc., indirectly in accordance with Section 34 WpHG.

After the reporting date, BlackRock, Inc., Wilmington, Delaware, USA, notified us that its voting rights in Deutsche Lufthansa AG came to 3.13% (37,419,542 voting rights) on 7 February 2022. 3.13 % (37,419,542 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.

11 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. The capital increase carried out in the 2021 financial year increased the capital reserve by EUR 632m to EUR 1,010m.

The legal reserve contained in retained earnings is unchanged at EUR 26m; other reserves consist of other retained earnings. The previous year's loss has been carried forward. Retained earnings remained unchanged.

An amount of EUR 6,397m may not be distributed as dividends. This is made up of EUR 3,908m from the recognition of deferred tax assets for temporary differences between the valuations for commercial and tax purposes as well as on loss carry-forwards, EUR 1,100m from the difference between the application of ten-year or seven-year average interest rates to discount the pension obligations and EUR 1,388m from the amount by which the fair value of plan assets exceeds their acquisition cost. There are no free retained earnings to cover the amount that may not be distributed.

12 Provisions

T09 PROVISIONS

in €m	31.12.2021	31.12.2020
Provisions for pensions and similar obligations	2,752	2,230
Tax provisions	526	523
Obligations in respect of unused flight documents	1,996	1,218
Other provisions	3,211	2,893
	8,485	6,864

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 2021 to obtain the carrying amount for the balance sheet. The acquisition costs of the fund assets were EUR 9,577m as of 31 December 2021. Their fair value as of the same date was EUR 10,917m. The fund assets which can be netted amount to EUR 10,618m. The actuarial amount required to settle the obligation as of 31 December 2021 is EUR 13,370m.

Between 2015 and 2017, the conversion of the defined benefit plans to defined contribution plans with guaranteed contributions during the vesting period for future pension commitments was completed for all groups of employees.

The collective 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 benefits 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 in accordance with Section 253 Paragraph 2 of the German Commercial Code (HGB), subject to a pension adjustment of 1% per annum and while guaranteeing the contributions that were originally made.

For cabin crew recruited up to 5 July 2016, the pension entitlements vested up until 30 June 2016 are maintained. For service periods from 1 July 2016, the employees receive employer contributions to the Company pension scheme depending on their eligible gross salary. An initial contribution to the transitional benefit scheme was calculated for the staff concerned as of 30 June 2016 on the basis of parameters and valuation methods defined by the collective bargaining partners. This initial transitional benefit contribution will replace all existing claims by the employees concerned under the collective agreement on "Transitional Benefit for Cabin Crew" and will be switched to a contribution commitment with a minimum guaranteed payment. 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 in accordance with Section 253 Paragraph 2 HGB, subject to a pension adjustment of 1% per annum.

For cockpit staff 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 and the guaranteed interest rate offered by the life insurance companies (currently 0.9% per annum) as an additional 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 in accordance with Section 253 Paragraph 2 HGB, subject to a pension adjustment of 1% per annum.

Cockpit staff are still additionally entitled to a transitional pension arrangement covering the period from the end of their active in-flight service until the beginning of their statutory/Company pension plans. Benefits depend on the number of years of service and the final salary before retirement (final salary plans). Pension entitlements continue to accrue while transitional benefits are being received. The transitional rules bascially provide for a gradual increase of the collective retirement age for pilots from 58 to 60 years by 2021. In connection with the forecast long-term staff surplus among cockpit crew, there will be a temporary suspension of the clause relating to the collective retirement age. This results in an increase of EUR 94m in the transitional benefit obligation in the reporting year.

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.

A temporary reduction in employer contributions was agreed for the collective defined benefit plans for cockpit and cabin crew in 2020. This reduction applied until 30 June 2021 for cabin staff and was limited until 31 March 2022 for cockpit staff.

Defined-benefit Company pension schemes and transitional pension arrangements are funded by plan assets, while amounts that have not yet been funded are covered by pension provisions.

Accrued interest expenses on provisions and expenses from measuring the obligation with a lower discount rate than in the previous year of EUR 1,178m in total were offset against income of EUR 724m 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 1,100m as of 31 December 2021, which is not available for distribution.

T10 PROVISIONS FOR PENSIONS

in €m	31.12.2021	31.12.2020
settlement amount of pension obligations	13,370	12,131
fair value of plan assets	10,618	9,901
net value of pension obligations	– 2,752	– 2,230
acquisition cost of plan assets	9,577	9,308

Obligations under partial retirement agreements are recognised in other provisions. Obligations of EUR 102m are netted with fund assets with a fair value of EUR 45m. The acquisition costs of the fund assets are EUR 51m. Accrued interest expenses on provisions of EUR 0.3m, as well as expenses of EUR 0.3m from the negative market valuation of pension fund assets were recognised.

Working hours accounts have been managed for cabin crew since 2017 and had a value of EUR 80m as of the reporting date. They are offset by plan assets with an identical amount. The acquisition costs of the fund assets are EUR 78m.

Other provisions essentially comprise amounts for aircraft maintenance (EUR 1,501m), provisions for impending losses (EUR 284m) and provisions for restructuring and severance payments (EUR 303m).

The majority of the aircraft maintenance provisions (EUR 1,216m) relate to end-of-lease compensation, which is payable under primarily intra-Group leases based on the state of maintenance of the leased aircraft when it is returned.

The provisions for restructuring and severance payments are based on existing termination agreements or proposed contract terminations which Deutsche Lufthansa AG can no longer avoid.

There are provisions for impending losses of EUR 198m in connection with leases with aircraft leasing companies. The measures to cut flight capacities in the longer term will have an impact on leases insofar as the obligation to make lease payments for the aircraft affected is expected to outweigh their contribution to the Company's success.

13 Liabilities

T11 LIABILITIES

in €m	31.12.2021 Total	thereof due within one year	thereof due between one and five years	thereof due after more than five years	31.12.2020 Total	thereof due within one year	thereof due between one and five years	thereof due after more than five years
Bonds*	6,804	104	4,450	2,250	2,827	227	1,100	1,500
Liabilities to banks	1,813	568	1,245	–	4,215	2,025	2,156	34
Payables to affiliated companies	4,641	4,641	–	–	4,659	4,659	–	–
Other liabilities	5,542	1,155	2,479	1,908	6,067	1,104	2,262	2,701
thereof Advance payments for orders	6	1	5	–	6	6	–	–
thereof Trade payables	453	449	4	–	316	316	–	–
thereof Payables to affiliated companies	2	1	1	–	2	2	–	–
thereof other remaining liabilies	5,081	704	2,469	1,908	5,743	780	2,262	2,701
thereof for taxes	40	40	–	–	99	99	–	–
thereof relating to social security obligations	3	3	–	–	2	2	–	–
	18,800	6,468	8,174	4,158	17,768	8,015	5,518	4,235

*Share of convertible bonds amounts to EUR 600m (previous year: 600m)

Liabilities to affiliated companies include trade payables to affiliated companies of EUR 55m (previous year: EUR 41m).

The outstanding bonds comprise eight fixed redemption amount bonds issued under the Euro Medium Term Notes programme. The programme was increased to a total of EUR 10bn in 2021. As of the reporting date, bonds with a nominal volume of EUR 5.6bn, interest rates between 0.25% and 3.75% and maturities between November 2023 and July 2029 had been issued under the programme. One convertible bond and one hybrid bond are also reported under this item. The convertible bond was issued with a nominal volume of EUR 600m. Unless previously converted, the bond will be redeemed at its nominal value on 17 November 2025. Investors also have the option of converting the bond into new and/or existing registered shares of Deutsche Lufthansa AG. The conversion price was reduced from EUR 12.96 to EUR 9.23 as a result of the capital increase in 2021. The hybrid bond has a term until August 2075 and an interest rate of 4.382%. It can be cancelled in a five-year cycle, the next time in February 2026. The conditions attached to the stabilisation package of the ESF led to the suspension of interest payments on this bond in 2021 for the duration of the stabilisation measures while maintaining the creditors' payment claim. Lufthansa intends to pay the deferred interest as soon as possible after the applicable restrictions from the ESF stabilisation measures have been lifted.

In February, Deutsche Lufthansa AG repaid its KfW loan component from the EUR 1bn stabilisation package with the Federal Republic of Germany in full and ahead of schedule.

The silent participation in the amount of EUR 1bn, which excludes loss-sharing and was granted by the Economic Stabilisation Fund in July 2020, and which was reported under other liabilities last year, was repaid in full in the course of the capital increase carried out in September 2021.

In June 2021, EUR 1.5bn was drawn down from Silent Participation I agreed with the ESF. In the course of the capital increase in October 2021, the ESF exercised its subscription rights and made a contribution in kind of EUR 282m from Silent Participation I in exchange for the granting of new shares. Directly after the completion of the capital increase, the outstanding balance of Silent Participation I of EUR 1,218m plus the coupons of EUR 19m to be paid on it were repaid to the ESF.

In both the 2021 financial year and the 2020 financial year, all payment obligations and requirements from the loan agreements described have been fulfilled.

EUR 232m of the liabilities to banks are secured by aircraft. The majority of other liabilities, amounting to EUR 4,305m, consist of aircraft financing. This includes obligations from finance leases to special purpose entities of EUR 3,831m that are secured by the aircraft concerned.

14 Contingent liabilities

T12 CONTINGENT LIABILITIES

in €m	31.12.2021	31.12.2020
Relating to guarantees, bills of exchange and cheque guarantees	1,266	775
thereof to affiliated companies	166	117
Relating to warranty agreements	852	342
thereof to affiliated companies	583	108
thereof to joint ventures	263	188

The amounts listed under liabilities from guarantees include EUR 1,097m in co-debtors' guarantees given in favour of North American fuelling and handling firms. There was no requirement to recognise these guarantee obligations as a liability, because the current forecasts of the companies do not indicate that fuelling and handling companies are unlikely to be able to meet the underlying liabilities. Furthermore, this amount is matched by compensatory claims against the other co-debtors amounting to EUR 1,076m. These amounts are in some cases preliminary, since current financial statements from some counterparties are not available yet.

Of the liabilities under warranties with affiliated companies, EUR 472m relates to guarantees of loan liabilities in favour of Lufthansa Asset Management GmbH for a range of aircraft financing.

EUR 48m of the liabilities relating to warranties 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. Based on the Company's current forecasts, 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 36m. The liabilities under warranties to joint ventures include bank guarantees from the financing of two B777 freighter aircraft in service at Aerologic GmbH and further bank guarantees to secure the operating business of the Lufthansa Technik joint venture EME Sp.z.o.o.

15 Other financial obligations

Financial obligations on the basis of order commitments and loan commitments with no long-term ongoing obligations came to EUR 15,496m as of the reporting date. For ongoing obligations, in some cases with terms of up to 30 years, there were expenses of EUR 1,099m in the reporting year.

ORDER COMMITMENTS

Order commitments for capital expenditure on property, plant and equipment came to EUR 13,509m as of 31 December 2021. Of the corresponding payment obligations, EUR 11,349m falls due in the years 2022 to 2026, and EUR 2,160m falls due in the years 2027 to 2029.

Obligations to acquire Company shares and to contribute capital to investee companies totalling EUR 219k existed as of the balance sheet date. . There were also loan commitments of EUR 1,986m 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 sometimes rented for longer periods, in some cases for up to 30 years, and are partly prefinanced by Lufthansa. Annual rental payments amounted to around EUR 168m in the financial year.

To optimise financing costs, aircraft are regularly leased from affiliated companies and external lessors. Expenses for longer-term operating leases pertaining to aircraft with terms up to 2029 came to EUR 857m in the financial year. It was possible to use them as a qualified assumption for amounts payable annually under these ongoing obligations. Expenses for operating leases were mainly payable to affiliated companies; EUR 77m was paid to several external lessors (previous year: EUR 69m).

OBLIGATIONS UNDER LONG-TERM MAINTENANCE CONTRACTS

Maintenance contracts for aircraft and aircraft components usually have terms of between 5 and 18 years to secure contractual conditions on a long-term basis. Long-term maintenance contracts with external providers signed as of the reporting date with terms up to 2030 gave rise to expenses of EUR 75m in the financial year. There was a significant decrease in maintenance inspections for a second consecutive year due to the pandemic. Of the future payment obligations resulting from the long-term maintenance contracts, EUR 514m falls due in the years 2022 to 2026 and EUR 429m falls due in the years 2027 to 2030 if the contractual services are requested as scheduled. A not unrealistic reduction in the contractual services requested will lead to a decrease in the payment obligations.

16 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, the 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 2021, exposure to the major foreign currency items from operations for the next 24 months was as follows:

T13 FOREIGN CURRENCY EXPOSURE FROM OPERATIONS

31.12.2021 in €m	USD	CNY	JPY	GBP	INR
Exposure (currency)	-3,240	2,175	15,251	406	26,194
Exposure (EUR at spot rate)	-2,863	302	117	484	311
Hedges (currency)	443	-434	-3,453	-80	–
Hedge ratio	14%	20%	23%	20%	0%
Hedge rate	1.12	7.93	120.98	0.89	0.00

Anticipated macro measurement units are formed prospectively for operational currency hedges in accordance with Section 254 HGB and presented using the net hedge method. 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. In deviation from this, a provision for contingent losses in the amount of EUR 9m was recognised for external derivative transactions not covered by underlying transaction exposure 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.

T14 FOREIGN EXCHANGE RATE HEDGES FOR EXPOSURE FROM OPERATIONS

31.12.2021 in €m	Nominal volume	Market value	Maturities up to	Carrying amounts of other provisions
External hedges	2,501	-7	2023	-9
External hedges for subsidiaries	2,460	4	2024	–

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 2021, the relevant hedging volume and the effects of the hedges on the acquisition costs of the hedged investments are as follows:

T15 HEDGED USD CAPITAL EXPENDITURE

Year	Exposure in USD	Volume hedged in USD	Market values in €m	Hedge ratio
2022	-1,755	1,533	29	87%
2023	-2,152	1,532	73	71%
2024	-2,315	1,469	96	63%
2025	-2,721	1,765	107	65%
2026	-1,873	1,325	61	71%
2027	-1,351	876	44	65%
2028	-486	243	12	50%
2029	-168	84	5	50%
	-12,821	**8,827**	**427**	**69%**

INTEREST RATE HEDGES

Suitable interest rate swaps and combined interest rate/currency swaps are arranged with external parties to hedge interest rate risks on bonds, loans and lease liabilities recognised in the balance sheet. 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 2032 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 2021, provisions for onerous contracts of EUR 34m 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 2031 at the latest. The hedged cash flows balance each other fully, so that the valuation units are fully effective.

T16 INTEREST RATE HEDGES

31.12.2021 in €m	Volume hedged	Market value	Maturities up to	Carrying amount of other provision
External hedges with hedged items	4,600	80	2032	–
External hedges without hedged items	921	-29	2027	-34
External hedges for subsidiaries	731	5	2031	–
Internal hedges with subsidiaries	–	–	–	–

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 2021, exposure to fuel prices was as follows:

T17 FUEL PRICE EXPOSURE

		2022	2023
Fuel exposure	in thousand t	3,604	4,369
Volume hedged	in thousand t	2,290	865
Hedge ratio	in %	64%	20%

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.

T18 FUEL PRICE HEDGES

31.12.2021	Volume of hedged items in thousand t	Market value in €m	Maturities up to	Carrying amount of other assets in €m
Range options	56	8	2022	1
Swaps	21	3	2022	–
Hedging combinations	3,078	147	2023	47

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

FINANCIAL INSTRUMENTS HELD AS FINANCIAL INVESTMENTS

T20 BALANCE SHEET ITEMS - FINANCIAL INVESTMENTS

in €m	Market values 31.12.2021	Carrying amounts 31.12.2021
Shares in affiliated companies	0	0
Loans to affiliated companies	487	474
Other loans	1	1

Loans to affiliated companies in foreign currencies essentially comprise the loan of CHF 500m granted to AirTrust AG in 2020. As of the reporting date, the market value of this loan was EUR 483m and the carrying amount was EUR 470m.

NOTES TO THE INCOME STATEMENT

17 Traffic revenue

T20 TRAFFIC REVENUE BY TRAFFIC REGION

in €m	2021	2020
Europe	2,111	1,520
North America	1,078	817
Asia /Pacific	443	536
South America	368	319
Africa	278	201
Middle East	202	109
	4,480	3,502

T21 TRAFFIC REVENUE BY SECTOR

in €m	2021	2020
Scheduled	3,945	3,117
Charter	535	385
	4,480	3,502

18 Other revenue

Europe accounted for 94% (previous year: 87%) of other revenue, which is made up as follows:

T22 OTHER REVENUE

in €m	2021	2020
Travel services (commissions / fees)	108	161
Aircraft on operating leases	165	179
Matrix allocation	152	183
Ground services / in-flight sales	41	44
Services rendered	133	126
Staff secondment	11	11
Rent for land / buildings	48	45
Other	26	29
	684	778

The year-on-year decline is due on in part to a more accommodating ticket rebooking policy, which generated EUR 45m less revenue. In addition, due to the pandemic, fewer internal Group projects were implemented in the commercial core processes of the Group airlines, resulting in lower revenue from the matrix allocation.

Revenue from other periods came to EUR 35m in the reporting year and consists largely of revenue adjustments with a cooperation airline.

19 Other operating income

T23 OTHER OPERATING INCOME

in €m	2021	2020
Proceeds on the disposal of non-current assets	8	5610
Exchange rate gains from foreign currency translation	355	693
Reversal of provisions	233	269
Compensation received for damages	18	21
Earnings from write-backs on assets	29	37
Other operating income	232	195
	875	6,825

The significant year-on-year decrease was primarily due to the recognition of a book gain of EUR 5,608m last year in connection with the capital contribution at AirTrust AG.

Income from other periods came to EUR 122m in the reporting year and consisted of the reversal of provisions, refunds from excessive expenses in the previous year and income from compensation payments.

20 Cost of materials and services

T24 COST OF MATERIALS AND SERVICES

in €m	2021	2020
Aircraft fuel and lubricants	1,153	959
Other costs of raw materials, consumables and supplies and goods purchased	34	62
Costs of services purchased	3,589	4,050
	4,776	5,071

The decline in the cost of materials and services is principally the result of the provision for impending losses recognised in the previous year, which became necessary in connection with leases with aircraft leasing companies. The absence of expenses for emission certificates in the reporting year contrasts with a price-related increase in fuel expenses.

The cost of materials and services include expenses from other periods of EUR 21m.

21 Staff costs

T25 STAFF COSTS

in €m	2021	2020
Wages and salaries	1,854	1,750
Social security, pensions and benefit contributions	554	467
thereof for retirement benefits	329	270
	2,408	2,217

T26 AVERAGES NUMBER OF EMPLOYEES

	2021	2020
Flight staff	24,148	25,381
Ground staff	12,509	14,070
	36,657	39,451
Trainees	45	47

The increase in staff costs despite the significant decrease in the number of employees is primarily due to higher expenses for severance payments (EUR 253m) as well as additions to transitional benefit obligations (EUR 54m) based on existing severance agreements or contract terminations offered in connection with several voluntary redundancy programmes.

In the reporting year, Deutsche Lufthansa AG again made use of short-time working to preserve jobs, reporting claims from short-time working benefits comparable with the previous year of EUR 257m and the related social security contributions of EUR 162m.

The lower net additions to short-time working benefits for employees (EUR 60m) compared with the previous year lead to a reduction in staff costs.

Staff costs include expenses from other periods of EUR 11m.

22 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 12m were recognised in the financial year. Of this, EUR 9m relates to the valuation allowance for prepayments made in connection with an internal Group capacity management project and EUR 3m to the depreciation of a prepayment on order options for Airbus A320neo aircraft that were not exercised.

Total depreciation and amortisation in 2021 shown in the statement of changes in non-current assets includes amortisation of financial investments.

23 Other operating expenses

Other operating expenses are made up as follows:

T27 OTHER OPERATING EXPENSES

in €m	2021	2020
Exchange rate losses from foreign currency translation	407	604
Other operating expenses	396	458
Auditing, consulting and legal expenses	236	82
Rental and maintenance expenses	207	229
Matrix allocation	110	128
Travel expenses	83	76
Expenses for computerised distribution systems	70	52
Advertising and sales promotions	57	60
Payment system expenses (especially credit card commission payments)	57	32
Sales commission paid to agencies	51	39
Courses / training for flight staff	43	45
Impairment charges / depreciation and amortisation for current assets	39	56
Insurance for flight operations	24	14
Treibstoffpreisübersicherung	0	467
	1,780	2,342

The decrease in other operating expenses is primarily attributable to the previous year's effect from the fuel hedging and a significant decrease in exchange rate losses from foreign currency valuation.

Expenses for litigation included in auditing, consulting and legal expenses rose were higher compared with the previous year. This primarily relates to differing opinions about the interpretation of the state aid regulations relating to the EU Temporary Framework for state aid to support the economy in light of Covid-19 and the conditions of the approval of the stabilisation measures relating to state aid, as well as to fines that will probably be imposed in other European countries.

The remaining operating expenses primarily comprise call centre services utilised and various administrative services outsourced to Lufthansa Group Business Services GmbH.

Expenses from other periods amount to EUR 21m in the current financial year and are mainly attributable to the fact that actual expenses exceeded the provisions made in the previous year.

24 Result from equity investments

T28 RESULTS FROM EQUITY INVESTMENTS

in €m	2021	2020
Income from profit transfer agreements	1,360	756
Expenses from loss transfer agreements	687	1,903
Income from equity investments	335	341
thereof from affiliated companies	334	334
	1,008	-806

Income/expenses from profit and loss transfer agreements are shown including tax contributions. Income from equity investments consists primarily the accrued dividends from the Austrian leasing companies for financial year 2021 due to aligning the timing of profit recognition.

25 Net interest

T29 NET INTEREST

in €m	2021	thereof affiliated companies	2020	thereof affiliated companies
Income from other securities and non-current financial loans	32	32	28	27
Other interest and similar income	172	36	145	24
Interest and similar expenses	-838	2	-1,335	8
thereof accrued interest	-1,219	–	-682	–
thereof from market valuation of pension fund assets	724	–	-366	–
	-634	70	-1,162	59

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 income from other periods of EUR 5m and expenses of EUR 11m. Both resulted from internal audit findings.

26 Impairment of investments and current securities

Valuation allowances of EUR 23 million were recognised on financial assets and securities held as current assets. These consist of write-downs of EUR 14m on the lower market value of securities held as current assets and a further write-down of training loans for junior pilots (EUR 9m) that was required in connection with current litigation.

27 Taxes

T30 TAXES

in €m	2021	2020
Income taxes	-693	-1,014
thereof deferred taxes (income)	-701	-1,065
Other taxes	31	19
	-662	-995

The positive effect of taxes on income and earnings is attributable to the earnings from deferred tax assets. The deferred tax assets are primarily due to the higher amount for pension obligations recognised in the financial statements for commercial law purposes compared with the measurement for tax purposes. Furthermore, the prohibition on recognising provisions for impending losses as well as value-based differences in inventories at Lufthansa Technik AG resulted in deferred tax assets. In addition, a deferred tax receivable on loss carry-forwards was again recognised in the financial year.

Taxes on income and earnings and other taxes also include net items from previous years of EUR 7m.

OTHER DISCLOSURES

28 Supervisory Board and Executive Board

The members of the Supervisory Board and the Executive Board are listed on page 25 f.

The principles of the remuneration system and the amount of remuneration paid to the individual Executive Board and Supervisory Board members are shown and explained in detail in the remuneration report in the Annual Report.

EXECUTIVE BOARD

The framework agreement between Deutsche Lufthansa AG and the Economic Stabilisation Fund (ESF) includes significant restrictions on Executive Board remuneration. No bonuses or other variable or similar remuneration components may be awarded to Executive Board members for the duration of the stabilisation measures. The same applies to special payments, gratuities and other forms of compensation in addition to the fixed salary, other discretionary payments by the Company and severance payments not required by law.

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

T31 TOTAL REMUNERATION OF EXECUTIVE BOARD MEMBERS

in €k	2021	2020
Basic salary	5,934	5,226
Other	1,213	58
One-year variable remuneration	–	1,058
Long-term variable remuneration	–	1,431
Share programme 1)	–	4,305
Total remuneration	7,147	12,078
Severance payment	–	3,500
Staff costs of pension commitments	3,159	3,331

1) Fair value at the time the options are granted

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

Non-performance-related remuneration:

- Fixed annual salary. The fixed salary is paid in twelve equal monthly instalments.
- Retirement benefit commitments. The members of the Executive Board receive retirement benefit commitments based on a defined contribution plan. As of 2019, every Executive Board member receives, for the duration of their employment, a fixed annual amount which is credited to their personal pension account.
- Ancillary benefits. Ancillary benefits include in-kind benefits from the use of company cars and concessionary travel in accordance with the relevant IATA guidelines.

Performance-related remuneration:

As the economic situation remains tense, the Supervisory Board has suspended variable remuneration components for the Executive Board members for financial year 2021. This represents a divergence from the remuneration structure for 2021, which in the reporting year consists solely of non-performance-related remuneration components. This is also in line with the requirements of the framework agreement with the ESF.

Current payments to former members of the Executive Board and their surviving dependants came to EUR 5.6m (previous year: EUR 6.9m). 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 64.6m (previous year: EUR 64.0m).

SUPERVISORY BOARD

Fixed remuneration for the Supervisory Board came to EUR 2,170k for the financial year (previous year: EUR 1,887k) . Other remuneration, mainly attendance fees, amounted to EUR 29k (previous year: EUR 23k) .

The Deutsche Lufthansa AG Supervisory Board members were also paid EUR 26k for work on supervisory boards of Group companies (previous year: EUR 16k) . 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 1.0m 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.

29 Balance sheet deficit

The net loss for the 2021 reporting year of EUR -2,310m has been carried forward. Together with the loss carry-forward of EUR –780m, this results in a balance sheet deficit of EUR –3,090m as of 31 December 2021.

30 Events after the reporting period

The intensification of the conflict between Russia and Ukraine, which led to armed conflicts in Ukraine on 24 February 2022, has created uncertainty regarding the development of the world economy, the airline industry and the Lufthansa Group. The Group has incorporated these uncertainties into its financial outlook for the 2022 financial year.

31 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**.

32 Auditors' fees

Total auditors' fees calculated for the financial year in accordance with Section 319 Paragraph 1 HGB are made up as follows:

T33 Auditors' fees

in €m	2021	2020
Audit services	4.6	2.8
Other certification services	1.6	0.1
Tax advisory services	0.1	0.1
Other services	0.0	1.5
	6.3	**4.5**

The auditing services mainly consist of fees for auditing the consolidated financial statements, the review of the first quarter financial statements, the half-yearly financial statements and the audit of the financial statements of Deutsche Lufthansa AG and its consolidated subsidiaries. The fees recognised under other certification services pertain to special audits in connection with the Euro Debt Issuance Programme of DLH and the capital increase. Tax advisory services include tax advice on the migration of the previous VAT declaration process to a new provider.

Corporate Governance

SUPERVISORY BOARD AND EXECUTIVE BOARD

Supervisory Board

Karl-Ludwig Kley
Former Chairman of the
Executive Board Merck KgaA
Chairman

Christine Behle
Deputy Chairwoman
of the trade union ver.di
Employee representative[1]
Deputy Chairwoman

Alexander Behrens
Flight attendant
Employee representative[1]

Jörg Cebulla
Flight captain
Employee representative

Erich Clementi
Deputy Chairman
of the Supervisory Board E.ON SE

Thomas Enders
Member in various Supervisory Boards

Jürgen Jennerke
Chairman of General Works Council
Lufthansa Cargo/
Works Council Member
on leave in absence – ver.di section
Employee representative

Michael Kerkloh
Former Chairman
of the Executive Board
Flughafen München GmbH[2]

Carsten Knobel
Chairman of the Executive Board
and CEO
Henkel AG & Co. KGaA

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

Harald Krüger
Former Chairman
of the Executive Board
Bayerische Motorenwerke
Aktiengesellschaft (BMW AG)

Birgit Rohleder
Teamlead IT Application
Management Airport Services
Employee representative

Miriam Sapiro
Managing Director &
Vice Chairman (Public Affairs),
Sard Verbinnen & Co., USA

Ilja Schulz
Flight captain and member of the
Cockpit pilots' union
Employee representative[1]

Britta Seeger
Member of the Executive Board
Daimler AG
(since 4 May 2021)

Birgit Spineux
Purser / Employee representative
on leave in absence
Employee representative

Astrid Stange
Former Member of the
Management Board
AXA Group S.A.

Olivia Stelz
Purser / Employee representative
on leave in absence
Employee representative

Stephan Sturm
Chairman of the Executive Board
Fresenius Management SE
(until 4 May 2021)

Angela Titzrath
Chairwoman of the Executive Board
Hamburger Hafen und Logistik AG

Klaus Winkler
Engine mechanic
Employee representative

Honory Chairman

Dipl.-Ing. Jürgen Weber
Former Chairman of the
Supervisory Board
Deutsche Lufthansa AG

[1] Trade union representative in accordance with Section 7 Paragraph 2 Co-determination Act (MitbestG).
[2] Member designated by the WSF in accordance with framework agreement.

Executive Board

(Structure since 1 January 2021)

Carsten Spohr
Chairman of the Executive Board
Chief Executive Officer

Christina Foerster
Member of the Executive Board
Chief Customer Officer

Harry Hohmeister
Member of the Executive Board
Chief Commercial Officer

Detlef Kayser
Member of the Executive Board
Chief Operations Officer

Michael Niggemann
Member of the Executive Board
Chief HR & Legal Officer

Remco Steenbergen
Member of the Executive Board
Chief Financial Officer

MANDATES

Other mandates of the Supervisory Board members of Deutsche Lufthansa AG

(As of 31 December 2021)

Karl-Ludwig Kley
a) BMW AG [3] (Deputy Chairman, until 12 May2021)
E.ON SE [3] (Chairman)

Christine Behle
a) BREMER LAGERHAUS-GESELLSCHAFT - Aktiengesellschaft von 1877 – [3] (Deputy Chairwoman)

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

Erich Clementi
a) E.ON SE [3] (Deputy Chairman)

Thomas Enders
a) Knorr Bremse AG [3]
b) Lilium NV [3], Netherlands (Chairman)
Linde plc [3], Republic of Ireland

Jürgen Jennerke
a) Lufthansa Cargo AG (Deputy Chairman)

Harald Krüger
a) Deutsche Telekom AG [3]

Miriam Sapiro
b) Project HOPE, USA

Britta Seeger
a) Mercedes-AMG GmbH [1] (since 30 November 2021)
Mercedes-Benz Mobility AG [1]
b) Beijing Mercedes-Benz Sales Service Co., Ltd., China
Mercedes-Benz (China) Ltd. [2], China (Deputy Chairman)
Mercedes-Benz Formula E Ltd. [2], United Kingdom
Mercedes-Benz South Africa Ltd. [2], South Africa
smart Automobile Co. Ltd., China

Stephan Sturm
a) Fresenius Kabi AG [1] (Chairman)
Fresenius Medical Care Management AG [1] (Chairman)
b) VAMED AG [2], Austria (Chairman, since 8 July 2021)

Angela Titzrath
a) Evonik Industries AG [3]
Talanx AG [3]
b) Metrans a.s. [2], Czech Republik

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

Mandates of the Executive Board members of Deutsche Lufthansa AG

(As of 31 December 2021)

Carsten Spohr
a) Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft [3]

Christina Foerster
a) Eurowings GmbH [1] (until 31 May 2021)
LSG Lufthansa Service Holding AG [1] (until 30 May 2021)
Lufthansa AirPlus Servicekarten GmbH [1] (Chairwoman, until 30 June 2021)
b) Austrian Airlines AG [2], Austria (Chairwoman)
Kulinary Holding AG, Switzerland
SN Airholding SA/NV [2], Belgium (Chairwoman)
Swiss International Air Lines AG [2], Switzerland

Harry Hohmeister
a) Eurowings GmbH [1] (Chairman, since 11 June 2021)
Lufthansa Cargo AG [1] (Chairman, until 26 May 2021)
b) Aircraft Maintenance and Engineering Corporation (AMECO), China (until 9 May 2021)
Günes Ekspres Havacilik A.S. (SunExpress), Turkey

Detlef Kayser
a) Lufthansa Technik AG [1] (Chairman)
LSG Lufthansa Service Holding AG [1] (Chairman)
b) Austrian Airlines AG [2], Austria (Deputy Chairman, until 17 June 2021)
Swiss International Air Lines AG [2], Switzerland (until 15 July 2021)

Michael Niggemann
a) Lufthansa Cargo AG [1] (Chairman, since 7 June 2021)

Remco Steenbergen
a) Lufthansa AirPlus Servicekarten GmbH [1] (Chairman, since 1 July 2021)
b) Swiss International Air Lines AG [2], Switzerland (since 15 July 2021)

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

SUPERVISORY BOARD COMMITTEES

as of 31 Dec 2021

Steering Committee	Audit Committee	Nomination Committee	Arbitration Committee in accordance with Section 27 Paragraph 3 Co-determination Act (MitbestG)
Karl-Ludwig Kley, Chairman	**Stephan Sturm,** Chairman (until 4 May 2021)	**Karl-Ludwig Kley,** Chairman	**Karl-Ludwig Kley,** Chairman
Christine Behle, Deputy Chairwoman	**Harald Krüger,** Chairman (since 4 May 2021)	**Thomas Enders**	**Christine Behle,** Deputy Chairwoman
Thomas Enders	**Alexander Behrens**	**Harald Krüger**	**Thomas Enders**
Ilja Schulz	**Jörg Cebulla**		**Ilja Schulz**
	Michael Kerkloh		
	Carsten Knobel		
	Klaus Winkler		
Six meetings in 2021	Six meetings in 2021	One meeting in 2021	No meetings in 2021

LIST OF SHAREHOLDINGS – SIGNIFICANT EQUITY INVESTMENTS

T34 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., Mérida, Mexiko	51.98%	2		9	
Aerologic GmbH, Schkeuditz, Deutschland	50.00%	8	6) 7)	36	
AFS Aviation Fuel Services GmbH, Hamburg, Deutschland	33.33%	-1	6) 7)	4	
Air Dolomiti S.p.A. Linee Aeree Regionali Europee, Dossobuono di Villafranca (Verona), Italien	100.00%	4		45	
Aircraft Maintenance and Engineering Corporation, Peking, China	25.00%	-18	6) 7)	258	
Airo Catering Services Eesti OÜ, Tallinn, Estland	100.00%	0	10)	1	
Airo Catering Services Latvija SIA, Marupe, Lettland	100.00%	0	10)	-2	
Airo Catering Services Sweden AB, Stockholm, Schweden	100.00%	0	10)	12	
Airo Catering Services Ukraine, Boryspil, Ukraine	100.00%	0	10)	0	10)
AirPlus International AG, Kloten, Schweiz	100.00%	-1		17	
AirPlus International Limited, London, Grossbritannien	100.00%	-2		10	
AirPlus International S.r.l., Bologna, Italien	100.00%	1		17	
AirPlus International, Inc., Alexandria, USA	100.00%	0	10)	17	
AirPlus Payment Management Co. Ltd., Shanghai, China	100.00%	4		54	
AirTrust AG, Zug, Schweiz	100.00%	0	10)	98	
AO Aeromar, Moskau Region, Russische Föderation	49.00%	-17	6) 7)	43	
AO AeroMEAL, Yemelyanovo, Russische Föderation	100.00%	0	10)	1	
Aquila FFM S.à.r.l., Luxemburg, Luxemburg	0.00%	0	11)	0	11)
Arlington Services Mexico, S.A. de C.V., Mexiko-Stadt, Mexiko	100.00%	0	10)	18	
Arlington Services Panama, S.A., Panama-Stadt, Panama	100.00%	0	10)	10	
AUA Beteiligungen Gesellschaft m.b.H., Wien-Flughafen, Österreich	100.00%	0	10)	10	
Austrian Airlines AG, Wien-Flughafen, Österreich	100.00%	-106		14	
Austrian Asset Holding GP S.à r.l., Luxemburg, Luxemburg	100.00%	0	10)	0	10)
Austrian Asset Holding S.C.S., Luxemburg, Luxemburg	100.00%	9		258	
Bahia Catering Ltda, Salvador, Brasilien	100.00%	0	10)	1	
Belém Serviços de Bordo Ltda, Belém, Brasilien	70.00%	0	10)	0	10)
BizJet International Sales & Support, Inc., Tulsa, USA	100.00%	3		25	
Brussels Airlines SA/NV, Brüssel, Belgien	100.00%	-199		-445	
Capital Gain International (1986) Ltd., Hong Kong, China	100.00%	0	10)	5	
Cater Suprimento de Refeições Ltda, Rio de Janeiro, Brasilien	100.00%	0	10)	-5	
Caterair Serviços de Bordo e Hotelaria Ltda., Rio de Janeiro, Brasilien	100.00%	-1		1	
Charm Food Service Co., Ltd., Incheon, Süd-Korea	80.00%	0	10)	3	
CLS Catering Services Ltd., Vancouver, British Columbia, Kanada	70.00%	-1		24	
Comercializadora de Servicios Limitada, ENEA, Pudahuel, Santiago, Chile	100.00%	0	11)	0	10)
Comisariato de Baja California, S.A. de C.V., Tijuana, Mexiko	51.00%	1		3	
Comisariatos Gotre, S.A. de C.V., Torreon, Mexiko	51.00%	0	10)	1	
Constance Food Group, Inc., New York, USA	100.00%	3		18	
Cosmo Enterprise Co., Ltd., Narita, Japan	20.00%	-13	7) 8)	26	
Delvag Versicherungs-AG, Köln, Deutschland	100.00%	7	6) 7)	60	
DLH Fuel Company mbH, Hamburg, Deutschland	100.00%	0	6) 7) 10)	7	
Edelweiss Air AG, Zürich, Schweiz	100.00%	-25		-1	
EME Aero Sp.z.o.o, Jasionka, Polen	50.00%	-19	6) 7)	53	
Eurowings Aviation GmbH, Köln, Deutschland	100.00%	3		4	
Eurowings Digital GmbH, Köln, Deutschland	100.00%	2		0	10)
Eurowings Europe GmbH, Wien-Flughafen, Österreich	100.00%	0	10)	7	

Eurowings GmbH, Düsseldorf, Deutschland	100.00%		-223		380	
Eurowings Technik GmbH, Köln, Deutschland	100.00%		0	[10]	0	[10]
EW Discover GmbH, Frankfurt am Main, Deutschland	100.00%		-88		-62	
Fortaleza Serviços de Bordo Ltda., Fortaleza, Brasilien	70.00%		0	[10]	0	[10]
Gansu HNA LSG Sky Chefs Co., Ltd, Lanzhou, China	49.00%		0	[6] [7] [10]	3	
Germanwings GmbH, Köln, Deutschland	100.00%		-87		86	
Global Brand Management AG, Basel, Schweiz	100.00%		10		510	
Günes Ekspres Havacilik Anonim Sirketi (Sun Express), Antalya, Türkei	50.00%		23		154	
Hamburger Gesellschaft für Flughafenanlagen mbH, Hamburg, Deutschland	100.00%		11		170	
Hawker Pacific Aerospace, Sun Valley, USA	100.00%		0	[10]	12	
HEICO Aerospace Holdings Corp., Florida, USA	20.00%		10	[6] [7] [8]	139	
Hongkong Beijing Air Catering Ltd., Hong Kong, China	45.00%		0	[6] [7] [10]	3	
Hongkong Shanghai Air Catering Ltd., Hong Kong, China	45.00%		3	[6] [7]	11	
Inflight Catering (Proprietary) Limited, Johannesburg, Südafrika	100.00%		0	[11]	0	[9] [11]
Inflight Catering Services Limited, Dar es Salaam, Tansania	61.99%		-1		1	
Inflite Holdings (Cayman) Ltd., George Town, Kaimaninseln	49.00%		0	[7] [8] [10]	21	
Inflite Holdings (St. Lucia) Ltd., Castries, St. Lucia	49.00%		-1	[7] [8]	11	
International Food Services Ltd., Hong Kong, China	100.00%		0	[10]	4	
JASEN Grundstücksgesellschaft mbH & Co. oHG, Grünwald, Deutschland	100.00%		1		22	
Jettainer Americas, Inc., East Meadow, USA	100.00%		0	[10]	7	
Jettainer GmbH, Raunheim, Deutschland	100.00%		2		6	
LCH Grundstücksgesellschaft Berlin mbH, Frankfurt am Main, Deutschland	100.00%		1		21	
LG-LHT Aircraft Solutions GmbH, Hamburg, Deutschland	51.00%		-7	[6] [7]	4	
LG-LHT Passenger Solutions GmbH, Hamburg, Deutschland	51.00%		-8	[6] [7]	3	
LHAMI LEASING LIMITED, Dublin, Irland	100.00%		34		2,532	
LHAMIH LIMITED, Dublin, Irland	100.00%		14		3,100	
LHBD Holding Limited, London, Grossbritannien	100.00%	[1]	0	[10]	0	[10]
LSG Asia GmbH, Neu-Isenburg, Deutschland	100.00%		-2		0	[10]
LSG Catering (Thailand) Ltd., Bangkok, Thailand	100.00%		0	[10]	2	
LSG Catering China Ltd., Hong Kong, China	100.00%		0	[10]	-5	
LSG Catering Guam, Inc., Tamuning, USA	100.00%		0	[10]	-1	
LSG Catering Hong Kong Ltd., Hong Kong, China	100.00%		-21		56	
LSG Catering Saipan, Inc., Saipan, Mikronesien	100.00%		0	[11]	0	[10]
LSG Holding Asia Ltd., Hong Kong, China	86.88%		0	[10]	18	
LSG Lufthansa Service - Sky Chefs do Brasil Catering, Participações Ltda., Guarulhos, Brasilien	100.00%		-3		-9	
LSG Lufthansa Service Asia Ltd., Hong Kong, China	100.00%		0	[10]	33	
LSG Lufthansa Service Cape Town (Pty) Ltd., Boksburg, Südafrika	100.00%		0	[11]	0	[10]
LSG Lufthansa Service Enterprises Ltd., Hong Kong, China	100.00%		0	[10]	2	
LSG Lufthansa Service Europa/Afrika GmbH, Neu-Isenburg, Deutschland	100.00%		-40		191	
LSG Lufthansa Service Guam, Inc., Tamuning, Guam, USA	100.00%		0	[10]	9	
LSG Lufthansa Service Holding AG, Neu-Isenburg, Deutschland	100.00%		-76		725	
LSG Lufthansa Service Hong Kong Ltd., Hong Kong, China	41.62%	[3]	-8		3	
LSG Lufthansa Service Saipan, Inc., Saipan, Mikronesien	100.00%		0	[10]	7	
LSG Sky Chefs (India) Private Ltd., Bangalore KA 560300, Indien	100.00%		1		7	
LSG Sky Chefs (Qingdao) Co., Ltd., Laixi City, China	100.00%		-1		2	
LSG Sky Chefs (Thailand) Ltd., Bangkok, Thailand	64.30%		-5		4	
LSG Sky Chefs Argentina S.A., Ezeiza, Argentinien	100.00%		1		10	
LSG Sky Chefs Bremen GmbH, Neu-Isenburg, Deutschland	100.00%		0	[10]	-1	
LSG Sky Chefs de Venezuela C.A., Caracas, Venezuela	99.99%		0	[10]	1	

LSG Sky Chefs Hamburg GmbH, Neu-Isenburg, Deutschland	100.00%		-1		-7	
LSG Sky Chefs Havacılık Hizmetleri A.S., İstanbul, Türkei	100.00%		-1		-2	
LSG Sky Chefs İstanbul Catering Hizmetleri A.S., İstanbul, Türkei	100.00%	[5]	0	[10]	10	
LSG Sky Chefs Kenya Limited, Nairobi, Embakasi District, Kenia	50.20%		-1		-5	
LSG Sky Chefs Korea Co., Ltd., Incheon, Süd-Korea	80.00%		-9		17	
LSG Sky Chefs Leipzig GmbH, Neu-Isenburg, Deutschland	100.00%		0	[10]	-1	
LSG Sky Chefs New Zealand Limited, Auckland, Neuseeland	100.00%		-1		25	
LSG Sky Chefs RPC West GmbH, Neu-Isenburg, Deutschland	100.00%		0	[10]	0	[10]
LSG Sky Chefs South Africa (Proprietary) Limited, Johannesburg, Südafrika	100.00%		1		-10	
LSG Sky Chefs Supply Chain Solutions, Inc., Wilmington, USA	100.00%		7		38	
LSG Sky Chefs TAAG Angola, S.A., Luanda, Angola	40.00%	[3]	1		5	
LSG Sky Chefs UK Ltd. i.L., Sidcup, Grossbritannien	100.00%		0	[11]	0	[9] [10]
LSG Sky Chefs USA, Inc., Wilmington, USA	100.00%		-4		700	
LSG South America GmbH, Neu-Isenburg, Deutschland	100.00%		-3		56	
LSG/Sky Chefs Europe Holdings Ltd., Hounslow, Grossbritannien	100.00%		2		6	
LSY GmbH, Norderstedt, Deutschland	100.00%		9		705	
Lufthansa AirPlus Servicekarten GmbH, Neu-Isenburg, Deutschland	100.00%		-124		244	
Lufthansa Asset Management GmbH, Frankfurt am Main, Deutschland	100.00%		145		3,604	
Lufthansa Asset Management Leasing GmbH, Frankfurt am Main, Deutschland	100.00%		-11		823	
Lufthansa Aviation Training Germany GmbH, Frankfurt am Main, Deutschland	100.00%		16		52	
Lufthansa Aviation Training GmbH, München, Deutschland	100.00%		-13		141	
Lufthansa Aviation Training Switzerland AG, Opfikon, Schweiz	100.00%		4		76	
Lufthansa Cargo Aktiengesellschaft, Frankfurt am Main, Deutschland	100.00%		1,008		382	
Lufthansa CityLine GmbH, München-Flughafen, Deutschland	100.00%		-30		195	
Lufthansa Commercial Holding Gesellschaft mit beschränkter Haftung, Frankfurt am Main, Deutschland	100.00%		-58		3,649	
Lufthansa Engineering and Operational Services GmbH, Frankfurt am Main, Deutschland	100.00%		-9	[6] [7]	6	
Lufthansa Global Business Services GmbH, Frankfurt am Main, Deutschland	100.00%		10		23	
Lufthansa Global Tele Sales GmbH, Berlin, Deutschland	100.00%		5	[6] [7]	7	
Lufthansa Industry Solutions AS GmbH, Norderstedt, Deutschland	100.00%		13		13	
Lufthansa Industry Solutions BS GmbH, Raunheim, Deutschland	100.00%		0	[10]	16	
Lufthansa Industry Solutions GmbH & Co. KG, Norderstedt, Deutschland	100.00%		14		45	
Lufthansa Leasing Austria 1. Beteiligungs GmbH, Salzburg, Österreich	100.00%		3		3	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 10, Salzburg, Österreich	100.00%		38		45	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 12, Salzburg, Österreich	100.00%		26		35	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 14, Salzburg, Österreich	100.00%		40		53	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 15, Salzburg, Österreich	100.00%		17		21	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 16, Salzburg, Österreich	100.00%		45		50	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 17, Salzburg, Österreich	100.00%		9		12	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 18, Salzburg, Österreich	100.00%		7		9	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 19, Salzburg, Österreich	100.00%		1		2	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 20, Salzburg, Österreich	100.00%		11		17	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 21, Salzburg, Österreich	100.00%		20		26	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 22, Salzburg, Österreich	100.00%		11		66	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 24, Salzburg, Österreich	100.00%		4		49	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 25, Salzburg, Österreich	100.00%		3		41	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 26, Salzburg, Österreich	100.00%		6		139	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 27, Salzburg, Österreich	100.00%		6		24	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 28, Salzburg, Österreich	100.00%		29		179	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 29, Salzburg, Österreich	100.00%		12		22	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 30, Salzburg, Österreich	100.00%		11		19	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 31, Salzburg, Österreich	100.00%		2		20	

Lufthansa Leasing Austria GmbH & Co. OG Nr. 32, Salzburg, Österreich	100.00%	11		96	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 33, Salzburg, Österreich	100.00%	1		44	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 34, Salzburg, Österreich	100.00%	16		98	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 35, Salzburg, Österreich	100.00%	1		61	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 37, Salzburg, Österreich	100.00%	23		267	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 38, Salzburg, Österreich	100.00%	-1		57	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 39, Salzburg, Österreich	100.00%	-3		38	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 40, Salzburg, Österreich	100.00%	-8		141	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 41, Salzburg, Österreich	100.00%	-4		114	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 42, Salzburg, Österreich	100.00%	8		144	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 43, Salzburg, Österreich	100.00%	3		41	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 44, Salzburg, Österreich	100.00%	0	10)	0	10)
Lufthansa Leasing Austria GmbH & Co. OG Nr. 45, Salzburg, Österreich	100.00%	0	10)	0	10)
Lufthansa Leasing Austria GmbH & Co. OG Nr. 46, Salzburg, Österreich	100.00%	0	10)	38	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 47, Salzburg, Österreich	100.00%	0	10)	0	10)
Lufthansa Leasing Austria GmbH & Co. OG Nr. 48, Salzburg, Österreich	100.00%	0	10)	0	10)
Lufthansa Leasing Austria GmbH & Co. OG Nr. 49, Salzburg, Österreich	100.00%	0	10)	0	10)
Lufthansa Leasing Austria GmbH & Co. OG Nr. 51, Salzburg, Österreich	100.00%	0	10)	0	10)
Lufthansa Malta Aircraft-Leasing Ltd., St. Julians, Malta	100.00%	58		800	
Lufthansa Malta Blues LP, St. Julians, Malta	99.99%	0	10)	-562	
Lufthansa Malta Corporate Finance Limited, St. Julians, Malta	100.00%	2		237	
Lufthansa Malta Finance Holding Limited, St. Julians, Malta	100.00%	0	10)	249	
Lufthansa Malta Treasury Services Limited, St. Julians, Malta	100.00%	0	10)	0	10)
Lufthansa Process Management GmbH, Neu-Isenburg, Deutschland	100.00%	2		4	
Lufthansa Seeheim GmbH, Seeheim-Jugenheim, Deutschland	100.00%	-5		4	
Lufthansa Systems Americas, Inc., Miami Lakes, USA	100.00%	2		4	
Lufthansa Systems GmbH & Co. KG, Raunheim, Deutschland	100.00%	0	10)	-21	
Lufthansa Technik AERO Alzey GmbH, Alzey, Deutschland	100.00%	5		43	
Lufthansa Technik AG, Hamburg, Deutschland	100.00%	60		1,454	
Lufthansa Technik Airmotive Ireland Holdings Ltd., Dublin, Irland	100.00%	-2		165	
Lufthansa Technik Airmotive Ireland Leasing Limited, Dublin, Irland	100.00%	43		334	
Lufthansa Technik Budapest Repülögép Nagyjavító Kft., Budapest, Ungarn	100.00%	0	10)	8	
Lufthansa Technik Component Services LLC, Tulsa, USA	100.00%	5		28	
Lufthansa Technik Immobilien- und Verwaltungsgesellschaft mbH, Hamburg, Deutschland	100.00%	-1		35	
Lufthansa Technik Landing Gear Services UK Limited, Kestrel Way, Hayes, Grossbritannien	100.00%	0	10)	-21	
Lufthansa Technik Logistik GmbH, Hamburg, Deutschland	100.00%	3		21	
Lufthansa Technik Logistik Services GmbH, Hamburg, Deutschland	100.00%	5		8	
Lufthansa Technik Maintenance International GmbH, Frankfurt am Main, Deutschland	100.00%	-4		1	
Lufthansa Technik Malta Limited, Luqa, Malta	92.00%	1		7	
Lufthansa Technik North America Holding Corp., Tulsa, USA	100.00%	0	10)	243	
Lufthansa Technik Objekt- und Verwaltungsgesellschaft mbH, Hamburg, Deutschland	100.00%	7		91	
Lufthansa Technik Philippines, Inc., Manila, Philippinen	51.00%	12		42	
Lufthansa Technik Puerto Rico LLC, San Juan, Puerto Rico	100.00%	4		15	
Lufthansa Technik Shannon Limited, Claire, Irland	100.00%	1		38	
Lufthansa Technik Sofia OOD, Sofia, Bulgarien	75.10%	1		18	
MARDU Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Grünwald, Deutschland	100.00%	13		146	
Miles & More GmbH, Frankfurt am Main, Deutschland	100.00%	38		57	
MUSA Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Grünwald, Deutschland	100.00%	5		26	
Myanmar LSG Lufthansa Service Ltd., Yangon, Myanmar	100.00%	0	10)	9	
N3 Engine Overhaul Services GmbH & Co. KG, Arnstadt, Deutschland	50.00%	14	6) 7)	117	
Nanjing Lukou International Airport LSG Catering Co. Ltd., Nanjing City, China	40.00%	-1	6) 7)	12	
Natal Catering Ltda., Aeroporto São Gonçalo do Amarante, Brasilien	70.00%	0	10)	0	10)

Oakfield Farms Solutions, L.L.C., Wilmington, Delaware, USA	100.00%		4		15	
ÖLB Österreichische Luftverkehrs-Beteiligungs-GmbH, Wien-Flughafen, Österreich	100.00%		0	10)	502	
ÖLH Österreichische Luftverkehrs-Holding-GmbH, Wien-Flughafen, Österreich	100.00%	2)	2		178	
ÖLP Österreichische Luftverkehrs-Privatstiftung, Wien Flughafen, Österreich	0.00%	3)	0	10)	0	10)
OOO LSG Sky Chefs Rus, Moscow, Russische Föderation	100.00%		-1		1	
Quinto Grundstücksgesellschaft mbH & Co. oHG, Grünwald, Deutschland	99.73%		3		75	
Retail In Motion Asia Limited, Hong Kong, China	100.00%		0	10)	-4	
Retail in Motion GmbH, Neu-Isenburg, Deutschland	100.00%		1		26	
Retail in Motion Latin America SpA, ENEA, Pudahuel, Santiago, Chile	100.00%		-1		-1	
Retail in Motion Limited, Dublin, Irland	100.00%		-4		32	
Retail In Motion México S. de R.L. de C.V., Ciudad de México, Mexiko	51.00%		0	10)	0	10)
Retail inmotion Middle East L.L.C., Abu Dhabi, Vereinigte Arabische Emirate	100.00%		0	10)	-1	
Retail inMotion North America, Inc., Wilmington, USA	100.00%		0	10)	28	
SCIS Air Security Corporation, Wilmington, USA	100.00%		6		14	
Servcater Internacional Ltda, Guarulhos, Brasilien	90.00%		-8		-35	
Servicios Complementarios de Cabina, S.A. de C.V., Mexiko-Stadt, Mexiko	51.88%		0	10)	1	
Shanghai Pudong International Airport Cargo Terminal Co. Ltd., Shanghai, China	29.00%		58	7)	185	
Siam Flight Services Ltd., Bangkok, Thailand	49.00%		0	10)	4	
Silver Wings Bulgaria OOD, Sofia, Bulgarien	28.75%	4)	1		6	
Sky Chefs Chile SpA, Santiago, Chile	100.00%		-8		8	
Sky Chefs De Mexico, S.A. de C.V., Mexiko-Stadt, Mexiko	51.00%		2		11	
Sky Chefs de Panamá S.A., Panama-Stadt, Panama	100.00%		6		30	
Sky Chefs Things Remembered Services FZE, Ikeja, Nigeria	51.00%		-1		-9	
Sky Chefs Things Remembered Services Limited, Lagos, Nigeria	51.00%		0	10)	0	10)
Sky Chefs, Inc., Wilmington, USA	100.00%		37		170	
SN Airholding SA/NV, Brüssel, Belgien	100.00%		-1		365	
Spairliners GmbH, Hamburg, Deutschland	50.00%		-40	6) 7)	33	
Swiss Aviation Software AG, Allschwil, Schweiz	100.00%		5		19	
Swiss International Air Lines AG, Basel, Schweiz	100.00%		-349		1,136	
Terminal 2 Gesellschaft mbH & Co oHG, München-Flughafen, Deutschland	40.00%		-92		38	
time:matters GmbH, Neu-Isenburg, Deutschland	100.00%		-11		69	
Tolmachevo Catering OOO, Novosibirsk, Russische Föderation	26.00%		-1	6) 7)	0	10)
Wenzhou Longwan International Airport LSG Sky Chefs Co. Ltd., Wenzhou City, China	40.00%		-1	6) 7)	7	
Western Aire Chef, Inc., Wilmington, USA	100.00%		8		20	
XEOS Sp.z.o.o., Środa Śląska, Polen	51.00%		-22	6) 7)	4	
Xian Eastern Air Catering Co. Ltd., Xian, China	30.00%		0	6) 7) 10)	5	
Yunnan Eastern Air Catering Co. Ltd., Kunming, China	24.90%		-2	6) 7)	7	

* IFRS disclosures
1) Registrationnumber in Companies House: 06939137
2) 50.20% of the equity stake and voting rights come from ÖLP
3) Management responsibility for this company lies within the LH Group
4) 28.75% of the equity stake and voting rights are attributed via a call option
5) 33.34% of the equity stake and 50.01% of voting rights are attributed via a call option
6) Financial statements from 2020
7) Local GAAP disclosures
8) Divergent financial year
9) In liquidation
10) < EUR 500k
11) No figures available

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/Main, 25 February 2022

Deutsche Lufthansa Aktiengesellschaft

Carsten Spohr Chief Executive Officer	Christina Foerster Chief Customer Officer	Harry Hohmeister Chief Commercial Officer
Detlef Kayser Chief Operations Officer	Michael Niggemann Chief HR & Legal Officer	Remco Steenbergen Chief Financial Officer

Independent auditor's report

To Deutsche Lufthansa Aktiengesellschaft

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

Opinions

We have audited the annual financial statements of Deutsche Lufthansa Aktiengesellschaft, Cologne, which comprise the balance sheet as at 31 December 2021, and the income statement for the fiscal year from 1 January to 31 December 2021, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of Deutsche Lufthansa Aktiengesellschaft for the fiscal year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the corporate governance declaration pursuant to Sec. 289f HGB ["Handelsgesetzbuch": German Commercial Code] which is published on the website stated in the "Corporate Governance" section of the combined management report and the non-financial declaration pursuant to Sec. 289b HGB included in the "Combined non-financial declaration" section. In addition, we have not audited the content of the other information extending beyond the prior year in the tables with multi-year comparisons of the combined management report (information pertaining to fiscal years 2017, 2018 and 2019). This relates to any information whose disclosure in the combined management report is not required pursuant to Secs. 289, 289a HGB or Secs. 289b to 289f HGB.

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 applicable to business corporations and give a true and fair view of the net assets and financial position of the Company as at 31 December 2021 and of its earnings position for the fiscal year from 1 January to 31 December 2021 in compliance with German legally required accounting principles, andthe accompanying combined management report as a whole provides an appropriate view of the Company's position.

- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined 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 opinion on the combined management report does not cover the content of aforementioned corporate governance declaration, the content of the non-financial declaration or the aforementioned multi-year comparisons of the combined management report.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and 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 responsibilities for the audit of the annual financial statements and of the combined 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 Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 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 opinions on the annual financial statements and on the combined 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 fiscal year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1. Implications of the COVID-19 pandemic for the going concern basis

Reasons why the matter was determined to be a key audit matter

The COVID-19 pandemic has had a particularly strong impact on the airline industry. Since the outbreak of the pandemic in spring 2020 and also as a result of new variants such as Omicron, national and international travel restrictions have led to a significant reduction in air travel. The restrictions once again had a major impact on the operations and liquidity of the Company in fiscal year 2021.

While the solvency of Deutsche Lufthansa Aktiengesellschaft was safeguarded in the prior year by way of stabilization measures and loans of up to EUR 9b agreed with the

Economic Stabilization Fund in the Federal Republic of Germany (WSF) as well as with the governments of Switzerland, Austria and Belgium, in the reporting year the Company refinanced itself on the capital markets through aircraft financing of EUR 0.9b, bonds of EUR 4.1b and by issuing new shares with net issue proceeds of EUR 2.1b (net of transaction costs). In this connection, all stabilization funds received from the WSF were repaid and undrawn funds cancelled.

Deutsche Lufthansa Aktiengesellschaft has significantly reduced available flight capacity compared with fiscal year 2019 and also initiated measures to reduce costs and capital expenditure back in 2020. The Executive Board has prepared the Group operational planning for the fiscal years 2022 to 2025, together with a liquidity forecast for the same period, and thereby mapped out the possible effects from national and international travel restrictions in connection with the COVID-19 pandemic on the available flight capacity, taking into account the countermeasures. The result of the planning depends to a large extent on the assumptions that the executive directors have made regarding future business developments and the cash inflows and outflows derived from them. The planning for 2022 and subsequent years is based on the assumption that vaccinations will have been given, immunization and COVID tests will also be effective for variants, hygiene strategies will also be effective and accompanied by reduced travel restrictions compared with 2020 and 2021 as well as a return to normal booking behavior. Significant cost savings were also assumed based on initiated or completed restructuring and efficiency measures.

The review of the implications of the COVID-19 pandemic for the going concern basis of accounting was a key audit matter due to the wide range of political, medical and global economic effects and due to the measures taken by the executive directors in this connection to mitigate risk and their consideration in the business planning. The executive directors also considered the current geopolitical developments in Ukraine.

Auditor's response
We discussed with the executive directors what impact the COVID-19 pandemic, with its national and international travel restrictions, could have on Deutsche Lufthansa Aktiengesellschaft, both direct and indirect and short and medium term. We discussed what different assumptions and scenarios were used by the executive directors in their assessment.

With the involvement of our internal specialists from Strategy and Transactions, we analyzed the Group operational planning prepared by the executive directors and approved by the Supervisory Board, including the liquidity forecast, and discussed this with the responsible management level. We assessed the plausibility (transparency, consistency, lack of contradiction) of management's disclosures on the key planning assumptions, strategic objectives, expected developments and operational measures and their inclusion/reflection in the cash flows.

We also checked the clerical accuracy, completeness and consistency of the planning model, the conceptual design and in particular the derivation of the cash flows and their individual components. In this connection, we also reviewed the status of the measures adopted under the restructuring and efficiency programs to reduce the outflow of liquidity on the basis of resolutions, internal and external publications and observed facts for the implementation of capacity adjustments and their impact on the fleet as well as on personnel. We also checked the capital expenditures reflected in the financial planning on the basis of purchase commitments and framework agreements.

In order to assess the cash inflows included in the liquidity planning we, among other things, reviewed the agreements on state stabilization measures, aircraft and other financing schemes, as well as the relevant prospectuses, checked incoming payments and assessed the terms and conditions. The defined overarching objectives of the financing strategy and the suitability of the measures underlying them were also assessed. In addition, we examined the key planning assumptions taking into account historical developments and our understanding of the business and performed plausibility tests on the basis of various external information. Our assessment was based on analyst estimates, both for Deutsche Lufthansa Aktiengesellschaft and its subsidiaries (the "Lufthansa Group") as well as in relation to comparable companies, along with other external forecasts on the development of the airline industry (market studies) and macroeconomic forecasts.

In addition, the assessments of the executive directors concerning the development of current travel restrictions and demand as well as the current booking behavior, and the consideration of these factors in the planning, were discussed with the executive directors, management of the Company and Supervisory Board representatives and examined on the basis of the Company's internal assessments.

We also discussed with management other potential measures to secure liquidity which are not reflected in the liquidity planning due to a lack of necessity and assessed their risk coverage potential.

In addition, we checked whether the annual financial statements and combined management report contain disclosures on the implications of the COVID-19 pandemic for the going concern basis and in particular the measures taken by the executive directors to mitigate risk.

Our audit procedures did not lead to any reservations relating to the going concern basis/the application of the going concern basis of accounting.

We also discussed with the executive directors potential effects of the current geopolitical developments in Ukraine and the worldwide sanctions imposed in response, including any countermeasures, on the development of the global economy, the prices of important energy carriers such as oil and gas and the availability of Russian airspace for overflights and thus on the business performance and liquidity of the Deutsche Lufthansa Aktiengesellschaft expected over the short to medium term.

Reference to related disclosures
With regard to the assessment of the executive directors on the Company's ability to continue as a going concern and the related recognition and measurement policies applied, we refer to the disclosure in the notes to the financial statements under "2 Summary of significant accounting policies and valuation methods (going concern)."

Please also refer to the "Opportunities and risk report" as well as the "Forecast" in the combined management report.

2. Accounting for pension obligations

Reasons why the matter was determined to be a key audit matter
The pension obligations of Deutsche Lufthansa Aktiengesellschaft are based on numerous different pension plans and collective wage agreements for the various Group companies and employee groups. They include both defined benefit and defined contribution plans for pension entitlements and transitional benefits for employees in Germany and other countries.

Our reasons for determining the matter to be a key audit matter are, on the one hand, the variation in and complexity of the contractual landscape as well as the estimated components in the actuarial assumptions underlying the measurement, which, even if changed slightly, could have a significant effect on the pension obligations. On the other hand, the fiscal year of the Company was shaped by measures to adjust headcount. Especially for employees who meet the collective agreement conditions for transitional benefits, the uptake in the voluntary scheme offered in the reporting year led to an increase in the obligation for post-employment benefits already reported.

Auditor's response
We involved internal specialists from People Advisory Services in our audit procedures for pension obligations. First of all, as part of our test of design we obtained an up to date understanding of the pension landscape, the classification and underlying accounting for pension plans with a view to potential changes in the fiscal year.

The pension obligations are measured by external actuarial experts (actuaries). We assessed their professional qualifications and independence by making inquiries about their relevant professional experience and training as well as by obtaining audit evidence for their membership in local actuary associations and their independence from the Company.

In terms of the quantity structure, we performed analytical audit procedures on an individual person basis by comparing year-on-year changes in the registration data, taking the demographic assumptions used into account. We discussed anomalies with the client and scrutinized their origin. In order to assess the completeness of the data transferred to the actuary, we reconciled them with employee records from the Company's HR system.

We checked and tested the plausibility of significant actuarial assumptions, such as the interest rate, salary and pension trends used as well as the mortality and disability rates, using publicly available data or internal assessments by the Company.

To assess the measurement of the pension obligations (settlement value), we performed analytical audit procedures on an individual person basis by comparing year-on-year changes in the obligation taking changes in the actuarial assumptions as well as additionally accrued benefits into account.

We obtained an understanding of the method used for special effects from the current restructuring and voluntary schemes, inspecting samples of termination agreements and the exit date from the Group in the master HR data. Furthermore, we scrutinized the development of the obligation for transitional benefits from the prior year until 31 December 2021 for these samples using our own alternative calculations.

Our audit procedures did not lead to any reservations relating to the accounting for pension obligations.

Reference to related disclosures
With regard to the accounting for pension obligations, we refer to the disclosures in the notes to the financial statements under "2 Summary of significant accounting policies and valuation methods" and "12 Provisions."

3. Recoverability of aircraft including investments in aircraft owning companies

Reasons why the matter was determined to be a key audit matter
In its annual financial statements, the Company discloses aircraft that it legally owns or of which it has economic ownership in the balance sheet item aircraft. The Company also leases aircraft from aircraft owning companies in which the Company has a direct or indirect equity investment and whose direct equity investments are disclosed under the item financial investments, as well as from external lessors. In addition to the assessment of recoverability of the Company's own aircraft, management also assessed the recoverability of equity investments in aircraft owning companies which also remain affected by the fleet reduction resolved on by the Company's Executive Board in 2020 due to the crisis. The fair value of the equity investments is primarily determined on the basis of the fair value of the assets held by the aircraft owning companies (mainly aircraft).

From our perspective, in light of the COVID-19 pandemic including the Omicron variant and its impact on the air travel industry, the recoverability of aircraft and of equity investments in aircraft owning companies was a key audit matter in our audit as the measurement of these items significant in amount is based to a large extent on the estimates and assumptions of the executive directors.

Auditor’s response
With regard to the assessment of the recoverability of the aircraft in the legal ownership of the Company or leased from aircraft owning companies, we examined the Group operational planning (GOP) for internal consistency and analyzed whether it is in line with industry forecasts.

In this context, we assessed the method used in the impairment test conducted by the executive directors. The impairment test of both the aircraft in the legal ownership of the Company and of the aircraft owning companies is based, among other things, on observable market data on prices, which are determined taking into account a market price overview (TAVR) published regularly by Aircraft Value Analysis Company Ltd., Derby, UK. We assessed whether the prices used in the impairment tests for each aircraft model were transparently derived from the TAVR. We also examined the assessment of the executive directors of when impairment is expected to be permanent. Furthermore, we checked the clerical accuracy of the calculation of the excess or shortfall in the carrying amounts of the aircraft and the equity investments in individual periods compared with the TAVR values for each specific aircraft model. We also checked whether all aircraft recognized in asset accounting were included in the executive directors’ impairment test. In addition, we scrutinized and checked fleet management’s assessment on the use of the TAVR values as references for the impairment test.

Our audit procedures did not lead to any reservations relating to the assessment of the recoverability of aircraft or aircraft owning companies.

Reference to related disclosures
The disclosures for the accounting policies and valuation methods applied concerning aircraft and financial assets, as well as the related judgments exercised are contained in sections “2 Summary of significant accounting policies and valuation methods,” “3 Fixed assets” and “22 Depreciation, amortisation and impairment” in the notes to the financial statements.

4. Recoverability of deferred tax assets

Reasons why the matter was determined to be a key audit matter
The deferred tax assets arising from tax loss carryforwards and deductible temporary differences reported in the annual financial statements of Deutsche Lufthansa Aktiengesellschaft constitute a significant portion of the assets. When accounting for the deferred tax assets, Deutsche Lufthansa Aktiengesellschaft assesses the extent to which it is probable that sufficient taxable profit will be available in the future to allow the deferred tax assets to be utilized.

The recoverability of the deferred tax assets is based on estimates and assumptions made by the Executive Board in relation to the future operating performance of Deutsche Lufthansa Aktiengesellschaft and its direct and indirect tax group companies. For fiscal years 2022 to 2025, the Executive Board has prepared a Group operational planning and, based thereon, forecast taxable profit for Deutsche Lufthansa Aktiengesellschaft and its direct and indirect tax group companies.

From our perspective, the assessment of the recoverability of this item significant in amount was a key audit matter in our audit as it is based to a large extent on the judgments, estimates and assumptions of the executive directors regarding sufficient taxable profit, particularly in light of the ongoing COVID-19 pandemic and the related uncertainty surrounding future development of air travel.

Auditor’s response
We firstly scrutinized the internal control system established by the executive directors for the determination and recognition of deferred taxes by testing the design of the processes and assessing the risk of material misstatement.

To assess the recoverability of the deferred tax assets, with the involvement of our Strategy and Transaction specialists we analyzed the executive directors’ forecasts of the future taxable profit, checked their mathematical accuracy and discussed them with the responsible management level. We analyzed management’s disclosures on the key planning assumptions, strategic objectives, expected developments and operational measures and their inclusion/reflection in the cash flows and assessed their plausibility (transparency, consistency, lack of contradiction). Our analysis was based on analyst estimates, both for the Lufthansa Group as well as in relation to comparable companies, along with other external forecasts on the development of the airline industry (market studies) and macroeconomic forecasts. We also checked the reconciliation from the GOP to the tax planning by making inquiries of the responsible employees of Deutsche Lufthansa Aktiengesellschaft and of management as well as through recalculations, plausibility testing and analysis of the reconciliation items.

We assessed the positive and negative evidence of sufficient taxable profit likely being available in the future considered by management for the recognition of deferred tax assets and their individual significance for the overall assessment, discussed them with the responsible management level and examined their plausibility (transparency, consistency, lack of contradiction).

Our tax specialists were involved in all phases of the audit.

Our audit procedures did not lead to any reservations relating to the assessment of the recoverability of deferred tax assets.

Reference to related disclosures
With regard to the recognition of deferred tax assets and the judgments used by the Executive Board in financial reporting and sources of estimation uncertainty, we refer to the disclosures in the notes to the financial statements under “2 Summary of significant accounting policies and valuation methods,” “9 Deferred tax assets” and “27 Taxes.”

Other Information

The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the corporate governance declaration. In all other respects, the executive directors are responsible for the other information. The other information comprises the aforementioned corporate governance declaration, the aforementioned non-financial declaration and the aforementioned other information included in the combined management report.

A further component of the annual report is the declaration by the executive directors.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an 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 combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the combined 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 applicable to business corporations, and that the annual financial statements give a true and fair view of the net assets, financial and earnings position 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 combined 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 combined 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 combined 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 combined management report.

Auditor's responsibilities for the audit of the annual financial statements and of the combined 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 opinions on the annual financial statements and on the combined management report.

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

- 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 combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 combined management report or, if such disclosures are inadequate, to modify our respective 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 net assets, financial and earnings position of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the combined 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 combined 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 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

Report on the assurance on the electronic rendering of the annual financial statements and the combined management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the attached file "Deutsche_Lufthansa_AG_ESEF-2021-12-31.zip" (SHA-256 checksum:
c20500f07665d33f40a5db0dd8f00985fa0d55d
8961cf13dc555d2f8ba0f44eb) and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying combined management report for the fiscal year from 1 January to 31 December 2021 contained in the "Report on the audit of the annual financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the annual financial statements and the combined management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (10.2021) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the combined management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited combined management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on 4 May 2021. We were engaged by the Supervisory Board on 5 May 2021. We have been the auditor of Deutsche Lufthansa Aktiengesellschaft without interruption since fiscal year 2020.

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

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the annual financial statements or in the combined management report or have been engaged to provide them.

- Review of the interim financial statements of Deutsche Lufthansa Aktiengesellschaft as of 31 March 2021

- Engagement to obtain limited assurance on the non-financial declaration pursuant to Secs. 289b et seq. and 315b et seq. HGB

- Engagement to obtain limited assurance on the non-financial declaration pursuant to Secs. 289b et seq. and 315b et seq. HGB

- Support in providing information to the office carrying out the enforcement procedure

- Agreed-upon procedures in connection with the immigration air passenger user fee calculation

- Reasonable assurance engagement relating to the system of Deutsche Lufthansa Aktiengesellschaft designed to ensure compliance with the requirements under Sec. 32 (1) WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] for the period from 1 January to 31 December 2020

- Review of the remuneration report pursuant to Sec. 162 (3) AktG

- Voluntary audits of financial statements as of 31 December 2021

- Project-based assurance engagement involving a migration of IT-based accounting-related systems pursuant to IDW AsS 850 for Lufthansa AirPlus Servicekarten GmbH, Neu-Isenburg

- Project-related review in connection with IT general controls in accounting-related systems for Lufthansa Cargo AG, Kelsterbach, and Miles & More GmbH, Frankfurt am Main

- Assurance report on revenue reporting for Miles & More GmbH, Frankfurt am Main

- Audit of Albatros Service Center GmbH, Cologne, in accordance with Sec. 24 FinVermV ["Finanzanlagenvermittlungsverordnung": German Ordinance on Financial Investment Mediation]

- Agreed-upon procedures relating to a compliance issue of a foreign subsidiary of Deutsche Lufthansa Aktiengesellschaft.

Other matter – Use of the auditor's report
Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as the assured ESEF documents. The annual financial statements and the combined management report converted to the ESEF format – including the versions to be published in the *Bundesanzeiger* [German Federal Gazette] – are merely electronic renderings of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

Responsible Auditor
The German Public Auditor responsible for the engagement is Siegfried Keller.

Eschborn/Frankfurt/Main, 1 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Sven Hayn	Siegfried Keller
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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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

Disclaimer in respect of forward-looking statements
Information published in the financial statements 2021 with regard to the future development of Deutsche Lufthansa AG consists purely of forecasts and assessments and not of definitive historical facts. Its purpose is exclusively informational and is identified by the use of such terms as “believe”, “expect”, “forecast”, “intend”, “project”, “plan”, “estimate”, “assume” and “endeavour”. These forward-looking statements are based on all discernible information, facts and expectations available at the time. They can, therefore, only claim validity up to the date of their publication.

Since forward-looking statements are by their nature subject to uncertainties and imponderable risk factors – such as changes in underlying economic conditions – and rest on assumptions that may not come about or may occur differently, it is possible that the Company’s actual results and development may differ materially from those implied by the forecasts. Lufthansa always endeavours to check and update the information it publishes. It cannot, however, assume any obligation to adapt forward-looking statements to subsequent events or developments. Accordingly, it neither expressly nor implicitly accepts liability, nor gives any guarantee, for the actuality, accuracy and completeness of this data and information.