LUFTHANSA GROUP

**1st Interim Report**
January – March 2023

# WE GROW.
# WE SHAPE.
# WE LEAD.


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# The Lufthansa Group

KEY FIGURES

| | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| **Revenue and result**[1] | | | | |
| Total revenue | €m | 7,017 | 5,002 | 40 |
| of which traffic revenue | €m | 5,708 | 3,836 | 49 |
| Operating expenses | €m | 7,946 | 5,982 | 33 |
| Adjusted EBITDA | €m | 272 | -32 | |
| Adjusted EBIT | €m | -273 | -577 | 53 |
| EBIT | €m | -304 | -608 | 50 |
| Net profit/loss | €m | -467 | -584 | 20 |
| **Key balance sheet and cash flow statement figures** | | | | |
| Total assets | €m | 44,904 | 44,386 | 1 |
| Equity | €m | 7,550 | 5,426 | 39 |
| Equity ratio | % | 16.8 | 12.2 | 4.6 pts |
| Net indebtedness | €m | 6,717 | 8,283 | -19 |
| Net pension obligations | €m | 1,992 | 5,260 | -62 |
| Cash flow from operating activities | €m | 1,581 | 1,496 | 6 |
| Gross capital expenditures[2] | €m | 1,000 | 640 | 56 |
| Net capital expenditures | €m | 1,040 | 637 | 63 |
| Adjusted free cash flow | €m | 482 | 780 | -38 |
| **Key profitability figures**[1] | | | | |
| Adjusted EBITDA margin | % | 3.9 | -0.6 | 4.5 pts |
| Adjusted EBIT margin | % | -3.9 | -11.5 | 7.6 pts |
| EBIT margin | % | -4.3 | -12.2 | 7.9 pts |
| **Lufthansa share** | | | | |
| Share price as of 31 March | € | 10.26 | 7.36 | 39 |
| Earnings per share | € | -0.39 | -0.49 | 20 |
| **Employees** | | | | |
| Employees as of 31 March | number | 112,392 | 104,034 | 8 |

KEY FIGURES (CONTINUED)

| | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| **Traffic figures**[3] | | | | |
| Flights | number | 185,930 | 135,577 | 37 |
| Passengers | thousands | 21,643 | 13,173 | 64 |
| Available seat-kilometres | millions | 59,347 | 45,656 | 30 |
| Revenue seat-kilometres | millions | 47,316 | 29,860 | 58 |
| Passenger load factor | % | 79.7 | 65.4 | 14.3 pts |
| Available cargo tonne-kilometres | millions | 3,457 | 3,140 | 10 |
| Revenue cargo tonne-kilometres | millions | 2,031 | 2,137 | -5 |
| Cargo load factor | % | 58.7 | 68.1 | -9.4 pts |

[1] Previous year's figures have been adjusted due to the agreed sale of the LSG Group. ↗ Notes, p. 29.
[2] Without acquisition of equity investments.
[3] Previous year's figures have been adjusted.
Date of publication: 3 May 2023.

## Contents

# Course of business

## OVERVIEW OF THE COURSE OF BUSINESS

### The Lufthansa Group's course of business is shaped by its continued recovery following the coronavirus pandemic

— In the first quarter of 2023, demand for flights continued to recover in the wake of the coronavirus pandemic; earnings improved significantly relative to the same period in the previous year, when demand had still been strongly affected by the spread of the Omicron variant.

— The Passenger Airlines segment thus further expanded its capacity, which, in the first quarter of 2023, was 30% higher than in the previous year, but still 25% below its 2019 pre-crisis level.

— The Lufthansa Group's revenue therefore increased by 40% year-on-year to EUR 7,017m (previous year: EUR 5,002m).

— Adjusted EBIT in the first quarter of 2023 came to EUR -273m (previous year: EUR -577m); the Adjusted EBIT margin was -3.9% (previous year: -11.5%); the Lufthansa Group thus reduced its operating loss by more than half year-on-year; this operating loss is mainly attributable to the pronounced seasonality typical of the airline business and the still limited level of capacity by comparison with the planning for the remainder of the year.

— Adjusted EBIT was positive in both the Logistics and MRO business segments; in the Logistics business segment, earnings declined due to the industry-wide normalisation of freight rates, while earnings in the MRO business segment picked up on account of the further rise in demand for maintenance and repair services. ↗ **Business segments, p. 11.**

— Adjusted free cash flow decreased by 38% in the first quarter of 2023 to EUR 482m (previous year: EUR 780m); the increase in cash flow from operating activities was more than made up for by the rise in net capital expenditure; the latter was associated with the acceleration of the fleet modernisation as well as postponements of aircraft deliveries which had been planned for the previous year. ↗ **Financial performance, p. 4.**

## SIGNIFICANT EVENTS

### Lufthansa submits offer to acquire equity interest in ITA Airways

— On 18 January 2023, Deutsche Lufthansa AG submitted an offer in the form of a letter of intent to the Italian Economics and Finance Ministry to acquire an equity investment in Italy's national airline, ITA Airways; the Italian Economics and Finance Ministry and ITA Airways signed this letter of intent on 27 January 2023.

— It is envisaged that Deutsche Lufthansa AG will initially acquire a minority interest; furthermore, options are to be agreed for the purchase of the remaining interests at a later date; if an agreement is reached, the transaction would require the approval of the competent authorities in particular.

### Lufthansa Group receives top marks in prestigious CDP climate ranking

— In February 2023, the 2022 global climate ranking compiled by the non-profit organisation CDP (previously known as the Carbon Disclosure Project) awarded the Lufthansa Group a top rating for its $CO_2$ reduction strategy and its implementation; the Lufthansa Group has thus achieved a further improvement year-on-year.

— On a scale of "A" (top mark) to "D-", with a rating of "A-" the Company was allocated to the highest ranking class (previous year: "B"); the Lufthansa Group is thus among the top 5 airlines worldwide to have received this leading rating.

### Contracts of Carsten Spohr and Remco Steenbergen extended ahead of schedule

— On 2 March 2023, the Supervisory Board of Deutsche Lufthansa AG appointed Carsten Spohr as Chairman of the Executive Board for another five years and Remco Steenbergen as Chief Financial Officer for another five years.

— Carsten Spohr has been a member of the Executive Board of Deutsche Lufthansa AG since 2011 and its Chairman since 2014; his contract was extended until the end of December 2028.

— Remco Steenbergen has been a member of the Executive Board of Deutsche Lufthansa AG since 2021 as Chief Financial Officer; his contract has likewise been extended to the end of December 2028.

### Nominations for elections to the Supervisory Board of Deutsche Lufthansa AG

— On 2 March 2023, the Supervisory Board of Deutsche Lufthansa AG resolved to propose to the Annual General Meeting held on 9 May 2023 that the following persons be elected to the Supervisory Board: Karl-Ludwig Kley, current Supervisory Board Chairman, Carsten Knobel, Chairman of the Executive Board and CEO of Henkel AG & Co. KGaA, and Karl Gernandt, Executive Chairman of Kühne Holding AG; it is proposed that they be elected for a three-year term of office up to the 2026 Annual General Meeting.

### Lufthansa Group purchases 22 latest-generation long-haul aircraft

- The Executive Board of Deutsche Lufthansa AG has decided to order ten Airbus A350-1000, five A350-900 and seven Boeing 787-9 Dreamliner long-haul aircraft.
- The Supervisory Board of Deutsche Lufthansa AG agreed to the acquisition of these aircraft on 2 March 2023.
- They are due to be delivered to the Lufthansa Group from the middle of the decade onwards; according to their list prices, the overall order volume is around USD 7.5bn and is in line with the Group's medium-term financial planning.

## EVENTS AFTER THE REPORTING PERIOD

### LSG Group to be sold to the AURELIUS Group

- Deutsche Lufthansa AG has signed an agreement with the private equity firm, AURELIUS, on the sale of its remaining interest in the LSG Group.
- This carve-out transaction covers the full range of traditional catering activities as well as onboard retail and food commerce business; it also includes all the LSG Group brands, including the 131 LSG Sky Chefs catering facilities in the Americas (USA and Latin America), EMMA (Emerging Markets) and Asia-Pacific regions, the onboard retail specialist Retail InMotion (RiM), which is headquartered in Europe, as well as SCIS Air Security Services in the United States; the LSG Group has around 19,000 employees and is involved in 36 joint ventures worldwide.
- The transaction is expected to be completed in the third quarter of 2023, subject to external approvals and internal carve-out activities.
- The sale of its Catering division forms part of the Lufthansa Group's strategy of focusing more on its core airline business; the LSG Group's European activities were already sold to gategroup in 2019.

# Financial performance

## EARNINGS POSITION

### Impact of LSG Group sale on the earnings position

- Due to the sale of the LSG Group to AURELIUS, all the income and expenses associated with the discontinued Catering business have been separated from the respective items in the income statement and presented as a combined item under earnings after taxes in the line item “Profit/loss from discontinued operations” immediately above the “Net profit/loss” line item; this item also includes valuation adjustments made in connection with the measurement in accordance with IFRS 5; the figures for the previous year have been adjusted accordingly.

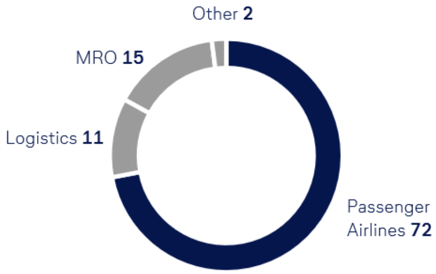
### Traffic revenue up significantly year-on-year

- Capacity (available seat-kilometres) in the Passenger Airlines segment in the Lufthansa Group increased by 30% year-on-year in the first quarter of 2023; compared with the pre-crisis level, i.e. the first quarter of the 2019 financial year, capacity came to 75%; sales (revenue seat-kilometres) were up by 58% year-on-year with the passenger load factor rising by 14.3 percentage points to 79.7%; traffic revenue in the passenger business increased by 91% to EUR 4,806m (previous year: EUR 2,513m), partly due to significantly higher yields.
- In the first quarter of 2023, the Lufthansa Group's cargo business declined by comparison with the previous year, as expected; capacity (available cargo tonne-kilometres) was up by 10% on the previous year as a result of increased belly capacities, thus reaching 85% of the pre-crisis level; the industry-wide increase in belly capacities in passenger aircraft as a result of the recovery, together with the decline in the level of demand on account of the general economic slowdown, resulted in an industry-wide normalisation of global freight rates; sales (revenue cargo tonne-kilometres) thus fell by 5% on the previous year; the cargo load factor of 58.7% was 9.4 percentage points lower than in the previous year and traffic revenue for the cargo business therefore declined by 32% to EUR 902m (previous year: EUR 1,323m).
- Overall, compared with the previous year, traffic revenue at Lufthansa Group airlines rose by 49% to EUR 5,708m (previous year: EUR 3,836m) in the first quarter of 2023.

### Revenue up by 40% year-on-year

- Other revenue rose by 12% to EUR 1,309m (previous year: EUR 1,166m), mainly due to the increased level of business activities and the related higher volume of income in the MRO business segment and for AirPlus.
- Revenue (comprising traffic revenue and other revenue) increased by 40% to EUR 7,017m (previous year: EUR 5,002m); other operating income rose by 52% to EUR 674m (previous year: EUR 442m) due in particular to foreign exchange gains; operating income increased by 41% to EUR 7,691m (previous year: EUR 5,444 m).

**EXTERNAL REVENUE SHARE OF THE BUSINESS SEGMENTS**
in % (Jan - March 2023)




## Operating expenses up by 33% year-on-year

- In the first quarter of 2023, the Lufthansa Group's operating expenses rose by 33% year-on-year to EUR 7,946m (previous year: EUR 5,982m); this mainly reflected its business growth as well as inflation-related cost increases.
- The Lufthansa Group's cost of materials and services of EUR 4,372m was 45% higher year-on-year (previous year: EUR 3,016m); fuel expenses rose by 71% to EUR 1,686m (previous year: EUR 987m); this change is attributable to higher prices for crude oil as well as jet crack (the price difference between crude oil and kerosene); the increased level of consumption and negative currency effects also had a noticeable impact; the result of price hedging was EUR -26m (previous year: EUR 179m); in addition, fees and charges rose by 34% to EUR 909m (previous year: EUR 678m), primarily due to the Lufthansa Group's business growth.
- Operating staff costs rose by 19% to EUR 1,919m (previous year: EUR 1,614m); this increase was mainly due to salary increases under collective bargaining agreements and the end of the short-time work scheme; the 8% increase in the average number of employees was a further factor; after adjusting for the number of employees in the Catering business segment, the increase amounted to 4%.
- Depreciation and amortisation of EUR 545m was at the same level as last year (previous year: EUR 545m) and related mainly to aircraft and reserve engines.
- Other operating expenses rose by 38% to EUR 1,110m (previous year: EUR 807m) in particular due to higher foreign exchange losses, increased sales and marketing costs and higher travel expenses due to the expansion of flight operations.

**REVENUE, INCOME AND EXPENSES**

| in €m | Jan - Mar 2023 | Jan - Mar 2022[1] | Change in % |
|---|---|---|---|
| Traffic revenue | 5,708 | 3,836 | 49 |
| Other revenue | 1,309 | 1,166 | 12 |
| **Total revenue** | **7,017** | **5,002** | **40** |
| Other operating income | 674 | 442 | 52 |
| **Total operating income** | **7,691** | **5,444** | **41** |
| Cost of materials and services | 4,372 | 3,016 | 45 |
| of which fuel | 1,686 | 987 | 71 |
| of which other raw materials, consumables and supplies and purchased goods | 661 | 524 | 26 |
| of which fees and charges | 909 | 678 | 34 |
| of which external services MRO | 455 | 380 | 20 |
| Staff costs | 1,919 | 1,614 | 19 |
| Depreciation | 545 | 545 | 0 |
| Other operating expenses | 1,110 | 807 | 38 |
| **Total operating expenses** | **7,946** | **5,982** | **33** |
| Operating result from equity investments | -18 | -39 | 54 |
| **Adjusted EBIT** | **-273** | **-577** | **53** |
| Total reconciliation EBIT | -31 | -31 | 0 |
| **EBIT** | **-304** | **-608** | **50** |
| Net interest | -90 | -81 | -11 |
| Other financial items | -136 | 33 | |
| **Profit/loss before income taxes** | **-530** | **-656** | **19** |
| Income taxes | 109 | 104 | 5 |
| **Profit/loss from continuing operations** | **-421** | **-552** | **24** |
| Profit/loss from discontinued operations | -44 | -30 | -47 |
| **Profit/loss after income taxes** | **-465** | **-582** | **20** |
| Profit/loss attributable to minority interests | -2 | -2 | 0 |
| **Net profit/loss attributable to shareholders of Deutsche Lufthansa AG** | **-467** | **-584** | **20** |

[1] Previous year's figures have been adjusted due to the agreed sale of the LSG Group. ↗ Notes, p. 29.

## Operating loss in the first quarter of 2023 more than halved by comparison with the previous year

- The operating result from equity investments amounted to EUR -18m in the first quarter of 2023 (previous year: EUR -39m); this trend is mainly based on the lower volume of losses incurred by joint venture companies in the passenger business, by comparison with the previous year, as well as the improved income from subsidiaries, joint ventures and associates in the Additional Businesses and Group Functions business segment.

- Adjusted EBIT thus amounted to EUR -273m (previous year: EUR -577m), and the Adjusted EBIT margin, i.e. the ratio of Adjusted EBIT to revenue, was -3.9% (previous year: -11.5%).

- In the first quarter of 2023, EBIT amounted to EUR -304m (previous year: EUR -608m); unlike Adjusted EBIT, this mainly comprises impairments in the amount of EUR 13m recognised on aircraft held for sale as well as book losses of EUR 10m for aircraft and reserve engines; in the previous year, the adjustments related to expenses directly associated with the war in Ukraine as well as net income in connection with the reversal of provisions for restructuring measures.

- Net interest came to EUR -90m (previous year: EUR -81m).

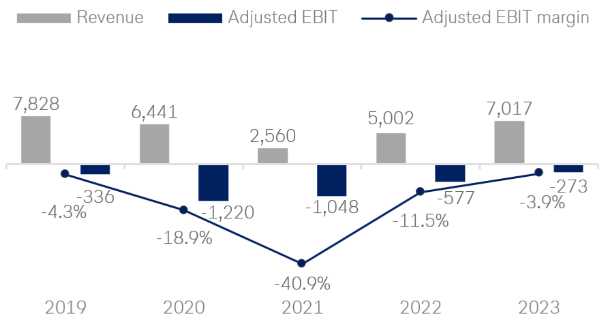
- Other financial items amounted to EUR -136m (previous year: EUR 33m) and mainly related to negative effects from the recognition in profit or loss of the convertible bond measurement, from cash flow hedges and from strategic interest rate swaps.

- Income taxes amounted to EUR 109m (previous year: EUR 104m); no deferred taxes were recognised for the current year's losses at companies with a history of losses, resulting in an effective tax ratio of 21%.

- The result from continuing operations therefore came to EUR -421m (previous year: EUR -552m).

- The profit/loss from discontinued operations relates to the sale of the LSG Group and amounts to EUR -44m (previous year: EUR -30m); this includes an impairment loss of EUR 40m due to the difference between the expected sales price and the net asset value of this business area as of the reporting date.

**DEVELOPMENT OF REVENUE, ADJUSTED EBIT** in €m (Jan - Mar)
**AND ADJUSTED EBIT MARGIN** in % (Jan - Mar)




- The net result attributable to shareholders of Deutsche Lufthansa AG in the first quarter of 2023 came to EUR -467m (previous year: EUR -584m).

- Earnings per share amounted to EUR -0.39 (previous year: EUR -0.49).

## RECONCILIATION OF RESULTS

| | Jan - Mar 2023 | | Jan - Mar 2022[1] | |
|---|---|---|---|---|
| in €m | Income statement | Reconciliation Adjusted EBIT | Income statement | Reconciliation Adjusted EBIT |
| **Total revenue** | 7,017 | | 5,002 | |
| Changes in inventories and work performed by entity and capitalised | 124 | | 116 | |
| Other operating income | 552 | | 409 | |
| of which book gains | | -1 | | -14 |
| of which write-ups on capital assets and assets held for sale | | -1 | | – |
| of which write-backs of provisons for restructuring expenses, significant litigation costs and business combinations cost | | -1 | | -70 |
| of which other extraordinary income | | -1 | | – |
| **Total operating income** | 7,693 | -4 | 5,527 | -84 |
| Costs of materials and services | -4,371 | | -3,057 | |
| of which extraordinary costs of material | | – | | 41 |
| Staff costs | -1,922 | | -1,632 | |
| of which past service costs/settlements | | – | | – |
| of which restructuring expenses | | 3 | | 18 |
| Depreciation | -545 | | -559 | |
| of which impairment losses | | – | | 14 |
| Other operating expenses | -1,141 | | -848 | |
| of which impairment losses on assets held for sale | | 13 | | -1 |
| of which expenses incurred from book losses | | 10 | | 6 |
| of which expenses of significant litigation | | – | | – |
| of which expenses of business combinations | | 8 | | – |
| of which other extraordinary expenses | | 1 | | 37 |
| **Total operating expenses** | -7,979 | 35 | -6,096 | 115 |
| **Profit/loss from operating activities** | -286 | | -569 | |
| Result from equity investments | -18 | | -39 | |
| of which impairment losses on investments accounted for using the equity method | | – | | – |
| **EBIT** | -304 | | -608 | |
| Total amount of reconciliation Adjusted EBIT | | 31 | | 31 |
| **Adjusted EBIT** | | -273 | | -577 |
| Depreciation | | 545 | | 545 |
| **Adjusted EBITDA** | | 272 | | -32 |

[1] Previous year's figures adjusted due to the agreed sale of the LSG Group. ↗ Notes, p. 29.

# FINANCIAL POSITION

## Impact of LSG Group sale on the financial position

— The consolidated cash flow statement includes both continuing and discontinued operations; the impact of the Catering business is insignificant here; free cash flow from the discontinued operation amounted to EUR -41m (previous year: EUR -6m).

## Investment volume up on previous year

— The Lufthansa Group’s gross capital expenditure increased by 56% in the first quarter of 2023 year-on-year to EUR 1,000m (previous year: EUR 640m) and primarily consisted of advance payments on future aircraft purchases, capitalised major maintenance events and final payments for six delivered aircraft, including those whose delivery had already been planned for in the fourth quarter of the previous year.

— Net capital expenditure – in particular, taking into consideration payments for spare parts for aircraft and income from interest and dividends – increased by 63% to EUR 1,040m (previous year: EUR 637m).

## Positive cash flow from operating activities of EUR 1,581m achieved

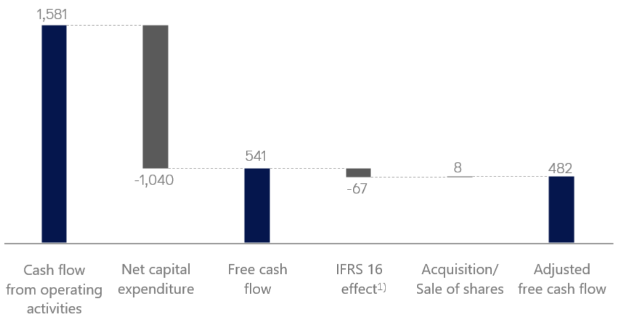
— In the first quarter of 2023, the Lufthansa Group achieved a positive cash flow from operating activities in the amount of EUR 1,581m; this was thus 6% higher than in the previous year (previous year: EUR 1,496m); the improvement is mainly due to the increase in EBITDA and the higher inflow resulting from the change in working capital (EUR 1,547m, previous year: EUR 1,292m).

— The inflow resulting from the change in working capital was associated with a higher volume of liabilities due to unused flight documents, which picked up by EUR 2,314m in the first quarter of 2023 (previous year: EUR 2,020m); in connection with the increase in ticket sales, receivables and contract assets rose by EUR 632m, in particular due to receivables from sales partners and credit card customers, while liabilities and contract liabilities declined by EUR 141m; these two trends relate to the changes in the carrying amounts for continuing operations and discontinued operations.

## Adjusted free cash flow of EUR 482m

— Adjusted free cash flow fell by 38% to EUR 482m (previous year: EUR 780m) in the first quarter of 2023, with the increase in net capital expenditure more than making up for the increase in cash flow from operating activities.

ADJUSTED FREE CASH FLOW in €m (Jan - Mar 2023)




[1] Capital payments of operating lease liabilities within cash flow from financing activities.

## Financing activities result in cash outflow

— The balance of financing activities resulted in a net cash outflow of EUR 336m (previous year: EUR 586m).

— This resulted from repayments in the overall amount of EUR 250m, mainly due to aircraft financing as well as interest and dividend payments of EUR 160m and compared with the cash inflow from new financing measures on the capital market in the amount of EUR 74m, which was primarily attributable to aircraft financing.

## Total available liquidity of EUR 10.5bn

— Balance-sheet liquidity (total of cash, current securities and fixed-term deposits from continuing operations) came to EUR 8,361m on 31 March 2023 (31 December 2022: EUR 8,301m); of this amount, EUR 7,608m was centrally available to Deutsche Lufthansa AG; in addition, cash and cash equivalents held by the discontinued Catering business amounted to EUR 140m.

— Additionally, there were unused credit lines of EUR 2,101m.

— As of 31 March 2023, the Company therefore had EUR 10,462m of available liquidity from continuing operations in total (31 December 2022: EUR 10,420m).

# NET ASSETS

### Impact of LSG Group sale on the net assets

- In line with IFRS 5, the assets and liabilities attributable to the Catering business segment have been separately presented in the statement of financial position as of 31 March 2023 as “Assets held for sale” and “Liabilities in connection with assets held for sale”; the figures for the previous year have not been adjusted.
- To enable a better comparability with the previous year, significant effects are quantified in the following comments.

### Total assets climb by around EUR 1.6bn

- As of 31 March 2023, total Group assets rose by EUR 1,569m over year-end 2022 to EUR 44,904m (31 December 2022: EUR 43,335m).

### Non-current assets up by EUR 115m

- As of 31 March 2023, non-current assets of EUR 28,195m were EUR 115m higher than at the end of 2022 (31 December 2022: EUR 28,080m); the increase in value for aircraft and reserve engines (EUR +497m) and for deferred tax assets on account of the net loss for the period (EUR +275m) were partly made up for by the decline in other property, plant and equipment as a result of the reclassification of the Catering business (EUR -406m) and derivative financial instruments (EUR -175m).
- The value of the aircraft and reserve engines rose to EUR 16,387m (31 December 2022: EUR 15,890m); down payments made on existing orders and investments in major maintenance events and new aircraft (three Boeing 787s and three Airbus A320s) exceeded the volume of depreciation as well as disposals; as of 31 March 2023, the Lufthansa Group’s fleet comprised a total of 710 aircraft.

### Current assets increase by around EUR 1.5bn

- Current assets as of 31 March 2023 rose by EUR 1,454m to EUR 16,709m (31 December 2022: EUR  15,255m); adjusted for the reclassification of the Catering business, current trade receivables are up by EUR 1,020m and cash and cash equivalents by EUR 200m.
- The increase in assets held for sale (EUR +951m) is mainly attributable to the assets in the Catering business (EUR 967m), of which EUR 537m related to previously non-current assets; on the other hand, derivative financial instruments decreased (EUR -228m).

### Non-current provisions and liabilities decline by EUR 174m

- As of 31 March 2023, non-current provisions and liabilities were down by EUR 174m to EUR 16,979m (31 December 2022: EUR 17,153m).
- Non-current financial liabilities of EUR 13,154m were EUR 116m lower than at the end of 2022 (31 December 2022: EUR 13,270m); this decrease mainly reflects the reclassification of the financial liabilities attributable to the Catering business as well as scheduled repayments for aircraft financing, partly compensated for by valuation effects for the convertible bond.
- The net pension obligations, i.e. the pension provisions less asset surpluses for individual pension plans – which are separately reported under non-current assets – of EUR 1,992m were at the same level as at the end of 2022 (31 December 2022: EUR 1,993m); pension provisions decreased by EUR 13m to EUR 2,056m (31 December 2022: EUR 2,069m) with the interest rate used to discount the pension obligations in Germany and Austria declining by 0.1 percentage point to 4.1%; this effect was largely made up for by the positive performance of the plan assets.

### Current provisions and liabilities increase by around EUR 2.7bn

- As of 31 March 2023, current provisions and liabilities rose by EUR 2,667m to EUR 20,375m (31 December 2022: EUR 17,708m), primarily as a result of the increase in liabilities from flight tickets not yet used (EUR +2,315m) as well as the liabilities from assets held for sale on account of the resolved sale of the LSG Group (EUR +612m); this was partly offset by the lower current trade payables and other liabilities (EUR -368m) which decreased mainly due to the reclassification of the liabilities in the Catering business.

### Shareholders’ equity down by EUR 924m

- By comparison with the end of 2022, shareholders’ equity as of 31 March 2023 decreased by EUR 924m to EUR 7,550m (31 December 2022: EUR 8,474m); this was primarily due to the loss in the first quarter of the financial year and negative valuation effects for financial instruments recognised directly in equity.

- The equity ratio fell by 2.8 percentage points compared with year-end 2022 to 16.8% (31 December 2022: 19.6%).

- Due to the positive free cash flow, net indebtedness of EUR 6,717m was EUR 154m below the level at the end of 2022 (31 December 2022: EUR 6,871m); Adjusted net debt – the sum total of net indebtedness and net pension obligations less 50% of the hybrid bond issued in 2015 – fell by EUR 155m relative to the end of 2022 to EUR 8,462m (31 December 2022: EUR 8,617m).

- The ratio of Adjusted net debt/Adjusted EBITDA was thus 2.1 (31 December 2022: 2.3).

CALCULATION OF NET INDEBTEDNESS

| | 31.03.2023<br>in €m | 31.12.2022<br>in €m | Change<br>in % |
|---|---|---|---|
| Bonds | -6,864 | -6,659 | -3 |
| Borrower`s note loans | -1,245 | -1,242 | 0 |
| Credit lines | -20 | – | |
| Aircraft financing | -4,351 | -4,407 | 1 |
| Leasing liabilities | -2,259 | -2,443 | 8 |
| Other borrowings | -321 | -400 | 20 |
| **Financial liabilities** | **-15,060** | **-15,151** | **1** |
| Bank overdraft | -18 | -21 | 14 |
| **Group indebtedness** | **-15,078** | **-15,172** | **1** |
| Cash and cash equivalents | 1,432 | 1,790 | -20 |
| Securities | 6,929 | 6,511 | 6 |
| **Net indebtedness** | **-6,717** | **-6,871** | **2** |
| Pension provisions | -2,056 | -2,069 | 1 |
| Pension surplus | 64 | 76 | -16 |
| **Net pension obligations** | **-1,992** | **-1,993** | **0** |
| **Net indebtedness and net pension obligations** | **-8,709** | **-8,864** | **2** |

# Business segments

## PASSENGER AIRLINES BUSINESS SEGMENT

KEY FIGURES

| | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Revenue | €m | 5,211 | 3,020 | 73 |
| of which traffic revenue | €m | 4,806 | 2,513 | 91 |
| Total operating income | €m | 5,514 | 3,158 | 75 |
| Operating expenses | €m | 5,997 | 4,238 | 42 |
| Adjusted EBITDA | €m | -91 | -676 | 87 |
| Adjusted EBIT | €m | -512 | -1,114 | 54 |
| EBIT | €m | -531 | -1,047 | 49 |
| Adjusted EBIT margin | % | -9.8 | -36.9 | 27.1 pts |
| Segment capital expenditure | €m | 774 | 610 | 27 |
| Employees as of 31.03. | number | 57,860 | 55,482 | 4 |
| Flights[1] | number | 183,447 | 133,562 | 37 |
| Passengers | thousands | 21,643 | 13,173 | 64 |
| Available seat-kilometres | millions | 59,347 | 45,656 | 30 |
| Revenue seat-kilometres[1] | millions | 47,316 | 29,860 | 58 |
| Passenger load factor | % | 79.7 | 65.4 | 14.3 pts |

[1] Previous year's figures have been adjusted.

- In the first quarter of 2023, the operating performance of the Lufthansa Group's Passenger Airlines segment significantly improved year-on-year; however, the result was negative despite a strong level of demand due to seasonality effects as well as the preparations for the expansion of flight operations in the summer months; strikes also had an averse impact on earnings; in terms of demand, the operating performance in the first quarter of the previous year had been strongly affected by the spread of the Omicron variant.

- The Lufthansa Group is investing in the modernisation of its fleet and has resolved to order a further 22 latest-generation long-haul aircraft: ten Airbus A350-1000, five A350-900 and seven Boeing 787-9 Dreamliner long-haul aircraft. ↗ **Significant events, p. 3.**

- The Lufthansa Group is continuing to expand its portfolio of sustainable travel products; since 15 February 2023 it has been the first airline group worldwide to offer "Green Fares"; the flight-related carbon offsets already included in the fare enable passengers throughout Europe and North Africa to choose a more sustainable flight option; the use of sustainable aviation fuels provides 20% of this offsetting, while 80% is covered via a contribution to high-quality climate protection projects.

- In the first quarter of the 2023 financial year, available capacity in the Passenger Airlines segment was 30% higher than in the previous year, but remained 25% below the 2019 pre-crisis level; the number of flights increased by 37% year-on-year; sales increased by 58%; the passenger load factor of 79.7% was 14.3 percentage points higher than in the previous year.

- As a result of the increase in traffic in the first quarter of 2023 relative to the previous year, traffic revenue in the Passenger Airlines segment increased by 91% year-on-year to EUR 4,806m (previous year: EUR 2,513m); revenue of EUR 5,211m was 73% higher than last year (previous year: EUR 3,020m); yields rose by 22.5%.

- Unit revenues went up by 33.6% year-on-year, thanks to the higher yields and load factors and were therefore 24.9% above their pre-crisis level in 2019.

- Operating expenses rose by 42% to EUR 5,997m (previous year: EUR 4,238m); expenses for fuel in particular were significantly higher than in the previous year (EUR +692m), due to increased flight operations and higher kerosene prices; in addition, fees and charges were up on the previous year (EUR +224m); staff costs rose due to salary increases agreed in collective bargaining agreements, the end of the short-time work scheme and the 4% increase in the average workforce (EUR +244m).

- Unit costs excluding fuel and emissions trading expenses fell year-on-year by 0.6% thanks to positive economies of scale on account of increased traffic as well as further progress made in implementing the cost-cutting programme; they were 17.6% higher than the pre-crisis level.
- The operating loss in the Passenger Airlines segment more than halved in the first quarter of 2023 year-on-year; Adjusted EBIT amounted to EUR -512m (previous year: EUR -1,114m).
- In the first quarter of 2023, EBIT came to EUR -531m (previous year: EUR -1,047m); the difference relative to Adjusted EBIT in the reporting period is mainly attributable to impairments recognised on aircraft held for sale as well as book losses on aircraft and reserve engines; in the previous year, the difference resulted from the partial reversal of provisions created in previous years for restructuring measures, following their successful implementation.
- Segment capital expenditure was up by 27% to EUR 774m (EUR 610m) and primarily related to advance payments for orders, major maintenance events and new aircraft.
- The number of employees as of 31 March 2023 increased by 4% year-on-year to 57,860 (previous year: 55,482), above all due to new employee hires as a result of expanding business operations.

OPERATING FIGURES

| | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % | Exchange-rate adjusted change in % |
|---|---|---|---|---|---|
| Yields | € Cent | 9.1 | 7.4 | 22.5 | 21.5 |
| Unit revenue (RASK) | € Cent | 9.0 | 6.8 | 33.6 | 32.2 |
| Unit cost (CASK) excluding fuel and emissions trading | € Cent | 7.1 | 7.1 | -0.6 | -1.9 |

TRENDS IN TRAFFIC REGIONS

| | Traffic revenue | | Number of passengers | | Available seat-kilometres | | Revenue seat-kilometres | | Passenger load factor | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Jan - Mar 2023 in €m | Change in % | Jan - Mar 2023 in thousands | Change in % | Jan - Mar 2023 in millions | Change in % | Jan - Mar 2023 in millions | Change in % | Jan - Mar 2023 in % | Change in pts |
| Europe | 1,765 | 89 | 16,851 | 65 | 20,500 | 30 | 15,704 | 53 | 76.6 | 11.4 pts |
| America | 1,259 | 68 | 2,107 | 41 | 20,239 | 15 | 16,081 | 39 | 79.5 | 13.7 pts |
| Asia/Pacific | 704 | 282 | 1,037 | 192 | 9,624 | 103 | 8,248 | 207 | 85.7 | 29.0 pts |
| Middle East/Africa | 560 | 64 | 1,648 | 46 | 8,984 | 20 | 7,283 | 37 | 81.1 | 10.5 pts |
| Non allocable | 518 | 71 | | | | | | | | |
| Total | 4,806 | 91 | 21,643 | 64 | 59,347 | 30 | 47,316 | 58 | 79.7 | 14.3 pts |

## Lufthansa German Airlines[1)]

| KEY FIGURES | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Revenue | €m | 3,052 | 1,759 | 74 |
| Total operating income | €m | 3,255 | 1,853 | 76 |
| Operating expenses | €m | 3,616 | 2,560 | 41 |
| Adjusted EBITDA | €m | -166 | -497 | 67 |
| Adjusted EBIT | €m | -366 | -715 | 49 |
| EBIT | €m | -381 | -648 | 41 |
| Employees as of 31.03. | number | 35,072 | 34,443 | 2 |
| Flights | number | 95,186 | 72,158 | 32 |
| Passengers | thousands | 11,342 | 7,193 | 58 |
| Available seat-kilometres | millions | 34,460 | 27,085 | 27 |
| Revenue seat-kilometres | millions | 27,343 | 17,692 | 55 |
| Passenger load factor | % | 79.3 | 65.3 | 14.0 pts |

[1)] Including regional partners and Eurowings Discover.

- Lufthansa German Airlines is continuing to modernise its fleet; in the first quarter of 2023, it took delivery of aircraft including three Boeing 787 Dreamliners in Frankfurt; its Boeing 787 fleet thus now consists of five aircraft.
- The tourism-related leisure travel segment which Lufthansa serves through Eurowings Discover is also being further expanded; in January 2023, the twelfth A330 and tenth A320 entered service at Eurowings Discover; these aircraft had previously been used by other Lufthansa Group airlines.
- Lufthansa German Airlines is investing in the expansion of its premium positioning; for all of its travel classes on long-haul routes (i.e. Economy, Premium Economy, Business and First Class), the airline has introduced a new high-end product, Allegris, which has been exclusively designed for the Lufthansa Group; the largest investment in premium products in the Company's history underlines Lufthansa German Airlines' commitment to be the leading Western premium airline.
- In addition, Lufthansa German Airlines is continuing to expand its services for passengers; in February 2023, the airline broadened its Onboard Delights catering offering and introduced the new Lufthansa app, which now serves as a digital travel companion and makes travel even easier and even more comfortable.
- Heiko Reitz has been the new Chief Commercial Officer (CCO) of Lufthansa German Airlines since 1 March 2023; he changed position with Stefan Kreuzpaintner, who is now in charge of network, alliance and partner management for all of the Lufthansa Group's passenger airlines.
- The significant increase in demand for air travel and higher unit revenues drove up revenue year-on-year at Lufthansa German Airlines by 74% to EUR 3,052m in the first quarter of 2023 (previous year: EUR 1,759m).
- Operating expenses of EUR 3,616m were 41% higher year-on-year (previous year: EUR 2,560m), primarily due to the volume, price and currency-related increase in expenses for fuel as well as higher fees and charges, higher MRO expenses and increased staff costs due to new employee hires, newly negotiated wage settlements and the savings realised in the previous year due to short-time work.
- The operating loss thus roughly halved year-on-year; Adjusted EBIT in the first quarter of 2023 was EUR -366m (previous year: EUR -715m).
- EBIT amounted to EUR -381m (previous year: EUR -648m); the difference relative to Adjusted EBIT in the reporting period is mainly attributable to impairment losses recognised on aircraft held for sale as well as book losses on aircraft and reserve engines; in the previous year, the difference resulted from the partial reversal of provisions created in previous years for restructuring measures, following their successful implementation.

## SWISS[1)]

| KEY FIGURES | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Revenue | €m | 1,197 | 746 | 60 |
| Total operating income | €m | 1,241 | 771 | 61 |
| Operating expenses | €m | 1,164 | 833 | 40 |
| Adjusted EBITDA | €m | 184 | 49 | 276 |
| Adjusted EBIT | €m | 77 | -62 | |
| EBIT | €m | 77 | -62 | |
| Employees as of 31.03. | number | 9,089 | 8,494 | 7 |
| Flights | number | 30,793 | 20,509 | 50 |
| Passengers | thousands | 3,669 | 2,151 | 71 |
| Available seat-kilometres | millions | 11,958 | 8,788 | 36 |
| Revenue seat-kilometres | millions | 9,773 | 5,623 | 74 |
| Passenger load factor | % | 81.7 | 64.0 | 17.7 pts |

[1)] Including Edelweiss Air.

- SWISS has strengthened its premium positioning in the growing tourism-related leisure travel segment and has fitted its four A340-300 aircraft with Premium Economy Class; two out of the three aircraft types in SWISS' long-haul fleet thus now include this new travel class.
- With its "SWISS Senses" programme, SWISS has embarked on the most extensive cabin renewal in its history; from 2025, the airline will gradually offer its passengers an entirely new, more personal travel experience in all travel classes; the new interior will initially be installed in its Airbus A330-300 fleet and subsequently in its Boeing 777-300ER fleet; SWISS' newly ordered Airbus A350-900s are already being delivered with the new cabin design.

- In the first quarter of 2023, increased flight operations and higher unit revenues enabled revenue at SWISS to rise by 60% year-on-year to EUR 1,197m (previous year: EUR 746m).
- Operating expenses increased by 40% year-on-year to EUR 1,164m (previous year: EUR 833m), primarily due to the volume, price and currency-related increase in fuel expenses, higher fees and charges and staff costs.
- SWISS thus achieved a positive operating result in the first quarter of 2023; Adjusted EBIT and EBIT amounted to EUR 77m respectively (previous year: EUR -62m).

## Austrian Airlines

| KEY FIGURES | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Revenue | €m | 400 | 201 | 99 |
| Total operating income | €m | 413 | 208 | 99 |
| Operating expenses | €m | 486 | 317 | 53 |
| Adjusted EBITDA | €m | -46 | -77 | 40 |
| Adjusted EBIT | €m | -73 | -109 | 33 |
| EBIT | €m | -73 | -110 | 34 |
| Employees as of 31.03. | number | 5,766 | 5,611 | 3 |
| Flights | number | 21,238 | 13,345 | 59 |
| Passengers | thousands | 2,254 | 1,134 | 99 |
| Available seat-kilometres | millions | 4,666 | 3,313 | 41 |
| Revenue seat-kilometres | millions | 3,603 | 2,094 | 72 |
| Passenger load factor | % | 77.2 | 63.2 | 14.0 pts |

- On 21 March 2023, the Supervisory Board of Austrian Airlines re-appointed Michael Trestl as a member of the Executive Board and Chief Commercial Officer (CCO) for a further period of five years up to 31 December 2028.
- In the first quarter of 2023, increased traffic and higher unit revenues made revenue at Austrian Airlines rise year-on-year by 99% to EUR 400m (previous year: EUR 201m).
- Operating expenses of EUR 486m were 53% higher than last year (previous year: EUR 317m), in particular due to a volume and price-related increase in fuel expenses as well as higher staff costs.
- Austrian Airlines thus significantly reduced its operating loss in the first quarter of 2023 year-on-year; Adjusted EBIT amounted to EUR -73m (previous year: EUR -109m); EBIT likewise came to EUR -73m (previous year: EUR -110m).

## Brussels Airlines

| KEY FIGURES | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Revenue | €m | 280 | 157 | 78 |
| Total operating income | €m | 307 | 165 | 86 |
| Operating expenses | €m | 350 | 227 | 54 |
| Adjusted EBITDA | €m | -16 | -35 | 54 |
| Adjusted EBIT | €m | -43 | -62 | 31 |
| EBIT | €m | -44 | -62 | 29 |
| Employees as of 31.03. | number | 3,311 | 3,142 | 5 |
| Flights[1] | number | 12,647 | 8,146 | 55 |
| Passengers | thousands | 1,590 | 874 | 82 |
| Available seat-kilometres | millions | 3,747 | 2,746 | 36 |
| Revenue seat-kilometres[1] | millions | 2,929 | 1,843 | 59 |
| Passenger load factor[1] | % | 78.2 | 67.1 | 11.1 pts |

[1] Previous year's figures have been adjusted.

- Brussels Airlines has signed a wet lease agreement with CityJet for the 2023 summer season; in the period from 26 March to 28 October 2023, two CRJ-900 aircraft will reinforce the Brussels Airlines fleet and two further Airbus A320s are set to be added to the airline's fleet.
- Dorothea von Boxberg has been the new Chairwoman of the Executive Board (CEO) of Brussels Airlines since 15 April 2023; she previously was CEO of Lufthansa Cargo and replaces Peter Gerber, who left the Lufthansa Group on 31 January 2023.
- In the first quarter of 2023, increased flight operations and higher unit revenues enabled revenue at Brussels Airlines to rise year-on-year by 78% to EUR 280m (previous year: EUR 157m).
- Operating expenses went up by 54% to EUR 350m (previous year: EUR 227m), primarily due to the volume, price and currency-related increase in fuel expenses as well as the volume-related increase in expenses for fees and charges.
- Brussels Airlines thus significantly reduced its operating loss in the first quarter of 2023; Adjusted EBIT amounted to EUR -43m (previous year: EUR -62m); EBIT came to EUR -44m (previous year: EUR -62m).

## Eurowings

| KEY FIGURES | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Revenue | €m | 327 | 186 | 76 |
| Total operating income | €m | 359 | 201 | 79 |
| Operating expenses | €m | 438 | 338 | 30 |
| Adjusted EBITDA | €m | -63 | -113 | 44 |
| Adjusted EBIT | €m | -103 | -163 | 37 |
| EBIT | €m | -104 | -163 | 36 |
| Employees as of 31.03. | number | 4,622 | 3,792 | 22 |
| Flights | number | 23,583 | 19,404 | 22 |
| Passengers | thousands | 2,788 | 1,820 | 53 |
| Available seat-kilometres | millions | 4,516 | 3,725 | 21 |
| Revenue seat-kilometres | millions | 3,667 | 2,608 | 41 |
| Passenger load factor | % | 81.2 | 70.0 | 11.2 pts |

- In the first quarter of 2023, Eurowings registered a strong level of demand for tourist flights and expanded its capacity accordingly; within the scope of its restructuring, Eurowings has aligned its capacity more strongly with seasonal fluctuations in demand, in particular the high level of demand for leisure travel during the summer months.

- Eurowings is set to introduce the Airbus A321 to its fleet; six A321ceo aircraft which are to be taken over from other Group airlines will gradually be deployed from May 2023; in addition, four brand-new Airbus A321neos will be added to the fleet by the end of 2023.

- The transfer of Eurowings Europe GmbH, Austria, to Eurowings Europe Limited, Malta, was successfully completed on 28 March 2023; following its official founding in May 2022, the new company already received its air operator certificate (AOC) in October 2022.

- In the first quarter of 2023, Eurowings' revenue rose by 76% to EUR 327m (previous year: EUR 186m) due to volume and price factors.

- Operating expenses increased by 30% to EUR 438m (previous year: EUR 338m), primarily due to the volume, price and currency-related increase in fuel expenses as well as higher fees and charges due to the expansion of the flight programme.

- Eurowings significantly reduced its operating loss in the first quarter of 2023; Adjusted EBIT amounted to EUR -103m (previous year: EUR -163m); this improvement is mainly attributable to the expansion of the flight programme, higher yields and an improved passenger load factor for the aircraft; in the first quarter of 2023, EBIT amounted to EUR -104m (previous year: EUR -163m).

# LOGISTICS BUSINESS SEGMENT

KEY FIGURES

| | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Revenue | €m | 823 | 1,169 | -30 |
| of which traffic revenue | €m | 775 | 1,131 | -31 |
| Total operating income | €m | 848 | 1,190 | -29 |
| Operating expenses | €m | 703 | 701 | 0 |
| Adjusted EBITDA | €m | 195 | 535 | -64 |
| Adjusted EBIT | €m | 151 | 495 | -69 |
| EBIT | €m | 149 | 481 | -69 |
| Adjusted EBIT margin | % | 18.3 | 42.3 | -24.0 pts |
| Segment capital expenditure | €m | 146 | 7 | 1,986 |
| Employees as of 31.03. | number | 4,090 | 4,108 | 0 |
| Available cargo tonne-kilometres[1] | millions | 2,821 | 2,595 | 9 |
| Revenue cargo tonne-kilometres[1] | millions | 1,727 | 1,787 | -3 |
| Cargo load factor[1] | % | 61.2 | 68.9 | -7.7 pts |

[1] Previous year's figures have been adjusted.

- The operating performance in the Logistics business segment in the first quarter of 2023 fell short of the record level seen in the previous year, as expected; during the coronavirus pandemic, the reduction of freight capacities in the bellies of passenger aircraft together with the high level of demand due to the supply chain disruptions had resulted in record revenue; the continued recovery of passenger traffic also prompted an expansion of freight capacity; in addition, demand declined due to the general economic slowdown, leading to a normalisation of global freight rates.

- The world's first Boeing 777F freighter fitted with an AeroSHARK film took off on 3 February 2023; this new type of surface technology improves fuel efficiency and thus helps to reduce carbon emissions.

- Ashwin Bhat has been the new Chairman of the Executive Board (CEO) of Lufthansa Cargo since 15 April 2023; previously Chief Commercial Officer (CCO) at the freight airline, he replaces Dorothea von Boxberg, who is the new CEO of Brussels Airlines; a third Executive Board member is to be appointed in the near future.

- Capacity of Lufthansa Cargo was increased by 9% in the reporting period relative to the previous year, above all due to the recovery of passenger flight operations and the related expansion of belly capacities; sales declined by 3% year-on-year and the cargo load factor of 61.2% was 7.7 percentage points lower than last year (previous year: 68.9%); yields fell in all of Lufthansa Cargo's traffic regions and were 29.2% lower than in the previous year; they were thus 62.9% higher than the 2019 pre-crisis level.

- Traffic revenue declined by 31% year-on-year in the first quarter of 2023 to EUR 775m (previous year: EUR 1,131m) due to the reduced volume of sales and the lower yields; revenue dropped by 30% to EUR 823m (previous year: EUR 1,169m).

- Despite the inflation-related cost pressure, operating expenses of EUR 703m were almost at the same level as in the previous year (previous year: EUR 701m); reduced charter expenses as well as efficiency boosting and cost reduction measures helped to largely compensate for higher staff costs and inflation effects.

- In the first quarter of 2023, Adjusted EBIT thus amounted to EUR 151m year-on-year (previous year: EUR 495m).

- EBIT came to EUR 149m (previous year: EUR 481m).

- Segment capital expenditure in the first quarter of 2023 came to EUR 146m (previous year: EUR 7m) and comprises, in particular, prepayments made for two further 777F freighters.

- The number of employees as of 31 March 2023 of 4,090 was at the same level as the previous year's figure (previous year: 4,108).

TRENDS IN TRAFFIC REGIONS

| | Traffic revenue | | Available cargo tonne-kilometres | | Revenue cargo tonne-kilometres | | Cargo load factor | |
|---|---|---|---|---|---|---|---|---|
| | Jan - Mar 2023 in €m | Change in % | Jan - Mar 2023 in millions | Change in % | Jan - Mar 2023 in millions | Change in % | Jan - Mar 2023 in % | Change in pts |
| Europe | 64 | -10 | 148 | 18 | 70 | 4 | 47.2 | -6.2 pts |
| America | 324 | -41 | 1,381 | 3 | 801 | -11 | 58.0 | -8.9 pts |
| Asia/Pacific | 322 | -26 | 1,019 | 14 | 718 | 5 | 70.5 | -6.1 pts |
| Middle East/Africa | 65 | -13 | 273 | 14 | 138 | -3 | 50.5 | -8.6 pts |
| **Total** | **775** | **-31** | **2,821** | **9** | **1,727** | **-3** | **61.2** | **-7.7 pts** |

# MRO BUSINESS SEGMENT

KEY FIGURES

| | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Revenue | €m | 1,537 | 1,326 | 16 |
| of which with companies of the Lufthansa Group | €m | 508 | 373 | 36 |
| Total operating income | €m | 1,635 | 1,394 | 17 |
| Operating expenses | €m | 1,496 | 1,261 | 19 |
| Adjusted EBITDA[1] | €m | 174 | 174 | 0 |
| Adjusted EBIT[1] | €m | 135 | 129 | 5 |
| EBIT[1] | €m | 135 | 50 | 170 |
| Adjusted EBIT margin[1] | % | 8.8 | 9.7 | -0.9 pts |
| Segment capital expenditures | €m | 21 | 14 | 50 |
| Employees as of 31.03. | number | 21,023 | 20,008 | 5 |

[1] The results of equity investments of the associated company "Ameco" is reported under Additional Businesses and Group Functions due to the change in responsibility in Group management; the previous year's figures have been adjusted accordingly.

- Lufthansa Technik registered a positive course of business in the first quarter of 2023: the continuing strong level of demand for flights prompted a further rise in demand for maintenance and repair services with revenue and earnings accordingly increasing year-on-year; this therefore made up for the effect of the depreciation of the US dollar on the earnings figure.
- Lufthansa Technik's revenue increased by 16% year-on-year in the first quarter of 2023 to EUR 1,537m (previous year: EUR 1,326m).
- Operating expenses rose by 19% to EUR 1,496m (previous year: EUR 1,261m); this was mainly due to the volume and price-related increase in the cost of materials and services and the higher staff costs.
- Adjusted EBIT improved by 5% to EUR 135m (previous year: EUR 129m); EBIT likewise amounted to EUR 135m (previous year: EUR 50m), with the previous year's figure having been affected by impairments due to the sanctions imposed on Russia.
- Segment capital expenditure went up by 50% to EUR 21m in the first quarter of 2023 (previous year: EUR 14m).
- The number of employees as of 31 March 2023 increased by 5% year-on-year to 21,023 (previous year: 20,008).

# CATERING BUSINESS SEGMENT

KEY FIGURES

| | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Revenue | €m | 523 | 373 | 40 |
| of which with companies of the Lufthansa Group | €m | 16 | 9 | 78 |
| Total operating income | €m | 529 | 386 | 37 |
| Operating expenses | €m | 537 | 396 | 36 |
| Adjusted EBITDA | €m | 13 | 5 | 160 |
| Adjusted EBIT | €m | -6 | -14 | 57 |
| EBIT | €m | -46 | -33 | -39 |
| Adjusted EBIT margin | % | -1.1 | -3.8 | 2.7 pts |
| Segment capital expenditure | €m | 9 | 6 | 50 |
| Employees as of 31.03. | number | 21,332 | 16,520 | 29 |

- Deutsche Lufthansa AG signed an agreement for the sale of the LSG Group with the private equity firm AURELIUS; the transaction is expected to be completed in the third quarter of 2023, subject to external approvals and internal carve-out activities; the earnings contributions provided by the Catering operation are presented separately in the consolidated income statement under “Profit/loss from discontinued operations”. ↗ Significant events, p. 3, Financial performance, p. 4.

- The positive business performance of the LSG Group continued in the first quarter of 2023 in all its regions, but above all in the North America and Asia markets.

- The LSG Group signed and extended significant new agreements during the first quarter of 2023, including with Qantas, American Airlines and Turkish Airlines, and Retail inMotion concluded a new onboard retail contract with Marabu Airlines.

- Holger Fleige has been the new Chief Financial Officer (CFO) of LSG Group since 1 April 2023; previously Head of Controlling at Passenger Airlines, Aviation Services & Group ReStructure at the Lufthansa Group, he replaces Wilken Bormann, who has left the Company.

- In the first quarter of 2023, the revenue of the LSG Group increased by 40% to EUR 523m (previous year: EUR 373m) due to the positive business performance.

- Operating expenses increased by 36% to EUR 537m (previous year: EUR 396m), primarily due to the volume and price-related increase in the cost of materials and services and staff costs, as well as higher revenue-based airport fees.

- Adjusted EBIT came to EUR -6m in the first quarter of 2023 (previous year: EUR -14m).

- EBIT amounted to EUR -46m (previous year: EUR -33m); the difference relative to Adjusted EBIT in the reporting period is primarily attributable to impairments on goodwill in the amount of EUR 40m and is associated with the resolved sale of the Catering business; the figure for the previous year was affected by the impairments and expenses relating to the war in Ukraine.

- Segment capital expenditure rose by 50% to EUR 9m (previous year: EUR 6m).

- Thanks to the recovery of business, the number of employees as of 31 March 2023 increased by 29% year-on-year to 21,332 (previous year: 16,520).

# ADDITIONAL BUSINESSES AND GROUP FUNCTIONS

KEY FIGURES

| | | Jan - Mar 2023 | Jan - Mar 2022 | Change in % |
|---|---|---|---|---|
| Operating income | €m | 762 | 518 | 47 |
| Operating expenses | €m | 801 | 583 | 37 |
| Adjusted EBITDA[1] | €m | -2 | -43 | 95 |
| Adjusted EBIT[1] | €m | -30 | -72 | 58 |
| EBIT[1] | €m | -39 | -74 | 47 |
| Segment capital expenditures | €m | 5 | 13 | -62 |
| Employees as of 31.03. | number | 8,087 | 7,916 | 2 |

[1] Figures include the results of equity investments of the associated company "Ameco", which was previously reported in the MRO business segment; previous year's figures have been adjusted accordingly.

- Higher revenue, especially at the AirPlus group, and higher exchange rate gains caused operating income for Additional Businesses and Group Functions to increase by 47% year-on-year to EUR 762m (previous year: EUR 518m) in the reporting period.
- Operating expenses rose by 37% to EUR 801m (previous year: EUR 583m), primarily due to higher foreign exchange rate losses and increased commercial activity at the companies.
- Adjusted EBIT amounted to EUR -30m (previous year: EUR -72m); supported by an improvement in earnings at AirPlus as well as an improved exchange rate result, EBIT came to EUR -39m (previous year: EUR -74m).
- The number of employees as of 31 March 2023 increased by 2% year-on-year to 8,087 (previous year: 7,916); the number of employees in the Group functions fell by 4%.

# Opportunities and risk report

The opportunities and risks for the Group described in detail in the Annual Report 2022 materialised or developed as follows:

- The coronavirus-related health risks to customers and employees of the Lufthansa Group have now declined significantly thanks to increasing immunity within the population. However, there remains a risk of potentially significant economic impacts in the event that new virus variants emerge which are able to evade the immunity in the population and cause severe illness. However, there are no concrete indications of this at the present time.
- The staff shortages that became very obvious in summer 2022 as a result of the operational difficulties in many of the functional areas necessary for the smooth processing of international air traffic (including security checks, ground services, baggage handling, and air traffic control) have now been reduced, but have still not been fully overcome. Further flight delays and cancellations thus remain possible, particularly during the coming summer season. This entails risks for the operating airlines, which range from reputational damage to rising costs for compensating and supporting the passengers affected. Numerous steps to further improve the operating processes were therefore taken in coordination with service providers and system partners, and additional staff were recruited to increase internal capacities. As the first test for the summer 2023 flight schedule, flight operations during the Easter holidays were completed without any significant disruptions and with a stable operational performance.
- The Lufthansa Group sources most of its IT infrastructure from external service providers. The operational and commercial risks that by nature accompany this kind of outsourcing are assessed and managed on a continuous basis. The IT failures which occurred in the first quarter of 2023, and for which two IT service providers were responsible, are undergoing intensive analyses as of the reporting date. The findings will be translated into appropriate measures in order to mitigate the identified risks.
- The strike risk remains, since some collective bargaining agreements are still being negotiated in the Group. Flight operations at Eurowings Germany are one case in point, where demands from cockpit and cabin staff might in future be backed up with strike action. No new wage and framework agreement was reached with the Vereinigung Cockpit pilots' union for the cockpit crew at Deutsche Lufthansa AG and Lufthansa Cargo either. The pay increase obtained was only associated with an agreement not to strike again until the end of June 2023. After the Vereinigung Cockpit pilots' union left the negotiating tunnel – an agreement for confidential talks – at the end of March 2023, regular collective bargaining is set to resume and there is a growing risk of industrial action following the end of the no-strike period in late June 2023.
- In the context of newly concluded wage agreements, the flight attendants of Deutsche Lufthansa AG, the payscale ground staff of Deutsche Lufthansa AG, Lufthansa Technik AG and Lufthansa Cargo AG, among others, and all of the employees of SWISS and Austrian Airlines are currently bound by an agreement not to strike. The strike risk in the aforementioned areas thus continues to be reduced. Ver.di and Ufo have urged the Employers' Federation for Air Transport Companies (AGVL) to enter into negotiations over an inflation bonus. If the trade unions are successful in their demands, this may result in higher staff costs. Strikes can also lead to reputational damages and tangible economic impacts for the Lufthansa Group.
- The target hedging level for fuel hedging was increased from 75% to 85% in the first quarter of 2023. The aim of fuel hedging is to reduce fluctuations in fuel prices.

On the basis of the further improvement in business performance and the scenario on which its financial planning is based, the Executive Board does not consider that the continued existence of the Lufthansa Group is at risk.

# Forecast

### Impact of LSG Group sale on the financial outlook

— The sale of the LSG Group to AURELIUS is not expected to have any significant impact on the Group's financial development in 2023; the earnings of the LSG Group will be consolidated up to the completion of the transaction, which is expected to occur in the third quarter of 2023.

### Outlook subject to material uncertainties

— In view of booking cycles in the passenger business which remain shorter than they were prior to the crisis and the largely spot market-driven cargo business together with the uncertain macroeconomic and geopolitical environment, the Lufthansa Group's financial outlook is subject to a high level of forecast uncertainty; its operating and financial performance depends on factors including the further course of the war in Ukraine and its effects on fuel costs in particular; uncertainty in relation to the macroeconomic outlook – above all, the unclear impact of the major global central banks' current monetary policy stance on the development of the economy – may potentially have a significant effect on customer demand, particularly in the case of business travellers; in addition, persistently high inflation might result in higher than expected cost increases.
↗ Opportunities and risk report, p. 20.

### Lufthansa Group expects to see continued recovery in demand and further increase in capacity

— The Lufthansa Group assumes that the positive course of business in the previous year will continue in the 2023 financial year; this expectation is based in particular on the ongoing strong demand, which in the first quarter of 2023 continued to be reflected in the form of continued positive developments in new bookings in the passenger business.

— Accordingly, the Lufthansa Group assumes that demand will continue to rise over the course of the year; in addition to the leisure travel segment, where demand is forecast to be almost as high as before the crisis, a contribution will come from the further recovery in demand in the business travel segment.

— For this reason, flight capacity is to be continuously expanded over the course of the 2023 financial year; capacity is also to be added for tourist traffic in the summer; on long-haul routes, the increase in capacity will be primarily shaped by the development of connections to Asia, above all due to the opening of major markets such as China and Japan.

— Overall, the Lufthansa Group anticipates that available capacity for the Passenger Airlines segment in the 2023 financial year will be between 85% and 90% of its pre-crisis level; capacity will thus increase by around 20% on the previous year.

### Lufthansa Group envisages significant increases in revenue and Adjusted EBIT

— The Lufthansa Group expects revenue to increase significantly in the 2023 financial year by comparison with the previous year; the continued recovery of the Passenger Airlines especially is expected to be the main factor here.

— In the 2023 financial year, the Lufthansa Group expects Adjusted EBIT to improve significantly year-on-year, above all thanks to the positive performance forecast for the Passenger Airlines, the continued strong result in the Logistics segment compared with pre-crisis levels, and a further positive performance in the MRO segment.

### Adjusted free cash flow expected to be significantly positive

— Net capital expenditure by the Lufthansa Group in the 2023 financial year is expected to be between EUR 2.5bn and EUR 3bn.

— Including the forecast earnings improvement and other improvements in working capital management, Adjusted free cash flow for the Group is therefore projected to be significantly positive in the 2023 financial year, but below the previous year's figure.

### Positive outlook for the business segments; Logistics to decline but remain at a high level

— For the Passenger Airlines segment, the Lufthansa Group is expecting the recovery to continue and forecasts an increase in revenue, based on strong demand and consistently higher yields; a significantly positive Adjusted EBIT is thus predicted for the Passenger Airlines segment.

— For the Logistics business segment, given the market-wide normalisation in the wake of the coronavirus pandemic, the Lufthansa Group expects to see a decrease in freight rates and thus a significant decline in revenue; however, freight rates are likely to remain significantly higher compared with the pre-crisis level. Due to the envisaged decrease in revenue, the Lufthansa Group thus predicts an Adjusted EBIT significantly below the previous year's level.

— In the MRO business segment, revenue is expected to pick up significantly while an Adjusted EBIT figure at the same level as in the previous year is anticipated; this reflects the ongoing recovery of the MRO market together with inflation-related cost increases.

— The Lufthansa Group forecasts that the Catering business segment will achieve a further increase in revenue, especially in Asia in the course of the continuing market recovery; a significant rise in the Adjusted EBIT figure year-on-year is also expected; in the consolidated income statement, the segment result in 2023 is included in the line item "Profit/loss from discontinued operations" on account of the sale; it will thus no longer be included in the Adjusted EBIT figure at Group level.

Further details on the Group's financial outlook can be found in the ↗ Annual Report 2022 starting on p. 149.

# Interim financial statements

CONSOLIDATED INCOME STATEMENT

| in €m | Jan - Mar 2023 | Jan - Mar 2022 |
|---|---|---|
| Traffic revenue | 5,708 | 3,836 |
| Other revenue | 1,309 | 1,166 |
| Total revenue | 7,017 | 5,002 |
| Changes in inventories and work performed by entity and capitalised | 124 | 116 |
| Other operating income[1] | 552 | 409 |
| Cost of materials and services | -4,371 | -3,057 |
| Staff costs | -1,922 | -1,632 |
| Depreciation, amortisation and impairment[2] | -545 | -559 |
| Other operating expenses[3] | -1,141 | -848 |
| Profit/loss from operating activities | -286 | -569 |
| Result of equity investments accounted for using the equity method | -27 | -41 |
| Result of other equity investments | 9 | 2 |
| Interest income | 43 | 18 |
| Interest expenses | -133 | -99 |
| Other financial items | -136 | 33 |
| Financial result | -244 | -87 |
| Profit/loss before income taxes | -530 | -656 |
| Income taxes | 109 | 104 |
| Profit/loss from continuing operations | -421 | -552 |
| Profit/loss from discontinued operations | -44 | -30 |
| Profit/loss after income taxes | -465 | -582 |
| Thereof profit/loss attributable to non-controlling interests | 2 | 2 |
| Thereof net profit/loss attributable to shareholders of Deutsche Lufthansa AG | -467 | -584 |
| Basic/diluted earnings per share in € | -0.39 | -0.49 |
| of which from continuing operations | -0.35 | -0.46 |
| of which from discontinued operations | -0.04 | -0.03 |

[1] The total amount includes EUR 24m (previous year: EUR 17m) from the reversal of write-downs and allowances on receivables.
[2] The total amount includes EUR 0m (previous year: EUR 0m) for write-downs on non-current receivables.
[3] The total amount includes EUR 10m (previous year: EUR 6m) for the recognition of loss allowances on current receivables.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| in €m | Jan - Mar 2023 | Jan - Mar 2022 |
|---|---|---|
| Profit/loss after income taxes | -465 | -582 |
| Other comprehensive income | | |
| Other comprehensive income with subsequent reclassification to the income statement | | |
| Differences from currency translation | -37 | 45 |
| Subsequent measurement of financial assets at fair value without effect on profit and loss | -7 | -35 |
| Subsequent measurement of hedges - cash flow hedge reserve | -394 | 1,032 |
| Subsequent measurement of hedges - costs of hedges | -36 | -101 |
| Other comprehensive income from investments accounted for using the equity method | – | – |
| Other expenses and income recognised directly in equity | – | – |
| Income taxes on items in other comprehensive income | 91 | -185 |
| | -383 | 756 |
| Other comprehensive income without subsequent reclassification to the income statement | | |
| Revaluation of defined-benefit pension plans | -57 | 1,357 |
| Subsequent measurement of financial assets at fair value | 2 | 1 |
| Other comprehensive income from investments accounted for using the equity method | – | – |
| Other expenses and income recognised directly in equity | – | 54 |
| Income taxes on items in other comprehensive income | 48 | -459 |
| | -7 | 953 |
| Other comprehensive income after income taxes | -390 | 1,709 |
| Total comprehensive income | -855 | 1,127 |
| Thereof comprehensive income attributable to non controlling interests | 2 | 18 |
| Thereof comprehensive income attributable to shareholders of Deutsche Lufthansa AG | -857 | 1,109 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

| in €m | 31/03/2023 | 31/12/2022 | 31/03/2022 |
|---|---|---|---|
| Intangible assets with an indefinite useful life[1] | 992 | 1,055 | 1,196 |
| Other intangible assets | 336 | 373 | 408 |
| Aircraft and reserve engines | 16,387 | 15,890 | 15,520 |
| Repairable spare parts for aircraft | 2,127 | 2,034 | 1,853 |
| Property, plant and other equipment[2] | 2,925 | 3,331 | 3,304 |
| Investments accounted for using the equity method | 322 | 392 | 385 |
| Other equity investments | 232 | 236 | 231 |
| Non-current securities | 39 | 37 | 39 |
| Loans and receivables | 538 | 532 | 841 |
| Derivative financial instruments | 945 | 1,120 | 1,063 |
| Deferred charges and prepaid expenses | 86 | 88 | 70 |
| Effective income tax receivables | 63 | 64 | 63 |
| Deferred tax assets | 3,203 | 2,928 | 4,201 |
| Non-current assets | 28,195 | 28,080 | 29,174 |
| | | | |
| Inventories | 791 | 812 | 701 |
| Contract assets | 281 | 342 | 243 |
| Trade receivables and other receivables | 4,896 | 4,102 | 4,397 |
| Derivative financial instruments | 633 | 861 | 1,108 |
| Deferred charges and prepaid expenses | 243 | 287 | 314 |
| Effective income tax receivables | 234 | 231 | 246 |
| Securities | 6,929 | 6,511 | 5,467 |
| Cash and cash equivalents | 1,432 | 1,790 | 2,485 |
| Assets held for sale | 1,270 | 319 | 251 |
| Current assets | 16,709 | 15,255 | 15,212 |
| | | | |
| Total assets | 44,904 | 43,335 | 44,386 |

[1] Including Goodwill.
[2] These include investment property of EUR 30m (as of 31.12.2022: EUR 30m).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SHAREHOLDERS' EQUITY AND LIABILITIES

| in €m | 31/03/2023 | 31/12/2022 | 31/03/2022 |
|---|---|---|---|
| Issued capital | 3,060 | 3,060 | 3,060 |
| Capital reserve | 252 | 252 | 956 |
| Retained earnings | 2,850 | 2,068 | -764 |
| Other neutral reserves | 1,793 | 2,234 | 2,700 |
| Net profit/loss | -467 | 791 | -584 |
| Equity attributable to shareholders of Deutsche Lufthansa AG | 7,488 | 8,405 | 5,368 |
| Minority interests | 62 | 69 | 58 |
| Shareholders' equity | 7,550 | 8,474 | 5,426 |
| Pension provisions | 2,056 | 2,069 | 5,711 |
| Other provisions | 785 | 757 | 780 |
| Borrowings | 13,154 | 13,270 | 14,510 |
| Contract liabilities | 29 | 30 | 31 |
| Other financial liabilities | 21 | 72 | 72 |
| Advance payments received, deferred income and other non-financial liabilities | 48 | 44 | 30 |
| Derivative financial instruments | 367 | 394 | 305 |
| Deferred tax liabilities | 519 | 517 | 538 |
| Non-current provisions and liabilities | 16,979 | 17,153 | 21,977 |
| Other provisions | 834 | 872 | 1,024 |
| Borrowings | 1,906 | 1,881 | 1,691 |
| Trade payables and other financial liabilities | 5,292 | 5,660 | 4,711 |
| Contract liabilities from unused flight documents | 7,213 | 4,898 | 5,360 |
| Other contract liabilities | 2,531 | 2,682 | 2,489 |
| Advance payments received, deferred income and other non-financial liabilities | 844 | 681 | 681 |
| Derivative financial instruments | 594 | 489 | 279 |
| Effective income tax obligations | 549 | 545 | 723 |
| Liabilities in connection with assets held for sale | 612 | – | 25 |
| Current provisions and liabilities | 20,375 | 17,708 | 16,983 |
| Total shareholders' equity and liabilities | 44,904 | 43,335 | 44,386 |

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| in €m | Issued capital | Capital reserve | Fair value measurement of financial instruments | Currency differences | Revaluation reserve (due to business combinations) | Other neutral reserves | **Total other neutral reserves** | Retained earnings | Net profit/loss | **Equity attributable to shareholders of Deutsche Lufthansa AG** | Non-controlling interests | **Total shareholders' equity** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| As of 01/01/2022 | 3,060 | 956 | 946 | 589 | 236 | 363 | 2,134 | 491 | -2,191 | 4,450 | 40 | 4,490 |
| Reclassifications | – | – | – | – | – | – | – | -2,191 | 2,191 | – | – | – |
| Consolidated net profit/loss attributable to Lufthansa shareholders/minorities | – | – | – | – | – | – | – | – | -584 | -584 | 2 | -582 |
| Other expenses and income recognised directly in equity | – | – | 712 | 45 | – | – | 757 | 936 | – | 1,693 | 16 | 1,709 |
| Hedging results reclassified from non-financial assets to acquisition costs | – | – | -191 | – | – | – | -191 | – | – | -191 | – | -191 |
| As of 31/03/2022 | 3,060 | 956 | 1,467 | 634 | 236 | 363 | 2,700 | -764 | -584 | 5,368 | 58 | 5,426 |
| | | | | | | | | | | | | |
| As of 01/01/2023 | 3,060 | 252 | 913 | 739 | 236 | 346 | 2,234 | 2,068 | 791 | 8,405 | 69 | 8,474 |
| Reclassifications | – | – | – | – | – | – | – | 791 | -791 | – | – | – |
| Dividends to Lufthansa shareholders/minority interests | – | – | – | – | – | – | – | – | – | – | -9 | -9 |
| Consolidated net profit/loss attributable to Lufthansa shareholders/minorities | – | – | – | – | – | – | – | – | -467 | -467 | 2 | -465 |
| Other expenses and income recognised directly in equity | – | – | -344 | -37 | – | – | -381 | -9 | – | -390 | – | -390 |
| Hedging results reclassified from non-financial assets to acquisition costs | – | – | -60 | – | – | – | -60 | – | – | -60 | – | -60 |
| As of 31/03/2023 | 3,060 | 252 | 509 | 702 | 236 | 346 | 1,793 | 2,850 | -467 | 7,488 | 62 | 7,550 |

CONSOLIDATED CASH FLOW STATEMENT

| in €m | Jan - Mar 2023 | Jan - Mar 2022 |
|---|---|---|
| Cash and cash equivalents at start of period | 1,784 | 2,305 |
| Net profit/loss before income taxes from continued and discontinued operations | -575 | -690 |
| Depreciation, amortisation and impairment losses on non-current assets (net of reversals) | 602 | 575 |
| Depreciation, amortisation and impairment losses on current assets (net of reversals) | -10 | 41 |
| Net proceeds on disposal of non-current assets | 8 | -10 |
| Result of equity investments | 16 | 60 |
| Net interest | 92 | 83 |
| Income tax payments/reimbursements | -11 | 11 |
| Significant non-cash expenses/income | 37 | -124 |
| Change in trade working capital | 1,547 | 1,292 |
| Change in other assets/shareholders' equity and liabilities | -125 | 258 |
| Cash flow from operating activities | 1,581 | 1,496 |
| Capital expenditure for property, plant and equipment and intangible assets | -996 | -637 |
| Capital expenditure for financial investments | -4 | -3 |
| Additions/loss to repairable spare parts of aircraft | -85 | -43 |
| Proceeds from disposal of non-consolidated shares | - | - |
| Proceeds from disposal of consolidated shares | - | 1 |
| Cash outflows for acquisitions of non-consolidated shares | -8 | -8 |
| Cash outflows for acquisitions of consolidated shares | - | - |
| Proceeds from disposal of intangible assets, property, plant and equipment and other financial investments | 21 | 48 |
| Interest income | 23 | 2 |
| Dividends received | 9 | 3 |
| Net cash from/used in investing activities | -1,040 | -637 |
| Purchase of securities/fund investments | -3,469 | -807 |
| Disposal of securities/fund investments | 2,898 | 700 |
| Net cash from/used in investing and cash management activities | -1,611 | -744 |

CONSOLIDATED CASH FLOW STATEMENT (continued)

| in €m | Jan - Mar 2023 | Jan - Mar 2022 |
|---|---|---|
| Capital increase | - | - |
| Non-current borrowing | 74 | 162 |
| Repayment of non-current borrowing | -250 | -632 |
| Dividends paid | -9 | - |
| Interest paid | -151 | -116 |
| Net cash from/used in financing activities | -336 | -586 |
| Net increase/decrease in cash and cash equivalents | -366 | 166 |
| Changes due to currency translation differences | -4 | 10 |
| Cash and cash equivalents 31/03/2023[1] | 1,414 | 2,481 |
| Less cash and cash equivalents of companies held for sale as of 31 Mar | 132 | - |
| Cash and cash equivalents of companies not classified as held for sale as of 31 Mar | 1,282 | 2,481 |
| Securities | 6,929 | 5,467 |
| Liquidity | 8,211 | 7,948 |
| Net increase/decrease in liquidity | -84 | 284 |

[1] The difference between the bank balance and cash-in-hand shown in the statement of financial position comes from fixed-term deposits of EUR 150m with terms of four to twelve months (previous year: EUR 4m).

# Notes

## 1 Applied standards, changes in the group of consolidated companies and accounting principles

The consolidated financial statements of Deutsche Lufthansa AG and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as applicable in the European Union (EU), taking account of interpretations by the IFRS Interpretations Committee (IFRIC). This interim report as of 31 March 2023 has been prepared in condensed form in accordance with IAS 34.

In preparing the interim financial statements the standards and interpretations applicable as of 1 January 2023 have been applied. The interim financial statements as of 31 March 2023 have been prepared using the same accounting policies as those on which the preceding consolidated financial statements as of 31 December 2022 were based. The standards and interpretations mandatory from 1 January 2023 onwards had no effect on the Group's net assets, financial and earnings position, and no restatements resulting from new standards were necessary.

No significant changes to the group of consolidated companies occurred in the reporting period.

## 2 Going concern and presentation of funding measures to stabilize the economic situation

In the first three months of 2023, the business activities of the companies of the Lufthansa Group continued to be shaped by a significant rise in the level of demand for flights. In the prior-year period, business activities were still impacted by the effects of the coronavirus pandemic and the related restrictions and quarantine regulations. Against the background of these developments, revenue increased considerably compared with the prior-year period due to volumes and prices. At the same time, costs increased significantly. This was attributable in particular to the strong rise in fuel prices due to the war in Ukraine. Pricing developments over the past few months also resulted in higher expenses for the other volume-related expense items. Moreover, staff costs increased significantly due to the agreed adjustments to wage agreements and the end of the short-time work scheme.

The strong increase in the volume of business is having a positive impact on liquidity, and a clearly positive cash flow from operating activities was achieved in the reporting period, particularly due to increased cash flows from ticket sales.

As of 31 March 2023, Deutsche Lufthansa AG had centrally available liquidity of EUR 7.6bn. Decentralised bank and cash balances came to a further EUR 0.8bn. Moreover, a revolving free credit line of EUR 2.1bn is available as of the reporting date. Altogether, the Lufthansa Group's available liquidity therefore comes to EUR 10.5bn.

Since there is still uncertainty surrounding the overall economic trend and customer behaviour, the Lufthansa Group regularly updates its rolling liquidity planning to reflect the changing parameters for its forecast course of business. The direct and indirect effects surrounding the war in Ukraine, and the related additional uncertainties, represent a risk for the further course of business. The earnings performance in the 2023 financial year and beyond will continue to depend significantly on the extent of the economic impact of the war in Ukraine and the development of demand. The Lufthansa Group is directly affected by the significantly higher prices for energy, in particular crude oil and kerosene, as well as the strong rise in interest rates. The potential impact of general price increases and supply chain problems on the future economic development and management of operational problems due to staff shortages in the airline industry are further material risk factors.

Taking into account the corporate planning – which assumes an average available capacity of between 85% and 95% or almost 100% of the 2019 level in 2023 and 2024 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 Group's liquidity to be secure for the next 18 months. In the management's opinion, the uncertainties in connection with the public and political debate on climate protection are not a threat to this forecast. The consolidated financial statements have therefore been prepared on a going concern basis.

## 3 Notes to the income statement, statement of financial position and cash flow statement

The coronavirus pandemic and the necessary steps taken by governments worldwide to contain the virus had a massive impact on the Group's business operations in the 2020 to 2022 financial years. The removal of almost all travel restrictions and quarantine rules has led to a significant increase in air travel at the Lufthansa Group companies in the course of the year to date. Accordingly, the comparability of income and expenses in 2023 compared with the figures for the previous year is limited. The war in Ukraine affected expenses in particular, for instance, due to higher kerosene prices.

In March 2023, the Executive Board of Deutsche Lufthansa AG resolved to sell its Catering segment to the private equity firm AURELIUS Equity Opportunities SE & Co. KGaA via a carve-out. This carve-out transaction covers the full range of traditional catering activities as well as the onboard retail and food commerce business. It also includes all the LSG Group brands, including the 131 LSG Sky Chefs catering facilities in the Americas (USA and Latin America), EMMA (Emerging Markets) and Asia-Pacific regions. Likewise, it includes the onboard retail specialist Retail InMotion (RiM), which is headquartered in Europe, as well as SCIS Air Security Services in the United States. On the other hand, the business in Russia does not form part of this transaction. The relevant purchase agreement was signed on 4 April 2023. The European activities of LSG Sky Chefs had already been sold off to gate-group in 2019. The sale of its Catering division forms part of the Lufthansa Group's strategy of focusing more on its core airline business. The transaction is expected to be completed in the third quarter of 2023, subject to external approvals and internal carve-out activities. Under the rules of IFRS 5, within the scope of this decision as of 31 March 2023, all assets and liabilities from the respective individual items of the statement of financial position will be reclassified to the items "Assets held for sale" and "Liabilities in connection with assets held for sale". In the income statement, the individual items will likewise be reclassified to the item "Profit/loss from discontinued operations". The comparative figures for the previous year will be adjusted accordingly. The resulting effects will have a significant impact on the interim financial statements.

## TOTAL REVENUE

### TRAFFIC REVENUE BY AREA OF OPERATIONS

| in €m | 2023 | Europe[1] | North-america[1] | Central- and South America[1] | Asia/ Pacific[1] | Middle East[1] | Africa[1] |
|---|---|---|---|---|---|---|---|
| Passenger-Airlines | 4,933 | 3,550 | 793 | 91 | 325 | 86 | 88 |
| Lufthansa German Airlines | 2,785 | | | | | | |
| SWISS[2] | 1,178 | | | | | | |
| Austrian Airlines | 381 | | | | | | |
| Brussels | 263 | | | | | | |
| Eurowings[2] | 326 | | | | | | |
| Logistics | 775 | 421 | 90 | 27 | 207 | 12 | 18 |
| **Total** | **5,708** | | | | | | |

[1] Traffic revenue is allocated to the original location of sale.
[2] Disclosure of traffic revenue, including belly revenue; this is reported in the segment reporting in the reconciliation column.

### TRAFFIC REVENUE BY AREA OF OPERATIONS

| in €m | 2022 | Europe[1] | North-america[1] | Central- and South America[1] | Asia/ Pacific[1] | Middle East[1] | Africa[1] |
|---|---|---|---|---|---|---|---|
| Passenger-Airlines[3] | 2,705 | 1,988 | 396 | 58 | 136 | 66 | 61 |
| Lufthansa German Airlines[3] | 1,476 | | | | | | |
| SWISS[2] | 721 | | | | | | |
| Austrian Airlines | 181 | | | | | | |
| Brussels Airlines | 141 | | | | | | |
| Eurowings[2] | 186 | | | | | | |
| Logistics | 1,131 | 588 | 121 | 40 | 348 | 14 | 20 |
| **Total[3]** | **3,836** | | | | | | |

[1] Traffic revenue is allocated to the original location of sale.
[2] Disclosure of traffic revenue, including belly revenue; this is reported in the segment reporting in the reconciliation column.
[3] Restated due to reclassification of Segment Catering to discontinued operations.

OTHER OPERATING REVENUE BY AREA OF OPERATIONS

| in €m | 2023 | Europe[1] | North-America[1] | Central and South America[1] | Asia/Pacific[1] | Middle East[1] | Africa[1] |
|---|---|---|---|---|---|---|---|
| MRO | 1,029 | 402 | 325 | 43 | 183 | 53 | 23 |
| MRO services | 857 | | | | | | |
| Other operating revenue | 172 | | | | | | |
| Passenger-Airlines | 126 | 114 | 5 | 1 | 4 | 1 | 1 |
| Logistics | 36 | 20 | 12 | – | 2 | 2 | – |
| Additional Businesses and Group Functions | 118 | 81 | 10 | 5 | 16 | 4 | 2 |
| IT services | 42 | | | | | | |
| Travel management | 61 | | | | | | |
| Other | 15 | | | | | | |
| **Total** | **1,309** | | | | | | |

[1] Other operating revenue is allocated according to the original location of sale.

OTHER OPERATING REVENUE BY AREA OF OPERATIONS[2]

| in €m | 2022 | Europe[1] | North-America[1] | Central and South America[1] | Asia/Pacific[1] | Middle East[1] | Africa[1] |
|---|---|---|---|---|---|---|---|
| MRO | 953 | 381 | 320 | 26 | 169 | 39 | 18 |
| MRO services | 822 | | | | | | |
| Other operating revenue | 131 | | | | | | |
| Passenger-Airlines | 99 | 84 | 6 | 1 | 5 | 2 | 1 |
| Logistics | 27 | 19 | 8 | – | – | – | – |
| Additional Businesses and Group Functions | 87 | 60 | 9 | 4 | 11 | 2 | 1 |
| IT services | 38 | | | | | | |
| Travel management | 33 | | | | | | |
| Other | 16 | | | | | | |
| **Total** | **1,166** | | | | | | |

[1] Other operating revenue is allocated according to the original location of sale.
[2] Values of the Catering business activities are presented under assets held for sale and discontinued operations.

## IMPAIRMENT

Due to accident damage not covered by insurance policies, the valuations of five decommissioned Airbus A380s which are held for sale were reduced by EUR 13m. This impairment is reported under other operating expenses.

## AIRCRAFT AND RESERVE ENGINES

Seven newly purchased aircraft were capitalised in the reporting period. The Lufthansa Group provided one aircraft as collateral for new loans of EUR 53m taken out in the current financial year by way of aircraft financing models.

## DEFERRED TAXES

The deferred tax assets recognised on tax loss carry-forwards from prior years were again deemed to have a realisable value because the losses were caused by a temporary exogenous shock and the Company assumes that sufficient positive taxable profits will be available in the foreseeable future to set off against them. Tax loss carry-forwards are not subject to any restrictions regarding the period of time in which they can be used in Germany.

## ASSETS CLASSIFIED AS HELD FOR SALE

The above-mentioned reclassification of the assets and liabilities allocable to the Catering business segment in the statement of financial position as of 31 March 2023 will result in significant changes in these items.

The breakdown of revenue for the discontinued Catering business is as follows for the Group's regions:

DISCONTINUED OPERATIONS CATERING - OTHER OPERATING REVENUE BY AREA OF OPERATIONS

| in €m | 2023 | Europe[1] | thereof Germany | North-America[1] | thereof USA | Central and South America[1] | Asia/ Pacific[1] | Middle East[1] | Africa[1] |
|---|---|---|---|---|---|---|---|---|---|
| Catering | 507 | 57 | 15 | 344 | 288 | 31 | 57 | 9 | 9 |
| Catering services | 430 | | | | | | | | |
| Revenue from in-flight sales | 50 | | | | | | | | |
| Other services | 27 | | | | | | | | |
| in €m | 2022 | | | | | | | | |
| Catering | 364 | 39 | 9 | 265 | 239 | 24 | 21 | 7 | 8 |
| Catering services | 303 | | | | | | | | |
| Revenue from in-flight sales | 34 | | | | | | | | |
| Other services | 27 | | | | | | | | |

[1] Other operating revenue is allocated according to the original location of sale.

The following table shows the loss from discontinued operations in accordance with IFRS 5.33b. The figures show the discontinued Catering operation’s business activities with third parties less the revenue and expenses of companies of the Lufthansa Group from intra-Group transactions with companies in the Catering segment.

DISCONTINUED OPERATIONS CATERING - PROFIT AND LOSS

| in €m | 31/03/2023 | 31/12/2022 |
|---|---|---|
| Revenue | 508 | 375 |
| Cost | -514 | -408 |
| Loss from ordinary actvities before taxes | -6 | -33 |
| Taxes | 2 | 3 |
| Loss from ordinary actvities after taxes | -4 | -30 |
| Impairment for valuation at fair value less cost to sell | -40 | – |
| Taxes | – | – |
| Loss from discontinued operations | -44 | -30 |

The adjustment of the net assets of the discontinued operation in line with the expected cash inflows from the purchase agreement necessitated the recognition of an impairment of EUR 40m which is reported in the profit/loss from discontinued operations.

In shareholders' equity, in the other neutral reserves item, accumulated expenses of EUR 180m are attributable to the discontinued Catering business segment. This mainly comprised differences from currency translation.

Expenses and income attributable to non-controlling interests do not include any amounts relating to discontinued operations (previous year: expenses of EUR 1m).

The following amounts in the cash flow statement are attributable to the discontinued Catering business segment:

DISCONTINUED OPERATIONS CATERING - CASHFLOW

| in €m | 31/03/2023 | 31/12/2022 |
|---|---|---|
| Net cash from/used in operating activities | -36 | -1 |
| Net cash from/used in investing activities | -5 | -5 |
| Net cash from/used in cash management activities | -3 | -1 |
| Net cash from/used in investing and cash management activities | -8 | -6 |
| Net cash from/used in financing activities | -8 | -157 |

Assets with a carrying amount of EUR 1,270m were held for sale as of 31 March 2023. This item included six Airbus A380 aircraft sold for future delivery, with a book value of EUR 302m, which are all attributable to the Passenger Airlines segment. All the other assets and liabilities relate to the activities of the LSG Group which have been sold.

ASSETS HELD FOR SALE AND CORRESPONDING LIABILITIES

| in €m | 31/03/2023 | 31/12/2022 | 31/03/2022 |
|---|---|---|---|
| **Assets** | | | |
| Aircraft and reserve engines | 302 | 315 | 208 |
| Land and buildings | 246 | 2 | 11 |
| Financial assets | 48 | – | 11 |
| Other assets | 674 | 2 | 21 |
| | 1,270 | 319 | 251 |
| **Liabilities** | | | |
| Pension provisions | 28 | – | 2 |
| Other provisions | 51 | – | 5 |
| Borrowings | 117 | – | – |
| Other Liabilities | 416 | – | 18 |
| | 612 | – | 25 |

### PENSION PROVISIONS

The discount rate used to calculate obligations in Germany was 4.1% (31 December 2022: 4.2%). A discount rate of 2.3% was used for the pension obligations in Switzerland (31 December 2022: 2.4%).

## 4 Seasonality

The Group's business is mainly exposed to seasonal effects via the Passenger Airlines business segment. As such, revenue in the first and fourth quarters is generally lower, since people travel less, while higher revenue and operating profits are normally earned in the second and third quarters.

## 5 Contingencies and events after the reporting period

CONTINGENT LIABILITIES

| in €m | 31/03/2023 | 31/12/2022 |
|---|---|---|
| From guarantees, bills of exchange and cheque guarantees | 1,424 | 1,446 |
| From warranty contracts | 265 | 249 |
| From providing collateral for third-parties liabilities | 19 | 19 |
| | 1,708 | 1,714 |

Provisions for other contingent liabilities were not created because an outflow of resources was not sufficiently probable. The potential financial effect of these provisions on the result would have been EUR 64m (as of 31 December 2022: EUR 72m).

As of 31 March 2023, the tax risks for which no provisions were recognised amounted to some EUR 450m (as of 31 December 2022: EUR 450m).

At the end of March 2023, there were order commitments of EUR 18.5bn for capital expenditure on property, plant and equipment, including repairable spare parts, and for intangible assets. As of 31 December 2022, the order commitments came to EUR 16.2bn. The change mainly resulted from the order of 15 Airbus A350s and seven Boeing 787-9s. Down payments and final payments as well as currency effects for current orders offset one another.

### EVENTS AFTER THE REPORTING PERIOD

Deutsche Lufthansa AG has signed an agreement with the private equity firm, AURELIUS, on the sale of its remaining interest in the LSG Group.

This carve-out transaction covers the full range of traditional catering activities as well as the onboard retail and food commerce business. It also includes all the LSG Group brands, including the 131 LSG Sky Chefs catering facilities in the Americas (USA and Latin America), EMMA (Emerging Markets) and Asia-Pacific regions. Likewise, it includes the onboard retail specialist Retail InMotion (RiM), which is headquartered in Europe, as well as SCIS Air Security Services in the United States. The LSG Group has around 19,000 employees and is involved in 36 joint ventures worldwide.

The transaction is expected to be completed in the third quarter of 2023, subject to external approvals and internal carve-out activities.

## 6 Financial instruments and financial liabilities

### FINANCIAL INSTRUMENTS

The following tables show financial assets and liabilities held at fair value by level in the fair value hierarchy. The levels are defined as follows:

Level 1: Financial instruments traded on active markets, the quoted prices for which are taken for measurement unchanged.

Level 2: Measurement is made by means of valuation methods with parameters derived directly or indirectly from observable market data.

Level 3: Measurement is made by means of valuation methods with parameters not based exclusively on observable market data.

As of 31 March 2023, the breakdown of financial assets and liabilities recognised at fair value by measurement category was as follows:

FAIR VALUE HIERARCHY OF ASSETS AS OF 31/03/2023

| in €m | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at fair value through profit and loss | 5,788 | 78 | 28 | 5,894 |
| Financial derivatives classified as held for trading | – | 78 | – | 78 |
| Securities | 5,788 | – | – | 5,788 |
| Investments | – | – | 28 | 28 |
| Derivative financial instruments which are an effective part of a hedging relationship | – | 1,500 | – | 1,500 |
| Financial assets at fair value through other comprehensive income | 19 | 1,098 | – | 1,117 |
| Equity instruments | 19 | 7 | – | 26 |
| Debt instruments | – | 1,091 | – | 1,091 |
| Total assets | 5,807 | 2,676 | 28 | 8,511 |

FAIR VALUE HIERARCHY OF LIABILITIES AS OF 31/03/2023

| in €m | Level 1 | Level 2 | Level 2 | Total |
|---|---|---|---|---|
| Financial liabilities at fair value through profit or loss | – | -733 | – | -733 |
| Derivative financial instruments at fair value through profit or loss | – | -9 | – | -9 |
| Derivative financial instruments which are an effective part of a hedging relationship | – | -952 | – | -952 |
| Total liabilities | – | -1,694 | – | -1,694 |

In the case of the Level 3 equity investments, the acquisition costs are considered the best estimate of fair value for reasons of materiality.

As of 31 December 2022, the breakdown of financial assets and liabilities recognised at fair value by measurement category was as follows:

FAIR VALUE HIERARCHY OF ASSETS AS OF 31/12/2022

| in €m | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at fair value through profit and loss | 5,415 | 101 | 28 | 5,544 |
| Financial derivatives classified as held for trading | – | 101 | – | 101 |
| Securities | 5,415 | – | – | 5,415 |
| Investments | – | – | 28 | 28 |
| Derivative financial instruments which are an effective part of a hedging relationship | – | 1,880 | – | 1,880 |
| Financial assets at fair value through other comprehensive income | 18 | 1,103 | – | 1,121 |
| Equity instruments | 18 | 7 | – | 25 |
| Debt instruments | – | 1,096 | – | 1,096 |
| Total assets | 5,433 | 3,084 | 28 | 8,545 |

FAIR VALUE HIERARCHY OF LIABILITIES AS OF 31/12/2022

| in €m | Level 1 | Level 2 | Level 2 | Total |
|---|---|---|---|---|
| Financial liabilities at fair value through profit or loss | – | -621 | – | -621 |
| Derivative financial instruments at fair value through profit or loss | – | -1 | – | -1 |
| Derivative financial instruments which are an effective part of a hedging relationship | – | -882 | – | -882 |
| Total liabilities | – | -1,504 | – | -1,504 |

The fair values of interest rate derivatives correspond to their respective market values, which are measured using appropriate mathematical methods, such as discounting expected future cash flows. Discounting takes market standard interest rates and the residual term of the respective instruments into account. Forward currency transactions and swaps are individually discounted to the reporting date based on their respective futures rates and the appropriate interest rate curve. The market prices of currency options and the options used to hedge fuel prices are determined using acknowledged option pricing models.

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

The carrying amount for cash, trade receivables, other receivables, trade payables and other liabilities is assumed to be a realistic estimate of fair value.

### FINANCIAL LIABILITIES

The following table shows the carrying amounts and fair values of the individual classes of financial liabilities. For bonds, the fair values correspond to the stock market quotations. The fair values for the other financial liabilities were determined on the basis of the interest rates applicable at the balance sheet date for the corresponding residual terms/redemption structures using accessible market information (Bloomberg).

FINANCIAL LIABILITIES

| | 31/03/2023 | | 31/12/2022 | |
|---|---|---|---|---|
| in €m | Carrying amount | Market value | Carrying amount | Market value |
| Bonds | 6,864 | 6,426 | 6,659 | 6,168 |
| Borrower's note loans | 1,245 | 1,175 | 1,242 | 1,162 |
| Credit lines | 20 | 20 | – | – |
| Aircraft financing | 4,351 | 4,435 | 4,407 | 4,539 |
| Other borrowings[1] | 320 | 392 | 400 | 391 |
| Total | 12,800 | 12,448 | 12,708 | 12,260 |
| Leasing liabilities | 2,260 | n.a. | 2,443 | n.a. |
| Total | 15,060 | | 15,151 | |

[1] Allocation as of 31/12/2022 restated.

## 7 Earnings per share

EARNINGS PER SHARE

| | | 31/03/2023 | 31/03/2022 |
|---|---|---|---|
| Basic/diluted earnings per share | € | - 0.39 | - 0.49 |
| Consolidated net profit/loss | €m | - 467 | - 584 |
| Weighted average number of shares | | 1,195,485,644 | 1,195,485,644 |

With a net profit/loss for the period from continuing operations of EUR -421m (previous year: EUR -552m) and from discontinued operations of EUR -44m (previous year: EUR -30m), basic earnings per share from continuing operations amounted to EUR -0.35 (previous year: EUR -0.46) and basic earnings per share from discontinued operations amounted to EUR -0.04 (previous year: EUR -0.03). Diluted earnings matched basic earnings.

## 8 Issued capital

### SHARE CAPITAL

Deutsche Lufthansa AG's issued capital totals EUR 3,060,443,248.64. It is divided into 1,195,485,644 registered shares with transfer restrictions, with each share representing EUR 2.56 of issued capital.

### AUTHORISED CAPITAL

A resolution passed at the Annual General Meeting on 10 May 2022 authorised the Executive Board until 9 May 2025, subject to approval by the Supervisory Board, to increase the Company's issued capital by up to EUR 1,000,000,000 by issuing new registered shares on one or more occasions for payment in cash or in kind (Authorised Capital A) In certain cases, 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. In the period up to 31 March 2023, the issued capital was increased under this authorisation by a total of EUR 7,637,831.68, with the result that Authorised Capital B still amounted to EUR 22,362,168.32 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, subject to the conditions of Section 5 Paragraph 2 LuftNaSiG and with 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, shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

On 10 May 2022, the Annual General Meeting increased the Company's contingent capital by up to EUR 306,044,326.40. 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 9 May 2027. In certain cases, 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 7 May 2019, the Executive Board is also authorised to purchase treasury shares by means of derivatives and to conclude corresponding derivative transactions.

## 9 Segment reporting

Aircraft Maintenance and Engineering Corporation (AMECO), which was previously presented in the MRO segment, has formed part of the Additional Businesses and Group Functions in the Company's internal reporting since the start of the current financial year. The figures for the previous year have been adjusted accordingly.

The Catering segment will continue to presented as an operating business activity. In the segment reporting, the earnings for the discontinued operation in the Catering segment will be reclassified in the reconciliation with net profit/loss for the period.

SEGMENT INFORMATION FOR THE REPORTING SEGMENTS Jan - Mar 2023

| in €m | Passenger Airlines | Logistics | MRO | Catering | Total reportable operating segments | Additional Businesses and Group Functions | Reconciliation | Group |
|---|---|---|---|---|---|---|---|---|
| External revenue | 5,053 | 811 | 1,029 | 507 | 7,400 | 118 | -501 | 7,017 |
| of which traffic revenue | 4,806 | 775 | – | – | 5,581 | – | 127 | 5,708 |
| Inter-segment revenue | 158 | 12 | 508 | 16 | 694 | 95 | -789 | – |
| **Total revenue** | **5,211** | **823** | **1,537** | **523** | **8,094** | **213** | **-1,290** | **7,017** |
| Other operating income | 303 | 25 | 98 | 6 | 432 | 549 | -307 | 674 |
| **Operating income** | **5,514** | **848** | **1,635** | **529** | **8,526** | **762** | **-1,597** | **7,691** |
| **Operating expenses** | **5,997** | **703** | **1,496** | **537** | **8,733** | **801** | **-1,588** | **7,946** |
| of which cost of materials | 3,447 | 491 | 903 | 204 | 5,045 | 92 | -765 | 4,372 |
| of which staff cost | 1,241 | 99 | 377 | 229 | 1,946 | 202 | -229 | 1,919 |
| of which depreciation and amortisation | 421 | 44 | 39 | 19 | 523 | 28 | -6 | 545 |
| of which other operating expenses | 888 | 69 | 177 | 85 | 1,219 | 479 | -588 | 1,110 |
| **Operating result of equity investments** | **-29** | **6** | **-4** | **2** | **-25** | **9** | **-2** | **-18** |
| of which result of investments accounted for using the equity method | -24 | 1 | -4 | 2 | -25 | 1 | -3 | -27 |
| **Adjusted EBIT[1]** | **-512** | **151** | **135** | **-6** | **-232** | **-30** | **-11** | **-273** |
| **Reconciliation items** | **-19** | **-2** | **–** | **-40** | **-61** | **-9** | **39** | **-31** |
| Impairment losses/gains | -13 | -1 | 1 | -40 | -53 | 1 | 41 | -11 |
| Effects from pension provisions & restructuring | – | – | 1 | – | 1 | -2 | -2 | -3 |
| Result of disposal of assets | -6 | – | -2 | – | -8 | – | -1 | -9 |
| Other reconciliation items | – | -1 | – | – | -1 | -8 | 1 | -8 |
| **EBIT** | **-531** | **149** | **135** | **-46** | **-293** | **-39** | **28** | **-304** |
| Other financial result | | | | | | | | -226 |
| Profit/loss before income taxes | | | | | | | | -530 |
| Capital employed[2] | 6,233 | 2,243 | 3,859 | 436 | 12,771 | 1,518 | -259 | 14,030 |
| of which from investments accounted for using the equity method | 101 | 44 | 154 | 41 | 340 | 22 | -40 | 322 |
| Segment capital expenditure | 774 | 146 | 21 | 9 | 950 | 5 | 53 | 1,008 |
| of which from investments accounted for using the equity method | – | – | 5 | – | 5 | – | – | 5 |
| Number of employees at the end of period | 57,860 | 4,090 | 21,023 | 21,332 | 104,305 | 8,087 | – | 112,392 |

[1] For detailed reconciliation from EBIT to Adjusted EBIT ↗ table "reconciliation of results", p. 7, in the interim management report.
[2] The capital employed results from total assets adjusted for non-operating items, (deferred taxes, positive market values, derivatives) less cash and cash equivalents and less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).

SEGMENT INFORMATION FOR THE REPORTING SEGMENTS Jan - Mar 2022

| in €m | Passenger Airlines | Logistics | MRO | Catering | Total reportable operating segments | Additional Businesses and Group Functions | Reconciliation[4] | Group[4] |
|---|---|---|---|---|---|---|---|---|
| External revenue | 2,801 | 1,158 | 953 | 364 | 5,276 | 87 | -361 | 5,002 |
| of which traffic revenue | 2,513 | 1,131 | – | – | 3,644 | – | 192 | 3,836 |
| Inter-segment revenue | 219 | 11 | 373 | 9 | 612 | 49 | -661 | – |
| **Total revenue** | **3,020** | **1,169** | **1,326** | **373** | **5,888** | **136** | **-1,022** | **5,002** |
| Other operating income | 138 | 21 | 68 | 13 | 240 | 382 | -180 | 442 |
| **Operating income** | **3,158** | **1,190** | **1,394** | **386** | **6,128** | **518** | **-1,202** | **5,444** |
| **Operating expenses** | **4,238** | **701** | **1,261** | **396** | **6,596** | **583** | **-1,197** | **5,982** |
| of which cost of materials | 2,198 | 506 | 731 | 147 | 3,582 | 57 | -623 | 3,016 |
| of which staff cost | 997 | 96 | 342 | 175 | 1,610 | 179 | -175 | 1,614 |
| of which depreciation and amortisation | 438 | 40 | 45 | 19 | 542 | 29 | -26 | 545 |
| of which other operating expenses | 605 | 59 | 143 | 55 | 862 | 318 | -373 | 807 |
| **Operating result of equity investments** | **-34** | **6** | **-4**[3] | **-4** | **-36** | **-7**[3] | **4** | **-39** |
| of which result of investments accounted for using the equity method | -31 | 3 | -4[3] | -4 | -36 | -9[3] | 4 | -41 |
| **Adjusted EBIT**[1] | **-1,114** | **495** | **129**[3] | **-14** | **-504** | **-72**[3] | **-1** | **-577** |
| **Reconciliation items** | **67** | **-14** | **-79** | **-19** | **-45** | **-2** | **16** | **-31** |
| Impairment losses/gains | – | – | -13 | -17 | -30 | – | 17 | -13 |
| Effects from pension provisions | -2 | -14 | -1 | – | -17 | -1 | – | -18 |
| Result of disposal of assets | – | – | 10 | – | 10 | – | -2 | 8 |
| Other reconciliation items | 69 | – | -75 | -2 | -8 | -1 | 1 | -8 |
| **EBIT** | **-1,047** | **481** | **50**[3] | **-33** | **-549** | **-74**[3] | **15** | **-608** |
| Other financial result | | | | | | | | -48 |
| Profit/loss before income taxes | | | | | | | | -656 |
| Capital employed[2] | 7,397 | 2,177 | 3,538[3] | 642 | 13,754 | 1,284[3] | -207 | 14,831 |
| of which from investments accounted for using the equity method | 78 | 72 | 135[3] | 45 | 330 | 56[3] | -1 | 385 |
| Segment capital expenditure | 610 | 7 | 14 | 6 | 637 | 13 | -2 | 648 |
| of which from investments accounted for using the equity method | – | – | 4 | – | 4 | – | – | 4 |
| Number of employees at the end of period | 55,482 | 4,108 | 20,008 | 16,520 | 96,118 | 7,916 | – | 104,034 |

[1] For detailed reconciliation from EBIT to Adjusted EBIT ↗ table "reconciliation of results", p. 7, in the interim management report.
[2] The capital employed results from total assets adjusted for non-operating items (deferred taxes, positive market values, derivatives), less cash and cash equivalents and less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).
[3] Restated due to segment reassignment of AMECO.
[4] Restated due to reclassification of Segment Catering to discontinued operations.

EXTERNAL REVENUE BY REGION Jan - Mar

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| in €m | Traffic revenue[1] | Other operating revenue | Total revenue | Traffic revenue[1)2)] | Other operating revenue[2] | Total revenue[2] |
| Europe | 3,971 | 617 | 4,588 | 2,576 | 544 | 3,120 |
| thereof Germany | 1,692 | 266 | 1,958 | 1,142 | 216 | 1,358 |
| North America | 883 | 352 | 1,235 | 517 | 343 | 860 |
| thereof USA | 782 | 289 | 1,071 | 464 | 289 | 753 |
| Central and South America | 118 | 49 | 167 | 98 | 31 | 129 |
| Asia/Pacific | 532 | 205 | 737 | 484 | 185 | 669 |
| Middle East | 98 | 60 | 158 | 80 | 43 | 123 |
| Africa | 106 | 26 | 132 | 81 | 20 | 101 |
| Total | 5,708 | 1,309 | 7,017 | 3,836 | 1,166 | 5,002 |

1) Allocated according to the original location of sale.
2) Restated due to reclassification of Segment Catering to discontinued operations.

## 10 Related party disclosures

As stated in ↗ Note 50 to the 2022 consolidated financial statements (Annual Report 2022, p. 256ff.), the segments in the Lufthansa Group render numerous services to related parties within the scope of their ordinary business activities and also receive services from them. These extensive supply and service relationships take place unchanged on the basis of market prices. There were no significant changes as of the reporting date. The contractual relationships with the group of related parties described in the ↗ Remuneration Report 2022 (Annual Report 2022, p. 280ff.) and in the notes to the consolidated financial statements 2022 in ↗ Note 51 (Annual Report 2022, p. 259) also still exist unchanged, but are not of material significance for the Group.

## 11 Published standards that have not yet been applied

Amendments of accounting standards which have been approved by the IASB as of the date of publication of this report and are applicable for financial years beginning after 1 January 2023 have no effect on the presentation of the net assets, financial and earnings position. Further information on the amendments resolved as of the preparation of the interim financial statements is provided in ↗ Note 3 of the notes to the consolidated financial statements 2022 (Annual Report 2022, p. 170ff.).

## Declaration by the legal representatives

We declare that to the best of our knowledge and according to the applicable accounting standards for interim reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Frankfurt, 27 April 2023

The Executive Board

Carsten Spohr
Chairman of the Executive Board

Christina Foerster
Member of the Executive Board
Brand & Sustainability

Harry Hohmeister
Member of the Executive Board
Global Markets & Network

Detlef Kayser
Member of the Executive Board
Fleet & Technology

Michael Niggemann
Member of the Executive Board
Human Resources & Infrastructure,
Labor Director

Remco Steenbergen
Member of the Executive Board
Finance

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The Lufthansa 1st Interim Report is a translation of the original German Lufthansa Zwischenbericht 1/2023.
Please note that only the German version is legally binding.

The latest financial information on the internet:
↗ www.lufthansagroup.com/investor-relations

## Financial calendar 2023

### 2023

| | |
|---|---|
| 9 May | Annual General Meeting 2023 |
| 3 August | Release of 2nd Interim Report January – June 2023 |
| 2 November | Release of 3rd Interim Report January – September 2023 |



**Note**
Unless stated otherwise, all change figures refer to the corresponding period from the previous year. Due to rounding, some of the figures may not add up precisely to the stated totals, and percentages may not precisely reflect the absolute figures.