

# Unaudited Interim Financial Statements

**I June 30, 2021 I**  
**Airbus Finance B.V.**

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# 1.

## Airbus Finance B.V. Unaudited Interim Report of the Board of Managing Directors

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The board of Managing Directors herewith submits the Unaudited Interim Financial Statements of Airbus Finance B.V. ("Company") for the six-month period ended on June 30, 2021.

### 1. Activities

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The Company's main activity is to finance companies by raising funds through, inter alia, borrowing by way of loan agreements, issuance of bonds, promissory notes and any other evidences of indebtedness, to invest and lend funds raised by the Company, to borrow and to participate in all types of financial transactions, including financial derivatives such as interest- and/or currency exchange contracts.

#### EMTN Programme

The EMTN Programme is a contractual framework which allows Airbus SE and Airbus Finance BV to raise debt from the capital markets through dealers by successive issues of notes governed by the same terms. Each issue, however, may bear a different maturity (due one month to thirty years).

Activities of the Company have commenced in February 2003, with the set-up of a €3 billion EMTN Programme. During the year 2014, a Eurobond transaction, for €1 billion, maturing April 2024 and a Eurobond transaction, for €500 million, maturing October 2029 were additionally issued by the Company. In May 2016, the Company has issued two Eurobond transactions for €600 million (maturing May 2026) and €900 million (maturing May 2031) under its EMTN Programme.

In October 2014, the Company increased the size of its EMTN Programme from €3 billion to €5 billion. The Company increased the size of the EMTN programme from €5 billion to €7 billion in February 2020, from €7 billion to €9 billion in May 2020 and from €9 billion to €12 billion in August 2020.

#### Commercial Paper Programme (Euro)

In addition to the EMTN Programme, the Company launched a Negotiable European Commercial Paper Programme in late February 2004. On the 3 June 2020, the size of the Commercial Paper Programme was increased to €11 billion from €3 billion previously. At 30 June 2021, no amount was outstanding for the Commercial Paper Programme (30 June 2020: €1,175 million).

#### US\$ Bond

On April 17, 2013, the Company has issued a bond in the US institutional market for an amount of US\$1 billion, corresponding to €893 million as of 30 June 2020, with a ten year maturity. On 11 June, 2021, the Company has pre-paid the bond for a market value of US\$ 1,048 million.

#### Commercial Paper Programme (US\$)

The Company launched a US\$ 2 billion Commercial Paper Programme in mid May 2015. On April 19, 2016 the Company updated and simultaneously increased its Programme from US\$2 billion to US\$3 billion. At 30 June 2021, no amount was outstanding for the US\$-Commercial Paper Programme (30 June 2020: USD\$533 million). For details on the Company's policies and position with respect to financial instruments as well as a description of the main risks facing the Company and the measures taken to mitigate these risks, we refer to Note 15 of the Financial Statements.

## 2. Risk Management

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The Company is exposed to certain price risks such as foreign exchange rate as well as interest rate risks. Adverse movements of these prices may jeopardise the Company' profitability if not hedged.

The company has managed the foreign exchange rate exposure of the US\$1 billion bond issued on the US institutional market by on lending the cash proceeds to Airbus SE with the same terms and conditions.

In June 2021, the company has prepaid the US\$1 billion bond and Airbus SE has prepaid the related intercompany loan to the Company on the same day.

The company is also exposed to the interest rate risk by borrowing cash from the Eurobond market and the \$US institutional at fixed rate. This risk is managed by lending the cash proceeds of each Eurobond and US\$ Bond to Airbus SE at same fixed rate plus a margin.

The Company is exposed to credit risk to the extent of non-performance by its counterparties for financial instruments, such as hedging instruments, loans and cash investments. The Company considers this risk to be low, as the loans are provided to the parent company Airbus SE and the issued bonds are covered by a guarantee from Airbus SE.

Airbus Finance BV is primarily exposed to credit risk in respective of Airbus SE. The aerospace industry including the financial health of operators, airlines, lessors and suppliers, commercial aircraft market, demand for air travel and commercial air traffic have been severely impacted by the COVID-19 pandemic. Airbus SE is monitoring the situation regarding the Coronavirus and evaluating any potential impacts to production and deliveries and will try to mitigate via alternative plans where necessary. Although the full impact of the Coronavirus outbreak cannot reasonably be assessed at the time of approval of the Company's Financial Statements Airbus Finance BV believes that although uncertainties have increase due to COVID-19, to be fully paid by Airbus SE when the amounts receivable become due.

The Company has also considered the impact of COVID-19 pandemic on the expected credit loss of its financial instruments (mainly loans, trade and lease receivables). The amount and timing of the expected credit losses, as well as the probability assigned thereto, has been based on the available information at the end of the first half-year 2021. As a result of this review no significant credit losses have been recorded in the first half-year 2021.

## 3. Management and Supervision

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As of 1 January 2013 the Act on Management and Supervision ('Wet Bestuur en Toezicht') came into effect. With this Act, statutory provisions were introduced to ensure a balanced representation of men and women in management boards and supervisory boards of companies governed by this Act. Balanced representation of men and women is deemed to exist if at least 30% of the seats are filled by men and at least 30% are filled by women. The Company has no supervisory board. The Company considers it to be desirable to fulfil the above mentioned ratio when vacancies will occur.

## 5. Result for the Period

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The Company's result for the six-months period ended on 30 June, 2021 amounts to a gain of €792 thousand (in 2020: €470 thousand). The main factor impacting the result 2021 is the impact of the termination fees paid on the repayment of the US\$ 1 billion bond and the impact of the termination fees received on the repayment of the Airbus SE loan US\$1 billion (€ 305 thousand).

## 6. Statement

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The Board of Managing Directors hereby declares that, to the best of its knowledge:

- the Unaudited Interim Financial Statements for the six-month period ended June 30, 2021 give a true and fair view of the assets, liabilities, financial position and profits or losses of the Company; and
- the Unaudited Interim Report of the Board of Managing Directors gives a true and fair view of the position as per the reporting date, and of the development and performance during the first half of the 2021 financial year of the Company, and the principal risks facing the Company have been described herein.

### BOARD OF MANAGING DIRECTORS

Mr. J.B. Pons, Director

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Mr. C. Masson, Director

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Mr. C.C. Kohl, Director

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Leiden, July 27, 2021

# 2.

## Airbus Finance B.V. Financial Statements

### Company Unaudited Interim Income Statement for the six-months period ended 30 June 2021 and 2020

<i>(In € thousand)</i>	Note	30 June	
		2021	2020
Interest income	10	38,447	53,901
Interest expense	11	(38,005)	(53,418)
Foreign Exchange Result		48	2
Other financial Result		302	(15)
<b>Total financial result</b>		<b>792</b>	<b>470</b>
<b>Profit (loss) before income taxes</b>		<b>792</b>	<b>470</b>
Income (expense) Tax		0	0
<b>Profit (loss) for the period</b>		<b>792</b>	<b>470</b>

### Company Unaudited Interim Statement of Comprehensive Income for the six-months period ended 30 June 2021 and 2020

<i>(In € thousand)</i>	30 June	
	2021	2020
<b>Profit (loss) for the period</b>	<b>792</b>	<b>470</b>
<b>Other comprehensive income</b>		
<i>Items that will be reclassified to profit or loss:</i>		
Net change in fair value of cash flow hedges	0	0
Deferred tax income	0	0
<b>Other comprehensive income, net of tax</b>	<b>792</b>	<b>470</b>
<b>Total comprehensive income of the period</b>	<b>792</b>	<b>470</b>

## Company Unaudited Interim Statement of Financial Position for the six-months period ended 30 June 2021 and 2020

(Before appropriation of result of the year)

(In € thousand)	Note	30 June	
		2021	2020
<b>Assets</b>			
<b>Non-current assets</b>			
Long-term Loan	3	2,980,802	3,870,838
		<b>2,980,802</b>	<b>3,870,838</b>
<b>Current assets</b>			
Short-term Loan	4	0	1,670,337
Accrued Interest Receivable	5	15,530	20,534
Cash and cash equivalents	6	10,422	7,438
		<b>25,952</b>	<b>1,698,309</b>
<b>Total assets</b>		<b>3,006,754</b>	<b>5,569,147</b>
<b>Assets</b>			
<b>Equity and liabilities</b>			
<b>Stockholders' equity</b>			
Issued capital	7	300	300
Other Reserves		(2)	(2)
Retained earnings		9,650	8,919
Result of the year		792	470
		<b>10,740</b>	<b>9,687</b>
<b>Non-current liabilities</b>			
Long-term Interest Bearing Liabilities	8	2,980,802	3,870,838
		<b>2,980,802</b>	<b>3,870,838</b>
<b>Current liabilities</b>			
Short-term Loan Payable	8	1,826	1,670,337
Accrued Interest Payable	9	13,386	18,285
		<b>15,212</b>	<b>1,688,622</b>
<b>Total equity and liabilities</b>		<b>3,006,754</b>	<b>5,569,147</b>

## Company Unaudited Interim Statements of Cash Flows for the six-months period ended 30 June 2021 and 2020

<i>(In € thousand)</i>	Note	2021	2020
<b>Operating Activities</b>			
<b>Profit (loss) for the period (Net income)</b>		<b>792</b>	<b>470</b>
<i>Adjustments to reconcile profit for the period to cash provided by operating activities:</i>			
Interest income	10	(38,447)	(51,451)
Interest expense	11	38,00	51,728
Interest received		56,604	67,230
Interest paid		(55,853)	(67,274)
Valuation Adjustments		(42)	(83)
<b>Cash provided by (used for) operating activities</b>		<b>1,060</b>	<b>620</b>
<b>Investing activities</b>			
Proceeds from financial assets		824,743	0
Payments for financial assets		0	(1,706,034)
<b>Cash provided by (used for) investing activities</b>		<b>824,743</b>	<b>(1,706,034)</b>
<b>Financing activities</b>			
Repayment of financing liabilities		(824,743)	0
Increase in financing liabilities		0	1,706,034
<b>Cash (used for) provided by financing activities</b>		<b>(824,743)</b>	<b>1,706,034</b>
Effect of foreign exchange rate changes on cash and cash equivalents		43	(2)
<b>Net increase in cash and cash equivalents</b>		<b>1,103</b>	<b>618</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>9,318</b>	<b>8,558</b>
<b>Cash and cash equivalents at end of period</b>	<b>5</b>	<b>10,421</b>	<b>9,176</b>

## Company Statement of Changes in Equity for the six-months period ended 30 June 2021 and 2020

	Issued Capital	Other Reserves	Retained earnings	Cash flow hedges	Total equity
<b>Balance at 31 December 2020</b>	<b>300</b>	<b>(2)</b>	<b>9,650</b>	<b>0</b>	<b>9,948</b>
Profit for the period	0	0	792	0	792
Movement effective portion of Interest Rate Swap Airbus SE	0	0	0	0	0
<b>Total comprehensive income of the period</b>	<b>0</b>	<b>0</b>	<b>792</b>	<b>0</b>	<b>792</b>
<b>Balance at 30 June 2021</b>	<b>300</b>	<b>(2)</b>	<b>10,442</b>	<b>0</b>	<b>10,740</b>
	Issued Capital	Other Reserves	Retained earnings	Cash flow hedges	Total equity
<b>Balance at 31 December 2019</b>	<b>300</b>	<b>(2)</b>	<b>8,919</b>	<b>0</b>	<b>9,217</b>
Profit for the period	0	0	470	0	470
Movement effective portion of Interest Rate Swap Airbus SE	0	0	0	0	0
<b>Total comprehensive income of the period</b>	<b>0</b>	<b>0</b>	<b>470</b>	<b>0</b>	<b>470</b>
<b>Balance at 30 June 2020</b>	<b>300</b>	<b>(2)</b>	<b>9,389</b>	<b>0</b>	<b>9,687</b>

# 3.

## Notes to the Company Financial Statements

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### 3.1 Basis of Presentation

#### 1. General

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Airbus Finance B.V., the "**Company**", incorporated on December 2, 2002, legally seated (*statutaire zetel*) in Amsterdam (current registered office at Mendelweg 30, 2333 CS, Leiden, The Netherlands) and registered at the Chamber of Commerce in The Hague under number 34182495. The company is 100% owned by **Airbus SE**.

The Company's main activity is to finance companies by raising funds through, inter alia, borrowing by way of loan agreements, issuance of bonds, promissory notes and other evidences of indebtedness, to invest and lend funds raised by the Company, to borrow and to participate in all types of financial transactions, including financial derivatives such as interest- and/or currency exchange contracts.

The IFRS Financial Statements were authorised for issue by the Company's Board of Managing Directors on July 27, 2021. They are prepared and reported in euro ("€") and all values are rounded to the nearest thousand appropriately.

#### 2. Accounting Principles

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##### Basis of preparation

The Company's Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") as endorsed by the European Union ("EU") and in compliance with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code as far as applicable. The Company's Financial Statements have been prepared under the assumption of going concern. Furthermore, the Company's Financial Statements have been prepared on a historical cost basis, except for certain items for which other measurement models are used in accordance with the applicable Standards' requirements as well as prepared and reported in Euros ("EUR"). The measurement models used when the historical cost model does not apply (mainly in the area of fair value measurement of derivative financial instruments) are further described below.

The Company operates in one reportable segment, operations are mainly taking place in Europe. This segment information cannot be specified in more detail.

##### Impact of the COVID-19 pandemic

Airbus Finance BV is primarily exposed to credit risk in respect of Airbus SE. The aerospace industry including the financial health of operators, airlines, lessors and suppliers, commercial aircraft market, demand for air travel and commercial air traffic have been severely impacted by the COVID-19 pandemic. Airbus SE is monitoring the situation regarding the Coronavirus and evaluating any potential impacts to production and deliveries and will try to mitigate via alternative plans where necessary. Although the full impact of the Coronavirus outbreak cannot reasonably be assessed at the time of approval of the Company's Financial Statements Airbus Finance BV believes that although uncertainties have increased due to COVID-19, to be fully paid by Airbus SE when the amounts receivable become due.

## Going concern and associated liquidity measures

Airbus Finance BV believes that although uncertainties have increase due to Covid-19, it still expects to be fully paid by Airbus SE when the amounts receivable become due.

On 21 October 2020, Airbus SE signed a new €6 billion Revolving Syndicated Credit Facility also partially terming out the €15 billion credit facility by €3 billion in order to refinance its existing €3 billion Revolving Syndicated Facility.

As of 30 June 2021, Airbus SE has a net cash position of €6.5 billion with a total liquidity of €33.7 billion, before deducting short-term financing liabilities.

Based on the above, management considers Airbus SE has sufficient resources to continue operating for at least 12 months and that there are no material uncertainties about the Company's ability to continue as a going concern.

## New, revised or amended IFRS Standards

The accounting policies applied by the Company for preparing its 2020 year-end Financial Statements are the same as applied for the previous year. Amendments and improvements to standards effective on 1 January 2021 have no impact on the Financial Statements.

## New, Revised or Amended IFRS Standards and Interpretations Issued but not yet Applied

A number of new or revised standards, amendments and improvements to standards and interpretations as well as interpretations are not yet effective for the year ended 31 December 2020 and have not been applied in preparing these Financial Statements and early adoption is not planned:

<b>Standards and amendments</b>	<b>IASB effective date for annual reporting periods beginning on or after</b>	<b>Endorsement status</b>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021	Endorsed
Amendments to IFRS 4: Extension of the Temporary Exemption from Applying IFRS 9	1 January 2021	Endorsed
Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021(issued on 31 March 2021)	1 April 2021	Endorsed
Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022	Not yet endorsed
Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022	Not yet endorsed
Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022	Not yet endorsed
Annual Improvements to IFRS Standards 2018–2020	1 January 2022	Not yet endorsed
IFRS 17 “Insurance Contracts”	1 January 2023	Not yet endorsed
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023	Not yet endorsed
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023	Not yet endorsed
Amendments to IAS 1: Disclosure of Accounting Policies	1 January 2023	Not yet endorsed

## Foreign Currency Translation

Transactions in foreign currencies are translated into Euro at the foreign exchange rate prevailing at transaction date. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into Euro at the exchange rate in effect at that date. These foreign exchange gains and losses arising from translation are recognised in the Income Statement on a net basis, except when deferred in equity as qualifying Cash Flow Hedges.

## Financial Assets

### Classification and Measurement

The Company classifies its financial assets according to IFRS 9 using the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value (either through OCI or through profit and loss).

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial instrument is recognised in the financial statements when the entity becomes a party to the financial instrument contract. An entity removes a financial assets from its statement of financial position when its obligation is extinguished.

**Financial assets at amortised cost** — This category comprises assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

The contractual terms and conditions of the loans give rise, on specific dates, to cash flows that are solely payments of principal and interest. Airbus Finance BV holds the loans in order to collect contractual cash flows. Therefore, the cash flows meet the SPPI test of payments of principal and interest and are classified as measured at amortised cost.

The financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ("ECL") are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. The loans held by the Company have no significant increase in credit risk since their initial recognition, the calculation of the 12-month expected credit losses is not significant.

**Financial assets at fair value through OCI** — This category comprises:

- (i) Equity investments that are not held for trading. With the exception of dividends received, the associated gains and losses (including any related foreign exchange component) are recognised in OCI. Amounts presented in OCI are not subsequently transferred to profit and loss on derecognition of the equity investment nor in the event of an impairment.
- (ii) Debt instruments where contractual cash flows are solely payments of principal and interest, and that are held both for sales and collecting contractual cash flows. Changes in their fair value other than impairment losses and foreign exchange gains and losses on monetary items are recognised directly within OCI. Upon disposal of such financial assets, the cumulative gain or loss previously recognised in equity is recorded as part of other income (other expenses) from investments in the Consolidated Income Statement for the period. Interest earned on the investment are presented as interest income in the Consolidated Income Statement using the effective interest method. Dividends earned on investment were recognised as other income (other expenses) from investments in the Consolidated Income Statement when the right to the payment had been established.

**Financial assets at fair value through profit or loss** — This category comprises all other financial assets (e.g. derivative instruments) that are to be measured at fair value (including equity investments for which the Company did not elect to present changes in fair value in OCI).

### Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through OCI. The Company applies the low credit risk exemption allowing the Company to assume that there is no significant increase in credit risk since initial recognition of a financial instrument, if the instrument is determined to have low credit risk at the reporting date.

The Company measures loss allowances at an amount that represents credit losses resulting from default events that are possible within the next 12 months; unless the credit risk on a financial instrument has increased significantly since initial recognition. In the event of such significant increase in credit risk the Company's measures loss allowances for that financial instrument at an amount equal to its lifetime expected losses, *i.e.* at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument. With regards to its portfolio of loans to Airbus SE, the Company does not expect any significant increase in the credit risk of Airbus SE. As a result, the expected credit loss is not significant.

## Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash in bank and cash in the Intercompany Accounts with Airbus SE (cash pooling), which is available on a daily basis.

Because of the short-term nature of Cash and cash equivalent, the Airbus Finance BV recognises these at its contractual par amount. Similar to trade receivables, the Cash and cash equivalent involves one single cash flow which is the repayment of the principal. Therefore, the cash flows resulting from the receivables meet the SPPI test of payments of principal and interest despite the interest component being zero. Airbus Finance BV holds these balances in order to collect contractual cash flows. Cash and cash equivalent is therefore classified as measured at amortised cost. Cash and cash equivalents are also subject to the general approach. However, due to the fact that Cash and cash equivalent is repayable on demand, 12-month and lifetime expected losses are the same. The expected credit losses are considered insignificant.

## Financial Liabilities

Non-current interest bearing liabilities, short-term loans payable and accrued interest payable are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method with any difference between proceeds (net of transaction costs) and redemption amount being recognized in the Income Statement over the period to maturity. Gains and losses are recognized in the Income Statement when the liabilities are derecognized as well as through the amortisation process.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Income Statement.

## Current Taxes

The Company is part of the fiscal unity headed by Airbus SE and consequently the Company's taxable results are included in the tax position of Airbus SE. No income tax has been allocated to the Company as the fiscal unity is in a tax loss position.

## Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

## Expected credit loss

The Company has also considered the impact of COVID-19 pandemic on the expected credit loss of its financial instruments (mainly loans, trade and lease receivables). The amount and timing of the expected credit losses, as well as the probability assigned thereto, has been based on the available information as of 30 June 2021.

For its portfolio of debt instruments including bonds and commercial papers, the Company measures loss allowances at an amount that represents credit losses resulting from default events that are possible within the next 12 months, unless the credit risk on a financial instrument has increased significantly since initial recognition. In the event of such significant increase in credit risk the Company measures loss allowances for that financial instrument at an amount equal to its life-time expected losses, *i.e.* at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument.

The Company applies the low credit risk exemption allowing the Company to assume that there is no significant increase in credit risk since initial recognition of a financial instrument, if the instrument is determined to have low credit risk at the reporting date. The Company applies the simplified approach permitted by IFRS 9 of measuring expected credit losses of trade receivables and contract assets on a lifetime basis from initial recognition.

As a result of this review no significant credit losses have been recorded in 2021.

## 3.2 Company Performance

### 3. Long-term Loans Receivable

<i>(In € thousand)</i>	30 June	
	2021	2020
Long-term Loan to Airbus SE	2,980,802	3,870,838

On April 17, 2013, the Company entered into a loan agreement with effect of April 17, 2013, with Airbus SE, to make a loan available for the principal amount of US\$1 billion, reduced by a discount of US\$ 7,02 million. The loan shall bear interest at a rate of 2,72% per annum, payable semi-annually in arrears on each April 17 and October 17.

This loan to Airbus SE was repayable on April 17, 2023. The fair market value approximates to the fair market value of the "2,700% US institutional market bond US\$1 billion" Liability (note 10).

On 11 June, 2021, the loan to Airbus SE has been pre-paid by Airbus SE for a market value of US\$ 1,048 million.

On April 2, 2014, the Company entered into a loan agreement with effect of April 2, 2014, with Airbus SE, to make a loan available for the principal amount of €1 billion, reduced by a discount of €4,92 million. The loan shall bear interest at a rate of 2,395% per annum, payable yearly in arrears on each April 2.

This loan to Airbus SE is repayable on April 2, 2024. The fair market value approximates to the fair market value of the "2,375% Eurobond €1 billion" Liability (note 10).

On October 29, 2014, the Company entered into a loan agreement with effect of October 29, 2014, with Airbus SE, to make a loan available for the principal amount of €500 million, reduced by a discount of €6,245 million. The loan shall bear interest at a rate of 2,145% per annum, payable annually in arrears on each October 29.

This loan to Airbus SE is repayable on October 29, 2029. The fair market value approximates to the fair market value of the "2,125% Eurobond €500 million" Liability (note 10).

On May 13, 2016, the Company entered into two new loan agreements with Airbus SE with effect of May 13, 2016.

The first one loan, repayable on May 13, 2026, with a principal amount of €600 million, is reduced by a discount of €6,282 million and shall bear interest at a rate of 0,905% per annum. The fair market value approximates to the fair market value of the "0,875% Eurobond €600 million" Liability (note 10).

The second loan, repayable on May 13, 2031, with a principal amount of €900 million is reduced by a discount of €17,199 million and shall bear interest at a rate of 1,405 % per annum. The fair market value approximates to the fair market value of the "1,375% Eurobond €900 million" Liability (note 10).

The interest for both loans is payable yearly in arrears on each May 13.

The Company is acting as a financial market agent on behalf of its subsidiaries, therefore the fair value changes of derivatives are reported on a net basis.

#### 4. Short-term Loan Receivable

<i>(In € thousand)</i>	30 June	
	2021	2020
Commercial Paper Loan to Airbus SE	0	1,670,337

#### 5. Accrued Interest Receivable

<i>(In € thousand)</i>	30 June	
	2021	2020
Loan to Airbus SE	15,530	20,534

#### 6. Cash and Cash Equivalent

<i>(In € thousand)</i>	30 June	
	2021	2020
Intercompany Accounts Airbus SE	10,422	7,438

#### 7. Total Equity

The Company has an authorised share capital of 1,500,000 shares of € 1 each. As of December 31, 2020, the issued and paid-up share capital of the Company consists of 300,000 ordinary shares with a par value of € 1 each. During the financial year 2021 no additional shares were paid-up. The Other Reserves include capital tax paid in relation to a capital increase.

The Company complies with the capital requirements under applicable law and its articles of association. The main activity of the Company is to refinance Airbus entities.

## 8. Interest Bearing Liabilities

(in € thousand)	Principal amount (in million)	Book Value		Coupon or interest rate	Maturity	Fair Value	
		30 June 2021	30 June 2020			30 June 2021	30 June 2020
Eurobond 10 years	€ 1,000	€ 998,643	€ 998,157	2.375%	Apr. 2024	€ 1,059,986	€ 1,051,362
Eurobond 15 years	€ 500	€ 496,532	€ 496,119	2.125%	Oct. 2029	€ 535,391	€ 572,066
Eurobond 10 years	€ 600	€ 596,942	€ 596,319	0.875%	May 2026	€ 655,210	€ 626,276
Eurobond 15 years	€ 900	€ 888,685	€ 887,548	1.375%	May 2031	€ 910,578	€ 981,653
US\$ bond 10 years	US\$ 1,000	€ 0	€ 892,695	2.700%	Apr. 2023	€ 0	€ 934,245
Billet de trésorerie programme		€ 0	€ 1,670,337			€ 0	€ 1,670,337
Others		€ 0	€ 0			€ 0	€ 0
<b>Total</b>		<b>€ 2,980,802</b>	<b>€ 5,541,175</b>			<b>€ 3,161,165</b>	<b>€ 5,835,939</b>
<i>Thereof non-current financing liabilities</i>		<b>€ 2,980,802</b>	<b>€ 3,870,838</b>				
<i>Thereof current financing liabilities</i>		<b>€ 0</b>	<b>€ 1,670,337</b>				

The Company has issued an inaugural bond transaction in the US institutional market of US\$1 billion with value date April 17, 2013. The bond has an original maturity of ten years and carries a yearly coupon of 2.700%. The bond matures on April 17, 2023. On 11 June 2021, the US\$1 billion bond has been fully repaid for a market value of US\$ 1,048 million.

The Company has issued a Eurobond benchmark transaction under the EMTN Programme of €1 billion with value date April 2, 2014. The bond has an original maturity of ten years and carries a yearly coupon of 2.375%. The bond matures on April 2, 2024.

The Company has issued a Eurobond benchmark transaction under the EMTN Programme of €500 million with value date October 29, 2014. The bond has an original maturity of fifteen years and carries a yearly coupon of 2.125%. The bond matures on October 29, 2029.

The Company has issued a Eurobond benchmark transaction under the EMTN Programme of €600 million with value date May 13, 2016. The bond has an original maturity of ten years and carries a yearly coupon of 0.875%. The bond matures on May 13, 2026.

Also, the Company has issued a Eurobond benchmark transaction under the EMTN Programme of €900 million with value date May 13, 2016. The bond has an original maturity of fifteen years and carries a yearly coupon of 1.375%. The bond matures on May 13, 2031.

The issued bonds are covered by a guarantee from Airbus SE, the parent company. The disclosed fair values of the bonds were determined using market quotations at reporting date.

## 9. Accrued Interest Payable

(In € thousand)	30 June	
	2021	2020
2.375% Eurobond, 02/04/2024	5,791	5,791
2.125% Eurobond, 29/10/2029	7,104	7,1130
0.875% Eurobond, 13/05/2026	690	690
1.375% Eurobond, 13/05/2031	1,627	1,627
2.700% US\$ bond, 17/04/2023	0	4,889
Euro Commercial Paper	0	(1,825)
<b>Total</b>	<b>15,212</b>	<b>18,285</b>

## 10. Interest Income

<i>(In € thousand)</i>	30 June	
	2021	2020
Long-term Loan to Airbus SE	36,267	38,793
Amortization of Loan	2,267	1,663
Short-term Loan to Airbus SE	-82	13,468
Intercompany Accounts Airbus SE	-4	-23
<b>Total</b>	<b>38,448</b>	<b>53,901</b>

## 11. Interest Expenses

<i>(In € thousand)</i>	30 June	
	2021	2020
2.700% US\$ bond, 17/04/2023	(10,035)	(12,407)
2.375% Eurobond, 02/04/2024	(11,777)	(11,826)
2.125% Eurobond., 29/10/2029	(5,269)	(5,283)
0.875% Eurobond, 13/05/2026	(2,603)	(2,613)
1.375% Eurobond, 13/05/2031	(6,137)	(6,158)
Short-term Loan from Commercial Paper Programme	81	(13,468)
Amortization of Bond Issue Costs	(2,267)	(1,663)
<b>Total</b>	<b>(38,005)</b>	<b>(53,418)</b>

## 11. Information About Financial Instruments

### 11.1 Financial Risk Management

#### Financial Risk Management

The Company's principal financial instruments, other than derivatives, generally comprise long-term Eurobond liabilities and short-term loan from Commercial Paper Programme. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company generally has various financial assets such as short- and long-term loan receivables and cash, which arise directly from its operations. Airbus Finance B.V. also enters into derivative transactions which consist of interest rate swaps only. The purpose is to manage the interest rate risks arising from the Company's operations. It is, and has been throughout the year under review, the Company's policy that no trading in derivatives shall be undertaken.

#### Market Risk

**Foreign Currency Risk** - The Company has entered into US\$ transactions during 2013 with the issuance of a bond transaction of US\$1 billion. The Company has at the same time entered into a loan agreement for the principal bond amount of US\$1 billion with Airbus SE. The funds received from the US\$ Commercial Paper Programme were fully on-lent to Airbus SE.

**Interest Rate Risk** - Airbus Finance B.V. uses an asset and liability management approach with the objective to limit its interest rate risk. The Company undertakes to match the risk profile of its liabilities with a corresponding asset structure.

**Sensitivities of Market Risks** - As all of the Company's external financial debt has been lent to Airbus SE at nearly identical conditions, the interest rate risk of the total portfolio of financial instruments is nearly balanced. As the proceeds of all the company's outstanding bonds and commercial papers have been on-lent to Airbus SE based on identical terms (plus a margin), the foreign currency risk and interest risk are neutralised.

#### Liquidity Risk

The Company's policy is to maintain sufficient liquid assets at any time to meet its present and future commitments as they fall due. The liquid assets typically consist of cash and cash equivalents or of receivable from Parent. In addition, the Company maintains a set of other funding sources. Depending on its cash needs and market conditions, the Company may issue bonds, notes and commercial papers.

The contractual maturities of the Company financial liabilities, based on undiscounted cash flows and including interest payments, if applicable, are as follows:

<i>(In € million)</i>	Carrying amount	Contractual cash flows	< 1 year	1 year-2 years	2 years-3 years	3 years-4 years	4 years-5 years	More than 5 years
<b>30 June 2021</b>								
Non-derivative financial assets	2,996	3,371	11	53	53	53	1,053	2,148
Non-derivative Financial liabilities	(2,996)	(3,364)	(11)	(52)	(52)	(52)	(1,052)	(2,145)
<b>30 June 2020</b>								
Non-derivative financial assets	5,562	6,009	1,747	77	77	939	1,035	2,134
Non-derivative Financial liabilities	(5,559)	(6,003)	(1,746)	(76)	(76)	(938)	(1,034)	(2,132)

The above table analyses the Company's financial liabilities by relevant maturity groups based on the period they are remaining on the Company's Statement of Financial Position to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows, comprising all outflows of a liability such as repayments and eventual interest payments. Non-derivative financial liabilities comprise financing liabilities at amortized cost.

## Credit Risk

The Company has only one debtor, which is Airbus SE. The maximum credit risk equals the book value of the respective items on the Statement of Financial Position at reporting date, as shown in the table below. The long-term corporate credit rating of Airbus SE is A Negative outlook (S&P) and A2 Negative outlook (Moody's). The expected credit loss expected is insignificant.

<i>(In € million)</i>	30 June	
	2021	2020
Receivables, neither past due not impaired	2,996	5,562
Cash and Cash Equivalents	10	7
<b>Total financial assets</b>	<b>3,006</b>	<b>5,569</b>

## 11.2 Carrying Amounts and Fair Values of Financial Instruments

The fair value of a financial instrument is the price at which one party would assume the rights and/or duties of another party in a current transaction, other than in a forced or liquidation sale. Fair values of financial instruments have been determined with reference to available market information at the reporting date and the valuation methodologies discussed below. Considering the variability of their value-determining factors and the volume of financial instruments, the fair values presented herein may not be indicative of the amounts that the Company could realize in a current market environment.

The Company classifies its financial assets in one of the following categories: (i) at fair value through OCI, (ii) at fair value through profit and loss and (iii) at amortised cost. Classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The following table presents the carrying amounts and fair values of financial instruments by class and by IFRS 9 measurement category as of 30 June 2021:

<i>(In € million)</i>	Fair value through profit or loss	Fair value through OCI	Financial assets and liabilities at amortised cost		Financial instrument Total	
			Amortised cost	Fair value	Book value	Fair value
<b>Assets</b>						
Other investments and long-term financial assets						
• Loans	0	0	2,981	3,161	2,981	3,161
Other financial assets						
• Current account	0	0	10	10	10	10
• Loans	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2,991</b>	<b>3,171</b>	<b>2,991</b>	<b>3,171</b>
<b>Liabilities</b>						
Non-current Financing liabilities						
• Issued bonds and commercial papers	0	0	2,981	3,161	2,981	3,161
Current Financing liabilities						
• Issued bonds and commercial papers	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2,981</b>	<b>3,161</b>	<b>2,981</b>	<b>3,161</b>

The following tables present the carrying amounts and fair values of financial instruments according to IAS 39 measurement categories as of 30 June 2020:

<i>(In € million)</i>	Fair value through profit or loss	Fair value through OCI	Financial assets and liabilities at amortised cost		Financial instrument Total	
			Amortised cost	Fair value	Book value	Fair value
<b>Assets</b>						
Other investments and long-term financial assets						
• Loans	0	0	3,871	4,166	3,871	4,166
Current Financial assets						
• Derivative Instruments	0	0	7	7	7	7
• Current account	0	0	1,670	1,670	1,670	1,670
• Loans	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>5,548</b>	<b>5,843</b>	<b>5,548</b>	<b>5,843</b>
<b>Liabilities</b>						
Non-current Financing liabilities						
• Issued bonds and commercial papers	0	0	3,871	4,166	3,871	4,166
Current Financing liabilities						
• Issued bonds and commercial papers	0	0	1,670	1,670	1,670	1,670
<b>Total</b>	<b>0</b>	<b>0</b>	<b>5,541</b>	<b>5,836</b>	<b>5,541</b>	<b>5,836</b>

## 12. Number of employees and employment costs

The Company employed no personnel in the year ended on June 30, 2021 (2020: 0).

## **13. Directors**

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The Company had no director who received remuneration.

## **14. Commitments and contingent liabilities**

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The Company is part of a fiscal unity headed by Airbus SE, which also includes Airbus Defence and Space Netherlands B.V. and therefore the Company is severally and jointly liable for income tax liabilities of the fiscal unity as a whole.

## **19. Related parties**

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Airbus SE is a related party, as it holds 100% of the shares of Airbus Finance B.V. The transactions and outstanding balances relating to Airbus SE are detailed in the notes. We refer to the notes of long-term and short-term loan receivables, positive fair value derivative instruments, accrued interest receivables, cash and cash equivalents, equity, accrued interest payables and interest income.

## **20. Subsequent Events**

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The Board of Managing Directors expects further changes in the nature and size of the business of the Company for the year 2021, due to intra-group merger and acquisitions operations currently in process and in view of continuing corporate structure simplifications planned during 2021. In this context, the merge of Airbus Finance BV into Airbus SE is plan for 2021.