

Airbus SE

Unaudited Condensed Interim IFRS Consolidated Financial Information for the three-month period ended 31 March 2022

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Airbus SE Unaudited Condensed Interim IFRS Consolidated Financial Statements

Unaudited Condensed Interim IFRS Consolidated Income Statement

<i>(In € million)</i>	Note	1 January - 31 March 2022	1 January - 31 March 2021
Revenue	9	12,000	10,460
Cost of sales		(9,460)	(8,981)
Gross margin	9	2,540	1,479
Selling expenses		(181)	(170)
Administrative expenses		(330)	(340)
Research and development expenses	10	(586)	(620)
Other income	11	22	21
Other expenses	11	(19)	(26)
Share of profit (loss) from investments accounted for under the equity method	12	(21)	9
Other income from investments	12	4	109
Profit before financial result and income taxes		1,429	462
Interest income		2	14
Interest expense		(78)	(96)
Other financial result		242	141
Total financial result	13	166	59
Income taxes	14	(402)	(175)
Profit for the period		1,193	346
Attributable to			
Equity owners of the parent (Net income)		1,219	362
Non-controlling interests		(26)	(16)
Earnings per share		€	€
Basic	15	1.55	0.46
Diluted	15	1.55	0.46

The accompanying notes are an integral part of these Unaudited Condensed Interim IFRS Consolidated Financial Statements.

Unaudited Condensed Interim IFRS Consolidated Statement of Comprehensive Income

<i>(In € million)</i>	Note	1 January - 31 March 2022	1 January - 31 March 2021
Profit for the period		1,193	346
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement of the defined benefit pension plans		987	2,372
Income tax relating to re-measurement of the defined benefit pension plans		(226)	(398)
Change in fair value of financial assets		(191)	(51)
Income tax relating to change in fair value of financial assets		24	(8)
Share of change from investments accounted for under the equity method		2	17
<i>Items that may be reclassified to profit or loss:</i>			
Foreign currency translation differences for foreign operations		60	88
Change in fair value of cash flow hedges		(560)	(2,581)
Income tax relating to change in fair value of cash flow hedges		154	666
Change in fair value of financial assets		(247)	(34)
Income tax relating to change in fair value of financial assets		2	9
Share of change from investments accounted for under the equity method		7	2
Other comprehensive income, net of tax		12	82
Total comprehensive income for the period		1,205	428
Attributable to:			
Equity owners of the parent		1,221	445
Non-controlling interests		(16)	(17)

The accompanying notes are an integral part of these Unaudited Condensed Interim IFRS Consolidated Financial Statements.

Unaudited Condensed Interim IFRS Consolidated Statement of Financial Position

<i>(In € million)</i>	Note	31 March 2022	31 December 2021
Assets			
Non-current assets			
Intangible assets	16	16,399	16,367
Property, plant and equipment	16	16,336	16,536
Investment property		40	41
Investments accounted for under the equity method	17	1,693	1,672
Other investments and other long-term financial assets	18	4,235	4,001
Non-current contract assets		25	27
Non-current other financial assets	21	569	691
Non-current other assets	22	843	795
Deferred tax assets		4,231	4,323
Non-current securities	24	6,648	6,794
Total non-current assets		51,019	51,247
Current assets			
Inventories	19	30,211	28,538
Trade receivables		5,383	5,063
Current portion of other long-term financial assets	18	649	537
Current contract assets		1,633	1,377
Current other financial assets	21	1,764	1,451
Current other assets	22	2,761	2,393
Current tax assets		569	552
Current securities	24	1,123	1,317
Cash and cash equivalents	24	15,045	14,572
Total current assets		59,138	55,800
Assets and disposal group of assets classified as held for sale		0	0
Total assets		110,157	107,047

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<i>(In € million)</i>	Note	31 March 2022	31 December 2021
Equity and liabilities			
Equity attributable to equity owners of the parent			
Capital stock		789	787
Share premium		3,846	3,712
Retained earnings		8,883	6,834
Accumulated other comprehensive income		(2,567)	(1,822)
Treasury shares		(81)	(45)
Total equity attributable to equity owners of the parent		10,870	9,466
Non-controlling interests		25	20
Total equity	23	10,895	9,486
Liabilities			
Non-current liabilities			
Non-current provisions	20	9,332	10,771
Long-term financing liabilities	24	12,527	13,094
Non-current contract liabilities		19,123	18,620
Non-current other financial liabilities	21	7,177	6,562
Non-current other liabilities	22	554	583
Deferred tax liabilities		119	116
Non-current deferred income		5	8
Total non-current liabilities		48,837	49,754
Current liabilities			
Current provisions	20	4,447	4,510
Short-term financing liabilities	24	2,045	1,946
Trade liabilities		10,296	9,693
Current contract liabilities		24,594	23,906
Current other financial liabilities	21	2,993	2,532
Current other liabilities	22	3,971	3,532
Current tax liabilities		1,351	1,057
Current deferred income		728	631
Total current liabilities		50,425	47,807
Disposal group of liabilities classified as held for sale		0	0
Total liabilities		99,262	97,561
Total equity and liabilities		110,157	107,047

The accompanying notes are an integral part of these Unaudited Condensed Interim IFRS Consolidated Financial Statements.

Unaudited Condensed Interim IFRS Consolidated Statement of Cash Flows

<i>(In € million)</i>	Note	1 January - 31 March 2022	1 January - 31 March 2021
Operating activities			
Profit for the period attributable to equity owners of the parent (Net income)		1,219	362
Loss for the period attributable to non-controlling interests		(26)	(16)
<i>Adjustments to reconcile profit for the period to cash provided by operating activities:</i>			
Depreciation and amortization		585	597
Valuation adjustments		(384)	(37)
Deferred tax expense (income)		58	(62)
Change in income tax assets, income tax liabilities and provisions for income tax		279	227
Results of investments accounted for under the equity method		21	(9)
Change in current and non-current provisions		(532)	(442)
Contribution to plan assets		(70)	(175)
Change in other operating assets and liabilities		(662)	1,040
Cash provided by operating activities		488	1,485
Investing activities			
Purchases of intangible assets, property, plant and equipment and investment property		(337)	(460)
Proceeds from disposals of intangible assets, property, plant and equipment and investment property		25	32
Acquisitions of subsidiaries, joint ventures, businesses and non-controlling interests (net of cash)		(6)	(7)
Payments for investments accounted for under the equity method, other investments and other long-term financial assets		(231)	(84)
Proceeds from disposals of investments accounted for under the equity method, other investments and other long-term financial assets		96	70
Dividends paid by companies valued at equity		0	0
Change in securities		92	421
Cash (used for) investing activities		(361)	(28)
Financing activities			
Change in financing liabilities		28	(341)
Changes in liability for puttable instruments		134	0
Changes in capital and non-controlling interests		139	133
Change in treasury shares		(36)	0
Cash provided by (used for) financing activities		265	(208)
Effect of foreign exchange rate changes on cash and cash equivalents		81	285
Net increase in cash and cash equivalents		473	1,534
Cash and cash equivalents at beginning of period		14,572	14,439
Cash and cash equivalents at end of period		15,045	15,973

The accompanying notes are an integral part of these Unaudited Condensed Interim IFRS Consolidated Financial Statements.

Unaudited Condensed Interim IFRS Consolidated Statement of Changes in Equity

<i>(In € million)</i>	Equity attributable to equity owners of the parent	Non-controlling interests	Total Equity
Balance at 1 January 2021	6,445	11	6,456
Profit for the period	362	(16)	346
Other comprehensive income	83	(1)	82
Total comprehensive income for the period	445	(17)	428
Capital increase	130	0	130
Share-based payment (IFRS 2)	45	0	45
Equity transaction (IAS 27)	(17)	22	5
Change in treasury shares	0	0	0
Balance at 31 March 2021	7,048	16	7,064
Balance at 1 January 2022	9,466	20	9,486
Profit for the period	1,219	(26)	1,193
Other comprehensive income	2	10	12
Total comprehensive income for the period	1,221	(16)	1,205
Capital increase	136	0	136
Share-based payment (IFRS 2)	83	0	83
Equity transaction (IAS 27)	0	21	21
Change in treasury shares	(36)	0	(36)
Balance at 31 March 2022	10,870	25	10,895

The accompanying notes are an integral part of these Unaudited Condensed Interim IFRS Consolidated Financial Statements.

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Notes to the Airbus SE Unaudited Condensed Interim IFRS Consolidated Financial Statements

1. The Company

The accompanying Unaudited Condensed Interim IFRS Consolidated Financial Statements present the financial position and the results of operations of **Airbus SE** together with its subsidiaries referred to as "the Company", a European public limited-liability company (*Societas Europaea*) with its seat (*statutaire zetel*) in Amsterdam, The Netherlands, its registered address at Mendelweg 30, 2333 CS Leiden, The Netherlands, and registered with the Dutch Commercial Register (Handelsregister) under number 24288945. The Company's reportable segments are Airbus, Airbus Helicopters and Airbus Defence and Space (see "– Note 8: Segment Information"). The Company is listed on the European stock exchanges in Paris, Frankfurt am Main, Madrid, Barcelona, Valencia and Bilbao. The Unaudited Condensed Interim IFRS Consolidated Financial Statements were authorised for issue by the Company's Board of Directors on 4 May 2022.

2. Ukraine Crisis

Russia's invasion of Ukraine on 24 February 2022 and the resulting export control restrictions and international sanctions against Russia, Belarus and certain Russian entities and individuals have resulted in disruption to the Company's business, its operations, data management and supply chain.

Following the imposition of export control restrictions and sanctions by the EU, the UK, the US and other countries that are relevant to the Company's business, the Company announced in March 2022 it has suspended the delivery of aircraft and support services to Russian customers, as well as the supply of spare parts, equipment and software to Russia. The Company is complying with all applicable regulations and sanctions to its facilities and operations in Russia.

The crisis has increased the Company's exposure to supply chain disruption risk. Part of the titanium used by the Company is sourced from Russia, both directly and indirectly through the Company's suppliers. While geopolitical risks are integrated into the Company's titanium sourcing policies, the impact of Russia's invasion of Ukraine on the Company's ability to source materials and components and any future expansion of sanctions is being reviewed.

The crisis has also exposed the Company to the risk of Soyuz business interruption that will have an impact on future launches of Arianespace.

Due to the above mentioned export control restrictions and sanctions, the Company has been unable to deliver 2 aircraft previously recorded as sold at 31 December 2021. As a result, the associated revenues and margin have been derecognised as of 31 March 2022. These aircraft are being remarketed.

The Company has activated a crisis management cell in response to Russia's invasion of Ukraine and is monitoring the situation and evaluating the impacts to cyber security, operations, production, deliveries, logistics and transport as well as impacts on materials and components sourcing, inflation, oil and energy prices.

As of 31 March 2022, the resulting recorded EBIT charge amounts to approximately €0.2 billion, mainly relating to Airbus and Airbus Defence and Space.

3. Impact of the COVID-19 Pandemic

The Company's business, results of operations and financial condition have been and may continue to be materially affected by the COVID-19 pandemic, as the Company continues to face risks and uncertainties. For more details on 2021 impacts, please refer to the Company's IFRS Consolidated Financial Statements as of 31 December 2021.

The commercial environment improved in 2021, in particular an increase in air travel demand and the Company decided to update its production rates in response to the market environment.

As of 31 December 2021, financials reflected deliveries as well as efforts on cost containment and competitiveness. Furthermore, the Company performed a comprehensive review of provisions and depreciations, taking into account increased production rates and expected future deliveries. Consequently, the Company recorded € 0.6 billion of release of COVID-related provisions including restructuring in 2021. The year-end 2021 assessment remains unchanged as of 31 March 2022.

The Company is monitoring the evolution of the COVID-19 pandemic and will continue to assess further impacts going forward.

Management considers the Company 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.

4. Accounting Policies

The Unaudited Condensed Interim IFRS Consolidated 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"). They are prepared and reported in euro ("€") and all values are rounded to the nearest million appropriately. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

These Unaudited Condensed Interim IFRS Consolidated Financial Statements are prepared in compliance with IAS 34 and should be read in conjunction with the IFRS Consolidated Financial Statements as of 31 December 2021. The Company's accounting policies and methods are unchanged compared to 31 December 2021. The implementation of amended standards has no material impact on the Unaudited Condensed Interim IFRS Consolidated Financial Statements as of 31 March 2022.

Agenda Decision published by the IFRS Interpretation Committee ("IFRIC")

In April 2021, IFRIC published an agenda decision, "Configuration or Customisation Costs in a Cloud Computing Arrangement", which considered how an entity should account for configuration and customisation costs incurred in implementing these service arrangements. IFRIC concluded that these costs should be expensed, unless the criteria for recognising a separate asset are met. The Company is currently undertaking the analysis required to quantify the potential impact and assessing whether a change in accounting policy would be required or not.

Use of Estimates and Judgements

In preparing the Unaudited Condensed Interim IFRS Consolidated Financial Statements, management makes assumptions and estimates. These estimates are revised if the underlying circumstances have evolved or in light of new information. The underlying assumptions used for the main estimates are similar to those described in the Company's IFRS Consolidated Financial Statements as of 31 December 2021.

5. Climate Impact

Climate change may have a major impact on both the Company's industrial operations and its upstream and downstream value chain. The Company continuously assesses potential impacts of identified environmental risks and opportunities.

As of 31 March 2022, to the best of the Company's judgement, there is no material impact on the Company's assets and liabilities. The Company considered the assumptions related to the life cycle of its main programmes and the related impacts on long-lived assets impairments and concluded that there was no need for impairment. Similarly, the Company did not identify any need for revision to the useful lives of the property, plant and equipment and intangible assets.

6. Acquisitions and Disposals

There are no material acquisitions and disposals as of 31 March 2022.

7. Related Party Transactions

The Company has entered into various transactions with related entities; carried out in the normal course of business.

8. Segment Information

The Company operates in three reportable segments which reflect the internal organisational and management structure according to the nature of the products and services provided.

- **Airbus** — Development, manufacturing, marketing and sale of commercial jet passenger aircraft of more than 100 seats, freighter aircraft and regional turboprop aircraft and aircraft components; aircraft conversion and related services. It also includes the holding function of the Company and its bank activities.
- **Airbus Helicopters** — Development, manufacturing, marketing and sale of civil and military helicopters; provision of helicopter related services.
- **Airbus Defence and Space** — Military Aircraft design, development, delivery, and support of military aircraft such as combat, mission, transport and tanker aircraft and their associated services. Space Systems design, development, delivery, and support of full range of civil and defence space systems for telecommunications, earth observations, navigation, science and orbital systems. Connected Intelligence provision of services around data processing from platforms, secure communication and cyber security. In addition, the main joint ventures design, develop, deliver, and support missile systems as well as space launcher systems. Unmanned Aerial Systems design, development, delivery and service support.

On 1 January 2022, Airbus Atlantic, a wholly-owned Airbus subsidiary, was established. The new company groups the strengths, resources and skills of Airbus's sites in Nantes and Montoir-de-Bretagne, the central functions associated with their activities, as well as the STELIA Aerospace sites worldwide.

This unification is part of the transformation project announced in April 2021, aimed at strengthening the value chain of aerostructure assembly within Airbus's industrial setup.

In addition, the Company has now reached a preliminary understanding concerning the establishment of a new aerostructures assembly company in Germany, as well as the future of the Detail Parts and sub-assembly activities at Premium AEROTEC. Some of the aerostructures assembly of aircraft fuselages, currently spread across the company and subsidiaries, could be merged and fully integrated into the Company as a core activity on 1 July 2022.

These have no impact on the segment structure described above.

The following tables present information with respect to the Company's business segments. As a rule, inter-segment transfers are carried out on an arm's length basis. Inter-segment sales predominantly take place between Airbus and Airbus Defence and Space and between Airbus Helicopters and Airbus. Consolidation effects are reported in the column "Eliminations".

The Company uses EBIT as a key indicator of its economic performance.

Airbus SE
Unaudited Condensed Interim IFRS Consolidated Financial Information
for the three-month period ended 31 March 2022

Business segment information for the three-month period ended 31 March 2022 is as follows:

<i>(In € million)</i>	Airbus	Airbus Helicopters	Airbus Defence and Space	Eliminations	Consolidated Airbus
Total revenue	8,541	1,265	2,453	0	12,259
Internal revenue	(184)	(65)	(10)	0	(259)
Revenue	8,357	1,200	2,443	0	12,000
<i>thereof</i>					
<i>sales of goods at a point in time</i>	7,634	479	709	0	8,822
<i>sales of goods over time</i>	0	49	985	0	1,034
<i>services, including sales of spare parts</i>	723	672	749	0	2,144
Profit before financial result and income taxes (EBIT)	1,242	90	95	2	1,429
<i>thereof research and development expenses</i>	(477)	(56)	(53)	0	(586)
Interest result					(76)
Other financial result					242
Income taxes					(402)
Profit for the period					1,193

Business segment information for the three-month period ended 31 March 2021 is as follows:

<i>(In € million)</i>	Airbus	Airbus Helicopters	Airbus Defence and Space	Eliminations	Consolidated Airbus
Total revenue	7,272	1,177	2,115	0	10,564
Internal revenue	(46)	(50)	(8)	0	(104)
Revenue	7,226	1,127	2,107	0	10,460
<i>thereof</i>					
<i>sales of goods at a point in time</i>	6,770	461	542	0	7,773
<i>sales of goods over time</i>	1	41	783	0	825
<i>services, including sales of spare parts</i>	455	625	782	0	1,862
Profit before financial result and income taxes (EBIT)	343	62	17	40	462
<i>thereof research and development expenses</i>	(520)	(55)	(47)	2	(620)
Interest result					(82)
Other financial result					141
Income taxes					(175)
Profit for the period					346

9. Revenue and Gross Margin

Revenue increased by €+1,540 million to € 12,000 million (first three months 2021: € 10,460 million). The increase is mainly driven by Airbus (€+1,131 million) reflecting higher volume in aircraft deliveries and a favourable mix.

Revenue by geographical areas based on the location of the customer is as follows:

<i>(In € million)</i>	1 January - 31 March 2022	1 January - 31 March 2021
Europe	5,180	3,830
Asia-Pacific	3,084	3,437
North America	2,650	1,297
Middle East	507	349
Latin America	291	153
Other countries	288	1,394
Total	12,000	10,460

The **gross margin** increased by €+1,061 million to € 2,540 million compared to € 1,479 million in the first three months 2021. It is mainly driven by higher aircraft deliveries and better cost efficiency at Airbus. The gross margin includes a non-recurring positive impact related to the re-measurement of past service cost in the retirement obligations of € 0.4 billion (see “– Note 20: Provisions”). The gross margin rate increased from 14.1% to 21.2%.

As of 31 March 2022, the Company has delivered a total of 106 A400M aircraft including 1 aircraft in the first three months of 2022.

The COVID-19 pandemic is weighing on the performance of development, production, flight testing, aircraft delivery and retrofit activities of the programme. The Company has continued with development activities toward achieving the revised capability roadmap. Retrofit activities are progressing in close alignment with the customer.

In 2021, an update of the contract estimate at completion was performed and an additional charge of € 212 million recorded reflecting mainly the updated estimates on the delivery pattern of the launch contract and the associated impact on unabsorbed costs. The year-end 2021 assessment remains unchanged as of 31 March 2022.

Risks remain on the qualification of technical capabilities and associated costs, on aircraft operational reliability in particular with regard to power plant, on cost reductions and on securing export orders in time as per the revised baseline.

Defence export licences to Saudi Arabia were suspended by the German Government until 31 March 2020. An Estimate at Completion (EAC) for a customer contract was performed as of 31 December 2021, and the Company continues to engage with its customer to agree a way forward. The outcome of these negotiations is presently unclear but could result in further significant financial impacts. The year-end 2021 assessment remains unchanged as of 31 March 2022.

10. Research and Development Expenses

Research and development expenses decreased by € -34 million to € 586 million compared to € 620 million in the first three months 2021.

11. Other Income and Other Expenses

Other income increased by € +1 million to € 22 million compared to € 21 million in the first three months 2021.

Other expenses decreased by € -7 million to € -19 million compared to € -26 million in the first three months 2021.

12. Share of Profit from Investments Accounted for under the Equity Method and Other Income from Investments

Share of profit from investments under the equity method and **other income from investments** decreased by € -135 million to € -17 million compared to € 118 million in the first three months 2021. In the first three months 2021, it included dividends received from other investments classified at fair value through OCI for an amount of € 108 million.

13. Total Financial Result

Total financial result improved by € +107 million to € 166 million compared to € 59 million in the first three months 2021. This is driven by the revaluation of certain equity investments (see “– Note 18: Other Investments and Other Long-Term Financial Assets”), partly offset by both the negative impact from foreign exchange valuation of monetary items and the revaluation of financial instruments.

14. Income Taxes

The **income tax** expense amounts to € -402 million (first three months 2021: € -175 million) and corresponds to an effective income tax rate of 25.2%. This includes impacts on the tax-free revaluation of certain equity investments under IFRS 9 partially offset by deferred tax asset impairments. Management will continue to assess its tax contingencies going forward, whose outcome could result in further financial impacts.

15. Earnings per Share

	1 January - 31 March 2022	1 January - 31 March 2021
Profit for the period attributable to equity owners of the parent (Net income)	€ 1,219 million	€ 362 million
Weighted average number of ordinary shares	785,841,075	783,986,683
Basic earnings per share	€ 1.55	€ 0.46

Diluted earnings per share – The Company's dilutive potential ordinary shares are share-settled Performance Units relating to **Long-Term Incentive Plans ("LTIP")**.

During the first three months 2022, the average price of the Company's shares exceeded the exercise price of the share-settled Performance Units and therefore 609,919 shares were considered in the calculation of diluted earnings per share.

	1 January - 31 March 2022	1 January - 31 March 2021
Profit for the period attributable to equity owners of the parent (Net income), adjusted for diluted calculation	€ 1,219 million	€ 362 million
Weighted average number of ordinary shares (diluted)	786,450,994	784,528,867
Diluted earnings per share	€ 1.55	€ 0.46

16. Intangible Assets and Property, Plant and Equipment

Intangible assets increased by € +32 million to € 16,399 million (prior year-end: € 16,367 million). Intangible assets mainly relate to goodwill of € 13,033 million (prior year-end: € 13,028 million). Based on management's best estimate, there is no impact on the useful life of capitalised development costs resulting from the Company's journey towards sustainable aerospace.

Property, plant and equipment decreased by € -200 million to € 16,336 million (prior year-end: € 16,536 million). Property, plant and equipment include right-of-use assets for an amount of € 1,689 million as of 31 March 2022 (prior year-end: € 1,698 million). Based on management's best estimate, there is no impact on the useful life of Property, plant and equipment resulting from the Company's journey towards sustainable aerospace.

17. Investments Accounted for under the Equity Method

Investments accounted for under the equity method increased by € +21 million to € 1,693 million (prior year-end: € 1,672 million). They mainly include the equity investments in ArianeGroup, MBDA and ATR GIE.

18. Other Investments and Other Long-Term Financial Assets

<i>(In € million)</i>	31 March 2022	31 December 2021
Other investments	2,775	2,511
Other long-term financial assets	1,460	1,490
Total non-current other investments and other long-term financial assets	4,235	4,001
Current portion of other long-term financial assets	649	537
Total	4,884	4,538

Other investments mainly comprise the Company's participations and include the remaining investment in Dassault Aviation (9.90%, prior year-end: 9.90%) amounting to € 1,189 million at 31 March 2022 (prior year-end: € 786 million).

Other long-term financial assets and the **current portion of other long-term financial assets** include other loans in the amount of € 1,993 million as of 31 March 2022 (prior year-end: € 1,909 million), and the sales financing activities in the form of finance lease receivables and loans from aircraft financing.

19. Inventories

Inventories of € 30,211 million (prior year-end: € 28,538 million) increased by € +1,673 million. This is driven by Airbus (€ +1,344 million), mainly linked to an increase in the work in progress, reflecting the inventory build up to support the A320 family ramp up.

20. Provisions

<i>(In € million)</i>	31 March 2022	31 December 2021
Provisions for pensions	5,660	7,072
Other provisions	8,119	8,209
Total	13,779	15,281
<i>thereof non-current portion</i>	9,332	10,771
<i>thereof current portion</i>	4,447	4,510

As of 31 March 2022, **provisions for pensions** decreased mainly due to the increase of the discount rates in Germany, France, Canada and the UK during the first three months 2022, resulting from market volatility related mainly to the Ukraine crisis and due to the re-measurement of past service cost in the retirement obligations recognised as a profit in the income statement of € 0.4 billion.

21. Other Financial Assets and Other Financial Liabilities

Other Financial Assets

<i>(In € million)</i>	31 March 2022	31 December 2021
Positive fair values of derivative financial instruments	542	664
Others	27	27
Total non-current other financial assets	569	691
Receivables from related companies	901	803
Positive fair values of derivative financial instruments	444	341
Others	419	307
Total current other financial assets	1,764	1,451
Total	2,333	2,142

Other Financial Liabilities

<i>(In € million)</i>	31 March 2022	31 December 2021
Liabilities for derivative financial instruments	3,152	2,640
European Governments' refundable advances	3,742	3,730
Others	283	192
Total non-current other financial liabilities	7,177	6,562
Liabilities for derivative financial instruments	2,364	1,923
European Governments' refundable advances	131	131
Liabilities to related companies	187	180
Others	311	298
Total current other financial liabilities	2,993	2,532
Total	10,170	9,094

In the first three months 2022, the European Governments' refundable advances increased by € +12 million to € 3,873 million (prior year-end: € 3,861 million).

The allocation of European Governments' refundable advances between non-current and current presented in the Unaudited Condensed Interim IFRS Consolidated Financial Statements ended 31 March 2022 is based on the applicable contractual repayment dates.

22. Other Assets and Other Liabilities

Other Assets

<i>(In € million)</i>	31 March 2022	31 December 2021
Cost to fulfil a contract	292	301
Prepaid expenses	139	116
Others	412	378
Total non-current other assets	843	795
Value added tax claims	1,423	1,183
Cost to fulfil a contract	519	499
Prepaid expenses	421	392
Others	398	319
Total current other assets	2,761	2,393
Total	3,604	3,188

As of 31 March 2022, non-current other assets include € 328 million of payments to be made to Airbus by suppliers after aircraft delivery (prior year-end: € 305 million). They are recorded as a reduction of cost of goods sold at the time of aircraft delivery. These future payments are discounted to reflect specific contractual terms and repayment profile.

Other Liabilities

<i>(In € million)</i>	31 March 2022	31 December 2021
Others	554	583
Total non-current other liabilities	554	583
Tax liabilities (excluding income tax)	866	771
Others	3,105	2,761
Total current other liabilities	3,971	3,532
Total	4,525	4,115

23. Total Equity

The Company's shares are exclusively ordinary shares with a par value of € 1.00. The following table shows the development of the number of shares issued and fully paid:

<i>(In number of shares)</i>	31 March 2022	31 December 2021
Issued at 1 January	786,083,690	784,149,270
Issued for ESOP	2,052,509	1,934,420
Issued at end of period	788,136,199	786,083,690
Treasury shares	(780,885)	(454,735)
Outstanding at end of period	787,355,314	785,628,955

Holders of ordinary shares are entitled to dividends and to one vote per share at general meetings of the Company.

Equity attributable to equity owners of the parent (including purchased treasury shares) amounts to € 10,870 million (prior year-end: € 9,466 million) representing an increase of € +1,404 million mainly explained by the net income for the period of € +1,219 million and an increase in the other comprehensive income, principally related to a change in actuarial gains and losses of € +747 million partly offset by the change in fair value of financial assets of € -412 million and the mark to market revaluation of the hedge portfolio of € -410 million.

The **non-controlling interests ("NCI")** from non-wholly owned subsidiaries increased to € 25 million as of 31 March 2022 (prior year-end: € 20 million). These NCI do not have a material interest in the Company's activities and cash flows.

24. Net Cash

The net cash position provides financial flexibility to fund the Company's operations, to react to business needs and risk profile and to return capital to the shareholders.

<i>(In € million)</i>	31 March 2022	31 December 2021
Cash and cash equivalents	15,045	14,572
Current securities	1,123	1,317
Non-current securities	6,648	6,794
Gross cash position	22,816	22,683
Short-term financing liabilities	(2,045)	(1,946)
Long-term financing liabilities	(12,527)	(13,094)
Interest rate contracts ⁽¹⁾	(533)	97
Total	7,711	7,740

(1) The Company has decided to refine the net cash definition to include interest rate contracts related to fair value hedges, which is also reflected in the Q1 2022 balance.

The net cash position on 31 March 2022 amounted to € 7,711 million (prior year-end: € 7,740 million), with a gross cash position of € 22,816 million (prior year-end: € 22,683 million).

Cash and Cash Equivalents

Cash and cash equivalents are composed of the following elements:

<i>(In € million)</i>	31 March 2022	31 December 2021
Bank account and petty cash	7,607	1,964
Short-term securities (at fair value through profit or loss)	6,626	12,075
Short-term securities (at fair value through OCI)	812	533
Others	0	0
Total cash and cash equivalents	15,045	14,572

Only securities with a maturity of three months or less from the date of the acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, are recognised in cash equivalents.

Cash and cash equivalents have increased by € +0.4 billion from € 14.6 billion at 31 December 2021 to € 15.0 billion at 31 March 2022 and they include payments received in advance from certain customers.

The main variations are as follows:

Cash provided by operating activities amounted to € +0.5 billion in the first three months 2022, mainly driven by a profit translated into cash partly offset by a negative impact from working capital which mainly reflects the increase in inventory partly compensated by a positive impact from contract assets and contract liabilities. It also includes a positive impact from net payments made to suppliers in anticipation.

Cash used for investing activities amounted to € -0.4 billion, mainly reflecting capital expenditures.

Cash provided by financing activities amounted to € +0.3 billion and includes the funding of ACLP by Investissement Québec ("IQ").

Similar to previous years, the Company has supported its suppliers concerning supply chain financing arrangements.

Financing Liabilities

<i>(In € million)</i>	31 March 2022	31 December 2021
Bonds and commercial papers	10,495	11,061
Liabilities to financial institutions	465	467
Loans	74	75
Lease liabilities	1,493	1,491
Total long term financing liabilities	12,527	13,094
Bonds and commercial papers	0	0
Liabilities to financial institutions	27	26
Loans	99	96
Lease liabilities	235	245
Others ⁽¹⁾	1,684	1,579
Total short term financing liabilities	2,045	1,946
Total	14,572	15,040

(1) Included in "others" are financing liabilities to joint ventures.

Long-term financing liabilities, mainly comprising of bonds and lease liabilities, decreased by € -567 million to € 12,527 million (prior year-end: € 13,094 million), mainly due to the revaluation of bonds.

Short-term financing liabilities increased by € +99 million to € 2,045 million (prior year-end: € 1,946 million).

25. Financial Instruments

The following table presents the composition of derivative financial instruments:

<i>(In € million)</i>	31 March 2022	31 December 2021
Non-current positive fair values	542	664
Current positive fair values	444	341
Total positive fair values of derivative financial instruments	986	1,005
Non-current negative fair values	(3,152)	(2,640)
Current negative fair values	(2,364)	(1,923)
Total negative fair values of derivative financial instruments	(5,516)	(4,563)
Total net fair values of derivative financial instruments	(4,530)	(3,558)

The total net fair value of derivative financial instruments decreased by € -972 million to € -4,530 million (prior year-end: € -3,558 million) as a result of the strengthened US dollar versus the euro associated with the mark to market valuation of the hedge portfolio.

As of 31 March 2022, the total hedge portfolio with maturities up to 2028 amounts to US\$ 87.1 billion (prior year-end: US\$ 88.3 billion) and covers a major portion of the foreign exchange exposure expected over the hedging horizon. The US dollar spot rate was 1.11 US\$/€ and 1.13 US\$/€ at 31 March 2022 and at 31 December 2021, respectively. The average US\$/€ hedge rate of the US\$/€ hedge portfolio until 2028 remains at 1.25 US\$/€ (prior year-end: 1.25 US\$/€).

Carrying Amounts and Fair Values of Financial Instruments

Fair values of financial instruments have been determined with reference to available market information at the end of the reporting period and the valuation methodologies as described in detail in Note 37.2 to the 2021 IFRS Consolidated Financial Statements. For the first three months 2022, the Company has applied the same methodologies for the fair value measurement of financial instruments.

Carrying amount is a reasonable approximation of fair value for all classes of financial instruments listed in the first table of Note 37.2 to the 2021 IFRS Consolidated Financial Statements, with the exception of:

<i>(In € million)</i>	31 March 2022		31 December 2021	
	Book Value	Fair Value	Book Value	Fair Value
Financing liabilities				
Bonds and commercial papers	(10,495)	(11,894)	(11,061)	(11,886)
Liabilities to financial institutions and others	(2,349)	(2,349)	(2,243)	(2,243)

Fair Value Hierarchy

Depending on the extent the inputs used to measure fair values rely on observable market data, fair value measurements may be hierarchized according to the following levels of input:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices that are observable for the asset or liability – fair values measured based on Level 2 input typically rely on observable market data such as interest rates, foreign exchange rates, credit spreads or volatilities;
- Level 3: inputs for the asset or liability that are not based on observable market data – fair values measured based on Level 3 input rely to a significant extent on estimates derived from the Company's own data and may require the use of assumptions that are inherently judgemental and involve various limitations.

The fair values disclosed for financial instruments accounted for at amortised cost reflect Level 2 input. Otherwise, the Company determines mostly fair values based on Level 1 and Level 2 inputs and to a lesser extent on Level 3 input.

The following table presents the carrying amounts of the financial instruments held at fair value across the three levels of the **fair value hierarchy**:

<i>(In € million)</i>	31 March 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Equity instruments	1,990	0	785	2,775	1,808	0	703	2,511
Derivative instruments	0	986	0	986	0	1,005	0	1,005
Securities	7,771	0	0	7,771	8,111	0	0	8,111
Customer financing	0	0	116	116	0	0	118	118
Cash equivalents	6,626	812	0	7,438	12,075	533	0	12,608
Total	16,387	1,798	901	19,086	21,994	1,538	821	24,353
Financial liabilities measured at fair value								
Derivative instruments	0	(5,413)	(103)	(5,516)	0	(4,485)	(78)	(4,563)
Other financial liabilities	0	0	(134)	(134)	0	0	(16)	(16)
Total	0	(5,413)	(237)	(5,650)	0	(4,485)	(94)	(4,579)

As at 31 March 2022, the fair value of the written put options on non-controlling interests ("NCI puts") relating to ACLP amounts to € 134 million (prior year-end: € 16 million) linked to the funding of ACLP by IQ (see "– Note 24: Net Cash").

The fair value of these NCI puts are derived from a discounted cash flow analysis using the latest operating plan and a projection over the lifetime of the A220 programme. In addition, a post-tax WACC of 9.58% is used to discount the forecasted cash flows, taking into account the specificities of the programme (prior year-end: 9.58%).

26. Litigation and Claims

The Company is involved from time to time in various governmental, legal and arbitration proceedings in the ordinary course of its business, the most significant of which are described below. Other than as described below, the Company is not aware of any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have or have had in the recent past significant effects on Airbus SE's or the Company's Financial Position or profitability.

If the Company concludes that the disclosures relative to contingent liabilities can be expected to prejudice seriously its position in a dispute with other parties, the Company limits its disclosures to the nature of the dispute.

Investigation by the UK SFO, France's PNF, US Departments of State and Justice and Related Commercial Litigation

The Company reached final agreements ("the agreements") with the French Parquet National Financier ("PNF"), the UK Serious Fraud Office ("SFO"), and the US Department of Justice ("DoJ") resolving the authorities' investigations into allegations of bribery and corruption, as well as with the US Department of State ("DoS") and the DoJ to resolve their investigations into inaccurate and misleading filings made with the DoS pursuant to the US International Traffic in Arms Regulations ("ITAR"). The agreements were approved and made public on 31 January 2020.

Under the terms of the agreements, the Company agreed to pay penalties of € 3,597,766,766 plus interest and costs to the French, UK and US authorities. This was recognised in the Company's 2019 accounts. The settlements with each authority were as follows: PNF € 2,083,137,455, the SFO € 983,974,311, the DoJ € 526,150,496 and the DoS € 9,009,008 of which € 4,504,504 may be used for approved remedial compliance measures. All penalties have been paid.

Under the terms of the Convention judiciaire d'intérêt public ("CJIP") with the PNF, the Company has an obligation to submit its compliance programme to targeted audits carried out by the Agence Française Anticorruption ("AFA") over a period of three years.

Under the terms of the Deferred Prosecution Agreement (“DPA”) with the SFO, no independent compliance monitor will be imposed on the Company in light of the continuing monitorship to be conducted by the AFA.

Under the terms of the DPA with the DoJ, no independent compliance monitor will be imposed on Airbus under the agreement with the DoJ, but the Company will periodically report on its continuing compliance enhancement progress during the three year term of the DPA and carry out further reviews as required by the DoJ.

The agreements result in the suspension of prosecution for a duration of three years whereupon the prosecutions will be extinguished if the Company complies with their terms throughout the period.

Under the terms of the Consent Agreement with the DoS, the DoS has agreed to settle all civil violations of the ITAR outlined in the Company's voluntary disclosures identified in the Consent Agreement, and the Company has agreed to retain an independent export control compliance officer, who will monitor the effectiveness of the Company's export control systems and its compliance with the ITAR for a duration of three years.

As a result of the Company's decision to redirect export control compliance resources to ensure compliance with export control restrictions and international sanctions announced against Russia, Belarus and certain Russian entities and individuals following Russia's invasion of Ukraine on 24 February 2022, the Company has asked the DoS to extend the Consent Agreement by nine months. The Company does not expect the Consent Agreement extension to have an impact on the DPAs with the SFO and DoJ, nor on the CJIP with the PNF, nor on the AFA's monitorship, as those are independent of the DoS's civil compliance programme review.

Any breach of the terms of the agreements by the Company could lead to rescission by the authorities of the terms of the agreements and reopening of the prosecutions. Prosecution could result in the imposition of further monetary penalties or other sanctions including additional tax liability and could have a material impact on the Financial Statements, business and operations of the Company.

In addition to any pending investigation in other jurisdictions, the factual disclosures made in the course of reaching the agreements may result in the commencement of additional investigations in other jurisdictions. Such investigations could also result in (i) civil claims or claims by shareholders against the Company, (ii) adverse consequences on the Company's ability to obtain or continue financing for current or future projects, (iii) limitations on the eligibility of group companies for certain public sector contracts, and/or (iv) damage to the Company's business or reputation via negative publicity adversely affecting the Company's prospects in the commercial market place.

Airbus will continue to cooperate with the authorities in the future, pursuant to the agreements and to enhance its strong Ethics & Compliance culture within the Company.

Several consultants and other third parties have initiated commercial litigation and arbitration against the Company seeking relief. The agreements reached with authorities may lead to additional commercial litigation and arbitration against the Company and tax liability in the future, which could have a material impact on the Financial Statements, business and operations of the Company.

Securities Litigation

In August 2020, a putative class action lawsuit was filed in US federal court in the state of New Jersey against Airbus SE and members of its current and former management. The Company was served with the complaint in the fourth quarter of 2021. The lawsuit was brought on behalf of alleged shareholders that purchased or otherwise acquired Airbus SE securities in the US between 24 February 2016 and 30 July 2020, and asserts violations of US securities laws. The complaint alleges that defendants made false and misleading statements or omissions concerning, among other things, the Company's agreements approved on 31 January 2020 with the French PNF, the UK SFO, the US DoJ and the US DoS as well as the Company's historic practices regarding the use of third party business partners and anti-corruption compliance. The lawsuit seeks unquantified damages. On 1 April 2022 the parties filed a stipulation with the court staying the lawsuit in the US pending settlement discussions between the parties.

In addition, the Company received notification in August 2021 of two separate claims and in March 2022 of a third claim, all alleging similar facts as the US class action. Three claims have been filed in the Netherlands purportedly on behalf of Airbus investors.

The first Dutch claim was filed in August 2021 by a special purpose vehicle incorporated under the laws of Guernsey, an assignee purportedly representing numerous private shareholders and institutional investors, seeking a declaratory judgment with damages to be assessed in follow on proceedings. This claim is now pending before the Amsterdam District Court.

The second Dutch claim was filed in December 2021 following a demand letter sent by a foundation incorporated under the laws of the Netherlands, a purported representative of unnamed institutional and retail investors worldwide, starting a class action against the Company before the Dutch courts. This second Dutch claim targets the Company, certain of the Company's current and former directors and officers, and the Company's current and former auditors.

The third Dutch claim was a class action filed in April 2022 against the Company by a foundation incorporated under the laws of the Netherlands. In accordance with Dutch procedural law, the two Dutch class action claims will be treated jointly as one case.

The Dutch claims allege that the Company violated its reporting obligations by failing to adequately inform investors and providing false or misleading information about its use of intermediaries and alleged corrupt practices, its related financial exposure, internal investigations and subsequent measures taken by the Company, and related criminal investigations, which allegedly impacted the Company's share price.

The Company cannot exclude the possibility that additional claims are filed related to this subject matter attempting different theories of recovery in the same or different jurisdictions.

The Company believes it has solid grounds to defend itself against the allegations. The consequences of such litigation and the outcome of the proceedings cannot be fully assessed at this stage, but any judgment or decision unfavourable to the Company could have a material adverse impact on the Financial Statements, business and operations of the Company.

Air France Flight 447 Trial

On 1 June 2009, an A330 operated by Air France flight AF447 from Rio de Janeiro to Paris disappeared over the Atlantic Ocean with 228 persons onboard. The wreckage was located in April 2011 after several search campaigns organised by the Bureau d'Enquêtes et d'Analyses (BEA), which published its final investigation report in July 2012. In the wake of the accident, the prosecutor in Paris opened an investigation for involuntary manslaughter and Airbus SAS was charged in March 2011. In September 2019, the investigating magistrates closed the investigation and dismissed all criminal charges after a thorough analysis of the technical and legal elements of the case. However, the Paris Court of Appeal overturned the magistrates' decision and ordered trial for involuntary manslaughter. The Company's appeal to the French Supreme Court has been dismissed. The trial is scheduled to take place in the fourth quarter of 2022. The criminal trial in the Paris Criminal Court and any judgment or decision unfavourable to the Company could result in damage to its business or reputation.

Qatar Airways Commercial Litigation

Citing surface degradation on some of its A350 fleet and alleging an underlying "design defect", Qatar Airways filed a legal claim against the Company in the London Commercial Court on 17 December 2021. The claim seeks (a) liquidated damages for aircraft grounded by the Qatar Civil Aviation Authority, (b) an order that Airbus must deliver a full root cause analysis for surface degradation issues, and (c) a declaration by the court that Airbus may not deliver any further A350 aircraft to Qatar Airways until alleged "design defects" are cured. The Company rejects Qatar Airways' mischaracterisation of the non-structural surface degradation and the attendant grounding of the aircraft, which underpin the claim. Accordingly, the Company will defend itself vigorously in the proceedings. The consequences of such litigation and the outcome of the proceedings cannot be fully assessed at this stage, but any judgment or decision unfavourable to the Company could have a material adverse impact on the Financial Statements, business and operations of the Company as well as its reputation.

Grand Canyon Helicopter Accident

On 10 February 2018, a fatal accident occurred in the Grand Canyon at a site called Quartermaster in Arizona involving an EC130 B4 helicopter operated by Papillon Helicopters impacting the canyon floor and catching fire, leading to five fatalities and two severely injured persons. Following the accident, product liability claims were filed in Nevada state court in the US, including claims by the estate and parents of a deceased passenger and by the injured pilot of the helicopter. The Company intends to vigorously defend itself against the claims, but such claims may generate negative publicity and reputational harm. Any judgment or decision unfavourable to the Company could have a material adverse impact on the Financial Statements, business and operations of the Company as well as on its reputation.

Other Investigations

The Company is cooperating fully with the authorities in a judicial investigation in France related to Kazakhstan. In this spirit, the Company was interviewed by the investigating magistrates and has been granted the status of "assisted witness" in the investigation.

The Company is also cooperating fully with the authorities in a judicial investigation in France related to Libya. In this spirit, the Company has responded voluntarily to requests for information.

In 2019, the Company self-reported to German authorities potentially improper advance receipt and communication of confidential customer information by employees of Airbus Defence and Space GmbH. The information concerned relates to future German government procurement projects. The self-disclosure by the Company followed an internal review with the support of an external law firm. Both the German Ministry of Defence and the Munich public prosecutor opened an investigation into the matter. The investigation could have an impact on Airbus Defence and Space GmbH's and Airbus Secure Land Communications GmbH's ability to participate in future public procurement projects in Germany. In 2021 the Munich prosecution issued a penalty notice against Airbus Defence and Space GmbH for € 10 million for negligent violation of supervisory duties in connection with this matter. The Company continues to fully cooperate with relevant authorities.

27. Number of Employees

	Airbus	Airbus Helicopters	Airbus Defence and Space	Consolidated Airbus
31 March 2022	73,959	19,963	33,198	127,120
31 December 2021	73,560	20,126	32,809	126,495

28. Events after the Reporting Date

There are no subsequent events after the reporting date.