



NEW NORMAL. NEW STRENGTH.

1st Interim Report
January – March 2022



The Lufthansa Group

KEY FIGURES

		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue and result				
Total revenue	€m	5,363	2,560	109
of which traffic revenue	€m	3,833	1,542	149
Operating expenses ¹⁾	€m	6,361	3,885	64
Adjusted EBITDA ¹⁾	€m	-28	-482	94
Adjusted EBIT ¹⁾	€m	-591	-1,048	44
EBIT	€m	-640	-1,135	44
Net profit/loss	€m	-584	-1,049	44
Key balance sheet and cash flow statement figures				
Total assets	€m	44,386	38,453	15
Equity	€m	5,426	2,052	164
Equity ratio	%	12.2	5.3	6.9 pts
Net indebtedness	€m	8,283	10,924	-24
Pension provision	€m	5,711	7,821	-27
Cash flow from operating activities ¹⁾	€m	1,496	-775	
Gross capital expenditures ²⁾	€m	640	153	318
Net capital expenditures	€m	637	87	632
Adjusted free cash flow ¹⁾	€m	780	-953	
Key profitability figures				
Adjusted EBITDA margin ¹⁾	%	-0.5	-18.8	18.3 pts
Adjusted EBIT margin ¹⁾	%	-11.0	-40.9	29.9 pts
EBIT margin	%	-11.9	-44.3	32.4 pts
Lufthansa share				
Share price as of 31 Mar ³⁾	€	7.36	8.07	-9
Earnings per share	€	-0.49	-1.75	72
Traffic figures⁴⁾				
Flights	number	135,539	41,013	230
Passengers	thousands	13,173	3,046	332
Available seat-kilometres	millions	45,656	16,855	171
Revenue seat-kilometres	millions	29,862	7,582	294
Passenger load factor	%	65.4	45.0	20.4 pts
Available cargo tonne-kilometres	millions	3,142	2,527	24
Revenue cargo tonne-kilometres	millions	2,138	1,947	10
Cargo load factor	%	68.0	77.0	-9.0 pts
Employees				
Employees as of 31 Mar	number	104,034	111,262	-6

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Financial performance, p. 4, ↗ Notes, p. 30.

²⁾ Without acquisition of equity investments.

³⁾ Share price development adjusted for the effects of the issue of new shares in connection with the capital increase in September 2021.

⁴⁾ Previous year's figures have been adjusted.

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Course of business

Performance of the Lufthansa Group improves over the course of the first quarter of 2022

- The performance of the Lufthansa Group improved significantly over the first quarter of 2022; however, in view of the deterioration in the pandemic situation towards the end of 2021 and the seasonality of the airline business, which causes flight traffic to be significantly lower in the first three months than in the rest of the year, the Lufthansa Group nonetheless posted an operating loss.
- At the beginning of the year, demand for air travel was significantly impacted by the spread of the Omicron variant; however, towards the middle of the first quarter, the development of demand decoupled from the development of infection figures; accordingly, capacity was also significantly expanded at the end of the quarter.
- Though the war in Ukraine only led to a temporary downturn in bookings, it had an adverse impact on the course of business of the Lufthansa Group; this was due in particular to the substantial increase in kerosene prices and, to a lesser extent, to the loss of markets in Ukraine and Russia and the necessary adjustments of flight routes to Asia.
- Available capacity at the Passenger Airlines was 171% up on the previous year's level in the first quarter of 2022, corresponding to 57% of its pre-crisis level in 2019.
- Traffic revenue for the Lufthansa Group rose year-on-year by EUR 2,291m or 149% to EUR 3,833m (previous year: EUR 1,542m); revenue of EUR 5,363m was EUR 2,803m or 109% higher than a year ago (previous year: EUR 2,560m).
- The Lufthansa Group's cargo business profited from continuing strong demand for cargo capacities and high yields; Adjusted EBIT of EUR 495m (previous year: EUR 315m) was the highest ever in a first quarter.
- The MRO business segment profited from increasing demand for maintenance services and also reported positive Adjusted EBIT of EUR 120m (previous year: EUR 45m).
- The Lufthansa Group made further progress with the implementation of its restructuring programme in the first quarter of 2022; the measures implemented to date will account for approximately 80% of the annual savings totalling EUR 3.5bn that are to be achieved from 2024 onwards.
- The positive performance by the Logistics and MRO segments, along with progress in the restructuring programme, partially made up for the losses in Passenger Airlines; the operating loss in the first quarter of 2022 was reduced significantly year-on-year as a result; Adjusted EBIT came to EUR -591m (previous year: EUR -1,048m); the Adjusted EBIT margin was -11.0% (previous year: -40.9%); EBIT amounted to EUR -640m (previous year: EUR -1,135m).

- The net loss came to EUR -584m in the first quarter of 2022 (previous year: EUR -1,049m).
- Adjusted free cash flow came to EUR 780m (previous year: EUR -953m), mainly thanks to a high level of incoming bookings and the resulting advance payments, particularly for flights in spring and summer 2022.
- The equity ratio rose by 1.6 percentage points to 12.2% (31 December 2021: 10.6%), largely due to a decline in pension provisions compared with year-end 2021; positive Adjusted free cash flow brought net indebtedness down to EUR 8,283m, a reduction of EUR 740m or 8% on year-end 2021 (31 December 2021: EUR 9,023m).
- At the end of March 2022, the Group had available liquidity of EUR 9.9bn in total; this does not yet include a revolving credit facility that was signed in early April.

➤ **Financial performance, p. 4.**

Significant events

Ukraine war weighs on the outlook for the world economy, the industry and the Group

- The escalation of the conflict between Russia and Ukraine, which led to the outbreak of war on 24 February 2022, is expected to have an adverse impact on the global economy, the airline industry and the Lufthansa Group. At the time of reporting, it is not possible to forecast these effects in detail.
- The Group has incorporated these uncertainties into its financial outlook for the 2022 financial year.

➤ **Forecast, p. 16.**

Contracts with Christina Foerster and Michael Niggemann renewed ahead of schedule

- At its meeting on 2 March 2022, the Supervisory Board of Deutsche Lufthansa AG decided to renew the contracts with Christina Foerster and Michael Niggemann ahead of schedule for five more years until 31 December 2027.
- The Supervisory Board also decided on changes in the allocation of Executive Board responsibilities with effect from 1 July 2022: Michael Niggemann will also assume responsibility for Infrastructure & System Partners from the summer; Detlef Kayser will in future also be responsible for IT & Cyber Security and Procurement; Christina Foerster will now lead Employer Branding & Talent Management; the management of the worldwide stations of Lufthansa Group Airlines will in future be assigned to the area of responsibility of Harry Hohmeister.

Events after the reporting period

Lufthansa Group agrees inaugural revolving credit facility of EUR 2.0bn

- The Lufthansa Group signed its first revolving credit facility with a broad syndicate of international relationship banks on 8 April 2022.
- The total facility amount of EUR 2.0bn is being provided for three years, with two extension options of a year each; this revolving credit facility replaces existing unused bilateral credit lines of some EUR 0.7bn and thereby increases the Lufthansa Group's available liquidity by an additional EUR 1.3bn. [↗ Financial position, p. 7.](#)

Financial performance

Key performance indicators modified

- Beginning with financial year 2022, the reconciliation from EBIT to Adjusted EBIT adjusts restructuring expenses in the form of severance payments and significant costs of legal procedures and company transactions not arising in the normal course of business, as well as and other material non-recurring expenses caused directly by extraordinary external factors. [↗ Notes, p. 30.](#)
- The definition of Adjusted free cash flow has been amended so that cash inflows and outflows from the sale and acquisition of companies or individual business units which are allocated to investing activities are not recognised.
- Finally, contributions to and withdrawals from plan assets are disclosed in cash flow from operating activities. [↗ Notes, p. 30.](#)

EARNINGS POSITION

Traffic revenue up 149% year-on-year

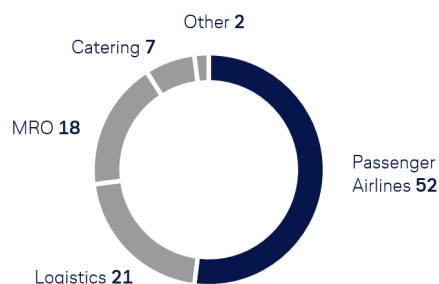
- Sales by the Passenger Airlines in the Lufthansa Group (revenue seat-kilometres) were up by 294% year-on-year in the first quarter of 2022; capacity (available seat-kilometres) was increased by 171%; the passenger load factor rose by 20.4 percentage points to 65.4%; traffic revenue in the passenger business rose by EUR 1,852m or 281% to EUR 2,510m (previous year: EUR 658m); compared to pre-crisis levels, i.e. the first quarter of 2019, capacity was at 57%.

- The Lufthansa Group's cargo business continued to perform very well in the first quarter of 2022; strong demand due to ongoing disruption to global supply chains had a very positive impact on yields; capacity (available cargo tonne-kilometres) was up 24% on the year due to increased belly capacities, though still below its pre-crisis level; sales (revenue cargo tonne-kilometres) rose by 10%; the cargo load factor of 68.0% was 9.0 percentage points below last year; traffic revenue in the cargo business rose by EUR 439m or 50% to EUR 1,323m (previous year: EUR 884m).
- Compared with the previous year, in total, traffic revenue at Lufthansa Group airlines rose in the first quarter of 2022 by EUR 2,291m or 149% to EUR 3,833m (previous year: EUR 1,542m).

Revenue up by 109% on the previous year

- Other revenue increased by EUR 512m or 50% to EUR 1,530m (previous year: EUR 1,018m), largely as a result of higher income in the MRO and Catering segments.
- Revenue, which consists of traffic revenue plus other revenue, rose by EUR 2,803m or 109% to EUR 5,363m (previous year: EUR 2,560m); other operating income rose by EUR 122m or 37% to EUR 450m (previous year: EUR 328m), particularly due to an increase in own work capitalised (mainly maintenance work on aircraft); operating income rose by EUR 2,925m or 101% to EUR 5,813m (previous year: EUR 2,888m).

EXTERNAL REVENUE SHARE OF THE BUSINESS SEGMENTS in % (Jan - Mar 2022)



REVENUE, INCOME AND EXPENSES			
in €m	Jan - Mar 2022	Jan - Mar 2021	Change in %
Traffic revenue	3,833	1,542	149
Other revenue	1,530	1,018	50
Total revenue	5,363	2,560	109
Other operating income	450	328	37
Total operating income	5,813	2,888	101
Cost of materials and services	3,152	1,412	123
of which fuel	987	275	259
of which other raw materials, consumables and supplies and purchased goods	655	357	83
of which fees and charges	678	285	138
of which external services MRO	380	216	76
Staff costs ¹⁾	1,788	1,296	38
Depreciation	563	566	-1
Other operating expenses	858	611	40
Total operating expenses¹⁾	6,361	3,885	64
Result from equity investments	-43	-51	16
Adjusted EBIT¹⁾	-591	-1,048	44
Total reconciliation EBIT ¹⁾	-49	-87	44
EBIT	-640	-1,135	44
Net interest	-83	-118	30
Other financial items	33	-60	
Profit/loss before income taxes	-690	-1,313	47
Income taxes	108	259	-58
Profit/loss after income taxes	-582	-1,054	45
Profit/loss attributable to minority interests	-2	5	
Net profit/loss attributable to shareholders of Deutsche Lufthansa AG	-584	-1,049	44

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures → Notes, p. 30.

Operating expenses up 64% on last year

- Operating expenses at the Lufthansa Group rose overall year-on-year in the first quarter of 2022 by EUR 2,476m or 64% to EUR 6,361m (previous year: EUR 3,885m).
- The cost of materials and services at the Lufthansa Group came to EUR 3,152m, which was EUR 1,740m or 123% higher than a year ago (previous year: EUR 1,412m); fuel expenses increased by EUR 712m or 259% to EUR 987m based on higher volumes, higher prices and currency effects; the impact of the significant increase in prices was reduced by price hedging, the result of which was EUR 179m.
- Operating staff costs were up by EUR 492m or 38% to EUR 1,788m (previous year: EUR 1,296m); the increase is particularly due to reduced effects from short-time working; state support of EUR 77m for short-time work was received in the first quarter of 2022 (previous year: EUR

343m); this was partially offset by the 6% decline in the average number of employees.

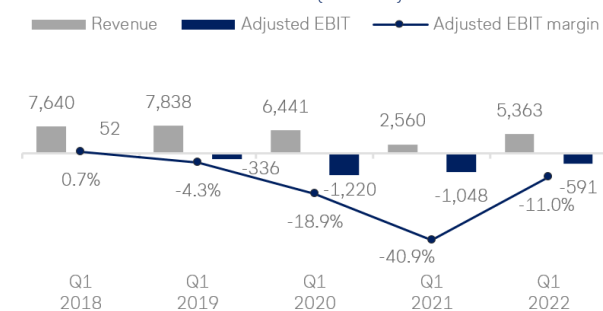
- Depreciation and amortisation fell by EUR 3m or 1% to EUR 563m (previous year: EUR 566m) and was mainly related to aircraft and reserve engines.
- Other operating revenue rose by EUR 247m or 40% to EUR 858m (previous year: EUR 611m), particularly because of increased sales and marketing costs, higher travel and outside staff costs and foreign currency losses.

Adjusted EBIT and net result less negative

- The operating result from equity investments came to EUR -43m in the first quarter of 2022 (previous year: EUR -51m), a development that is attributable primarily to lower losses at joint ventures in the passenger and MRO business compared with the previous year.
- Adjusted EBIT for the Lufthansa Group came to EUR -591m in the first quarter of 2022 (previous year: EUR -1,048m); the Adjusted EBIT margin, i.e. the ratio of Adjusted EBIT to revenue, came to -11.0% (previous year: -40.9%).
- EBIT in the reporting period came to EUR -640m (previous year: EUR -1,135m); in contrast to Adjusted EBIT, this includes costs of EUR 110m directly related to the Ukraine war as well as net income of EUR 52m in connection with restructuring measures (previous year: net expenses of EUR 95m); the net income is the result of balancing restructuring expenses against the reversal of unused provisions following the successful completion of restructuring measures.
- Net interest rose by EUR 35m or 30% to EUR -83m (previous year: EUR -118m), mainly due to lower interest expenses following the reduction of debt, especially the repayment of the stabilisation measures in Germany.
- Other financial items improved to EUR 33m (previous year: EUR -60m) and were mainly related to positive effects from the recognition in profit or loss of strategic interest rate swaps as a result of higher interest rates.

- A positive income tax effect of EUR 108m (previous year: EUR 259m) was mainly related to the recognition of deferred taxes on losses in the first quarter of 2022; the tax ratio came to 15.7% as a result.

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



- The net result attributable to shareholders of Deutsche Lufthansa AG in the first quarter of 2022 came to EUR -584m (previous year: EUR -1,049m).
- Earnings per share amounted to EUR -0.49 (previous year: EUR -1.75).

RECONCILIATION OF RESULTS

in €m	Jan - Mar 2022		Jan - Mar 2021	
	Income statement	Reconciliation Adjusted EBIT	Income statement	Reconciliation Adjusted EBIT
Total revenue	5,363		2,560	
Changes in inventories and work performed by entity and capitalised	116		24	
Other operating income	420		316	
of which book gains		-14		-10
of which write-ups on capital assets and assets held for sale		-2		-2
of which write-backs of provisions for restructuring expenses, significant litigation costs and business combinations cost		-70		-
of which other extraordinary income		-		-
of which badwill	-	-	-	-
Total operating income	5,899	-86	2,900	-12
Costs of materials and services	-3,193		-1,412	
of which extraordinary costs of material		41		-
Staff costs	-1,806		-1,390	
of which past service costs/settlements		-		-
of which restructuring expenses ¹⁾		18		95
Depreciation	-577		-569	
of which impairment losses		14		2
Other operating expenses	-903		-613	
of which impairment losses on assets held for sale		-		-
of which expenses incurred from book losses		6		2
of which expenses of significant litigation		-		-
of which expenses of business combinations		-		-
of which other extraordinary expenses		39		-
Total operating expenses	-6,479	118	-3,984	99
Profit/loss from operating activities	-580		-1,084	
Result from equity investments	-60		-51	
of which impairment losses on investments accounted for using the equity method		17		-
EBIT	-640		-1,135	
Total amount of reconciliation Adjusted EBIT ¹⁾		49		87
Adjusted EBIT¹⁾		-591		-1,048
Depreciation		563		566
Adjusted EBITDA¹⁾		-28		-482

¹⁾ Previous year's figures adjusted due to changes in the definition of key figures ↗ Notes, p. 30.

FINANCIAL POSITION

Investment volume up on previous year

- Gross capital expenditure at the Lufthansa Group increased in the first quarter of 2022 by EUR 487m or 318% to EUR 640m year-on-year (previous year: EUR 153m) and related mainly to advance payments on future aircraft purchases, capitalised major maintenance events and deliveries of five new aircraft.
- Net capital expenditure, including income from aircraft sales, came to EUR 637m (previous year: EUR 87m).

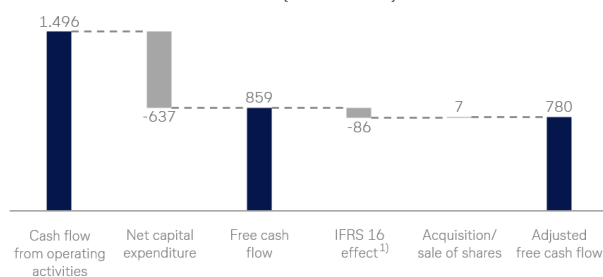
Positive cash flow from operating activities of EUR 1,496m

- The Lufthansa Group achieved a positive cash flow from operating activities of EUR 1,496m in the first quarter of 2022 (previous year: EUR -775m); the year-on-year improvement stems mainly from increased cash inflows due to the change in working capital and improved EBITDA.
- In the first quarter of 2022, growing demand for air travel gave rise to a surplus of cash from ticket sales as opposed to tickets used or refunded in the amount of EUR 2,020m (previous year: EUR 29m); this was offset by a rise in receivables due to the strong increase in airline bookings and the recovery of the AirPlus business, for which the increase in liabilities from operating activities could only partly compensate.

Adjusted free cash flow comes to EUR 780m

- Adjusted free cash flow (free cash flow adjusted for IFRS 16 effects as well as payments in connection with the acquisition/disposal of equity investments) increased to EUR 780m in the first quarter of 2022 (previous year: EUR -953m); the improvement is primarily due to the increase in cash flow from operating activities, partly offset by increased net capital expenditure.

ADJUSTED FREE CASH FLOW in €m (Jan - Mar 2022)



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

Financing activities result in cash outflow

- The balance of financing activities resulted in a net cash outflow of EUR -586m (previous year: cash inflow of EUR 121m).
- This resulted from the repayment of borrowings and stabilisation measures amounting to a total of EUR 632m; thereby, loans of EUR 148m received by the LSG group under the US CARES Act were repaid in full; EUR 204m of the government loan in Switzerland were also repaid.
- This was offset by cash inflows of EUR 162m from new financing activities on the capital market, including in particular Japanese operating leases of EUR 137m for three aircraft.

Total available liquidity of EUR 9.9bn

- Balance-sheet liquidity (total of cash, current securities and fixed-term deposits) came to EUR 7,952m as of 31 March 2022 (31 December 2021: EUR 7,666m); EUR 6,557m of the total was available centrally at Deutsche Lufthansa AG.
- Unused funding from state stabilisation measures and loans came to EUR 1,254m as of 31 March 2022; this figure relates to the undrawn credit line in this amount in Switzerland; in addition, unused credit lines of EUR 710m were available.
- As of 31 March 2022, the Company therefore had EUR 9.9bn of available liquidity in total (31 December 2021: EUR 9.4bn).

NET ASSETS

Non-current assets on par with previous year

- Non-current assets of EUR 29,174m were on the same level seen at the end of 2021 (31 December 2021: EUR 29,063m); the increase in loans and receivables (EUR +316m), aircraft and reserve engines (EUR +202m), and the increase in value of derivative financial instruments (EUR +169m), were offset by the decrease of deferred tax assets due to tax effects associated with the lower valuation of pension obligations (EUR -460m).
- The value of aircraft and reserve engines increased to EUR 15,520m as of 31 March 2022 (31 December 2021: EUR 15,318m); capital was expended on new aircraft (three Airbus A321s and two A320s), major maintenance events and advance payments on existing orders; the Lufthansa Group's fleet was comprised of 710 aircraft as of 31 March 2022.

Current assets increase by approximately EUR 1.7bn

- Current assets rose by EUR 1,737m to EUR 15,212m (31 December 2021: EUR 13,475m), mainly due to the increase in current trade and other receivables (EUR +711m) as a result of the strong increase in passenger bookings and the recovery in the AirPlus business, the increase in derivative financial instruments (EUR +566m), and higher cash and cash equivalents including current securities (EUR +286m).
- Assets held for sale of EUR 251m mainly related to five aircraft.

Non-current provisions and liabilities decrease by around EUR 1.4bn

- Non-current provisions and liabilities were down by EUR 1,389m to EUR 21,977m (31 December 2021: EUR 23,366m).
 - Non-current borrowing of EUR 14,510m was EUR 531m lower than at year-end 2021 (31 December 2021: EUR 15,041m); the decline is due largely to the repayment of the long-term stabilisation measures under the US CARES Act and the credit from Switzerland.
 - 📌 **Financial position, p. 4.**
 - Pension provisions declined by EUR 965m to EUR 5,711m (31 December 2021: EUR 6,676m), largely due to the increase in the interest rate of 0.5 percentage points to 1.8%, which was used to discount pension obligations in Germany and Austria; the effect was partly offset by the decline in the performance of plan assets.
 - Pension surpluses of EUR 451m that relate mainly to pension plans in Switzerland are not netted against this but are shown separately in non-current assets.

Current provisions and liabilities increase by around EUR 2.3bn

- Current provisions and liabilities rose by EUR 2,301m to EUR 16,983m (31 December 2021: EUR 14,682m), primarily as a result of higher liabilities from unused flight documents (EUR +2,020m) and current trade payables as well as other financial liabilities (EUR +525m).

Equity up by more than EUR 900m

- Shareholders' equity rose by EUR 936m compared with year-end 2021 to EUR 5,426m (31 December 2021: EUR 4,490m), mainly because of positive valuation effects on pensions and financial instruments recognised directly in equity, which more than offset the loss for the current financial year.
- The equity ratio increased by 1.6 percentage points compared with year-end 2021 to 12.2% (31 December 2021: 10.6%).
- Positive free cash flow brought net indebtedness down to EUR 8,283m, a reduction of EUR 740m on year-end 2021 (31 December 2021: EUR 9,023m); Adjusted net debt, the sum of net indebtedness and net pension obligations less 50% of the hybrid bond issued in 2015, was down by EUR 2,020m compared with year-end 2021 to EUR 13,296m (31 December 2021: EUR 15,316m).

CALCULATION OF NET INDEBTEDNESS

	31.03.2022	31.12.2021	Change
	in €m	in €m	in %
Liabilities to banks	-2,272	-2,461	8
Bonds	-6,702	-6,697	0
Lease liabilities	-2,314	-2,370	2
Other non-current borrowing	-4,913	-5,142	4
	-16,201	-16,670	3
Other bank borrowing	-34	-19	-79
Group indebtedness	-16,235	-16,689	3
Cash and cash equivalents	2,485	2,307	8
Securities	5,467	5,359	2
Net indebtedness	-8,283	-9,023	8
Pension provisions	-5,711	-6,676	14
Pension surplus	451	136	232
Net pension obligations	-5,260	-6,540	20
Net indebtedness and net pension obligations	-13,543	-15,563	13

Business segments

PASSENGER AIRLINES BUSINESS SEGMENT¹⁾

KEY FIGURES

		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue	€m	3,020	961	214
of which traffic revenue	€m	2,510	658	281
Total operating income	€m	3,158	1,111	184
Operating expenses ²⁾	€m	4,238	2,429	74
Adjusted EBITDA ²⁾	€m	-676	-912	26
Adjusted EBIT ²⁾	€m	-1,114	-1,359	18
EBIT	€m	-1,047	-1,400	25
Adjusted EBIT margin ²⁾	%	-36.9	-141.4	104.5 pts
Segment capital expenditure	€m	610	148	312
Employees as of 31.03.	number	55,482	59,531	-7
Flights	number	133,569	39,040	242
Passengers	thousands	13,173	3,046	332
Available seat-kilometres	millions	45,656	16,855	171
Revenue seat-kilometres	millions	29,862	7,582	294
Passenger load factor	%	65.4	45.0	20.4 pts

¹⁾ Previous year's figures have been adjusted due to changes in segment reporting
➤ Notes, p. 30.

²⁾ Previous year's figures have been adjusted due to amendments in the definition of
the figures ➤ Notes, p. 30.

- Financial reporting was revised at the beginning of the 2022 financial year to bring all passenger airlines in the Lufthansa Group together into one segment; this comprises the previously separate business segments Network Airlines and Eurowings. ➤ **Notes, p. 30.**
- The Passenger Airlines in the Lufthansa Group suffered considerably from the spread of the Omicron variant, particularly at the start of the first quarter of 2022; though the outbreak of war in Ukraine only had a temporary impact on demand for flights, increasing fuel costs and, to a lesser extent, the loss of markets in Ukraine and Russia, together with the necessary adjustments to flight routes to Asia, had a negative impact.
- During the first quarter of 2022, the Passenger Airlines continued their intensive work on the implementation of their individual restructuring programmes, focussing on cutting costs, safeguarding liquidity and increasing profitability.
- Available capacity at the Passenger Airlines was 171% over the previous year in the first quarter of 2022, and thus at 57% of its pre-crisis level in 2019; the number of flights increased by 242%; sales were up by 294% and the passenger load factor of 65.4% was 20.4 percentage points higher than last year.

- Traffic revenue at the Passenger Airlines increased by EUR 1,852m or 281% to EUR 2,510m year-on-year due to improved traffic in the first quarter of 2022 (previous year: EUR 658m); revenue of EUR 3,020m was EUR 2,059m or 214% higher than a year ago (previous year: EUR 961m); yields fell by 1.7% after adjusting for exchange rates.
- Exchange rate-adjusted unit revenues rose year-on-year by 6.8% due to the significant improvement in the passenger load factor but were 8.2% lower than before the crisis in 2019.
- Operating expenses increased by EUR 1,809m or 74% to EUR 4,238m (previous year: EUR 2,429m); expenses for fuel in particular were considerably higher than last year (EUR +675m) due to increased flight operations and higher kerosene prices; fees and charges were up on the year (EUR +388m) due to volumes; staff costs rose despite the 7% reduction in the workforce (EUR +317m), largely because short-time working was significantly reduced.
- Exchange rate-adjusted unit costs without fuel and emissions trading expenses decreased year-on-year by 44.6% thanks to positive economies of scale as a result of increased traffic; compared to 2019, they were 16.0% higher.
- Adjusted EBIT came to EUR -1,114m in the first quarter of 2022 (previous year: EUR -1,359m) and EBIT came to EUR -1,047m (previous year: EUR -1,400m); the difference from Adjusted EBIT stems mainly from the partial reversal of provisions recognised in prior years for restructuring measures, which have now been successfully completed.
- Segment capital expenditure increased by EUR 462m or 312% to EUR 610m (previous year: EUR 148m) and was primarily dedicated to advance payments for orders, major maintenance events and new aircraft.
- As of 31 March 2022, the number of employees decreased year-on-year by 7% to 55,482 (previous year: 59,531), primarily as a result of voluntary redundancy programmes, fluctuation and the absence of new recruitment.

OPERATING FIGURES

		Jan - Mar 2022	Jan - Mar 2021	Change in %	Exchange- rate adjusted change in %
Yields	€ Cent	7.4	7.1	4.1	-1.7
Unit revenue (RASK)	€ Cent	6.8	6.1	10.0	6.8
Unit cost (CASK) exclud- ing fuel and emissions trading	€ Cent	7.1	12.6	-43.5	-44.6

TRENDS IN TRAFFIC REGIONS

	Net traffic revenue external revenue		Number of passengers		Available seat-kilometres		Revenue seat-kilometres		Passenger load factor	
	Jan - Mar 2022	Change	Jan - Mar 2022	Change	Jan - Mar 2022	Change	Jan - Mar 2022	Change	Jan - Mar 2022	Change
	in €m	in %	in thousands	in %	in millions	in %	in millions	in %	in %	in pts
Europe	937	317	10,190	359	15,746	306	10,262	376	65.2	9.6 pts
America	747	423	1,498	334	17,642	158	11,596	321	65.7	25.5 pts
Asia/Pacific	184	134	355	156	4,743	69	2,688	156	56.7	19.3 pts
Middle East/Africa	342	268	1,130	230	7,525	126	5,316	227	70.6	21.8 pts
Non allocable	300	152								
Total	2,510	281	13,173	332	45,656	171	29,862	294	65.4	20.4 pts

Lufthansa German Airlines¹⁾

KEY FIGURES		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue	€m	1,759	550	220
Total operating income	€m	1,853	674	175
Operating expenses ²⁾	€m	2,560	1,488	72
Adjusted EBITDA ²⁾	€m	-497	-609	18
Adjusted EBIT ²⁾	€m	-715	-831	14
EBIT	€m	-648	-871	26
Employees as of 31.03.	number	34,443	37,386	-8
Flights	number	72,158	22,358	223
Passengers	thousands	7,193	1,866	285
Available seat-kilometres	millions	27,085	10,890	149
Revenue seat-kilometres	millions	17,692	4,979	255
Passenger load factor	%	65.3	45.7	19.6 pts

¹⁾ Including regional partners and Eurowings Discover.

²⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures → Notes, p. 30.

– Lufthansa German Airlines continued to modernise its fleet; the first of four leased A350s was integrated into the fleet in the first quarter of 2022.

– Jens Ritter became the new Chief Executive Officer of Lufthansa German Airlines as of 1 April 2022; previously he was a member of the Executive Board and the Chief Operating Officer of Eurowings; he succeeds Klaus Froese, who will resume his role as a captain for Lufthansa German Airlines.

– Also as of 1 April 2022, Jörg Beißel was appointed the new Chief Financial Officer of Lufthansa German Airlines; he was previously Head of Corporate Controlling for the Lufthansa Group and succeeds Patrick Staudacher, who left the Company at the end of April 2022.

– The second voluntary leave programme “now!” for cabin crews at Deutsche Lufthansa AG was brought to a successful conclusion on 31 March 2022; a total of more than 1,500 flight attendants decided to leave the Company; prior to this, voluntary leave programmes were completed successfully for ground and cockpit staff; these programmes make it possible to significantly reduce staff costs over the long term.

– Resurgent demand for air travel drove up revenue year-on-year at Lufthansa German Airlines by EUR 1,209m or 220% to EUR 1,759m in the reporting period (previous year: EUR 550m).

– Operating expenses of EUR 2,560m were EUR 1,072m or 72% higher than last year (previous year: EUR 1,488m), primarily due to higher fuel expenses resulting from increasing volumes and prices, higher volume-related fees and charges, and higher staff costs as a consequence of significantly reduced short-time working.

– Adjusted EBIT came to EUR -715m (previous year: EUR -831m) and EBIT came to EUR -648m (previous year: EUR -871); the difference from Adjusted EBIT stems mainly from the partial reversal of provisions recognised in prior years for restructuring measures, which have now been successfully completed.

SWISS¹⁾

KEY FIGURES		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue	€m	746	270	176
Total operating income	€m	771	294	162
Operating expenses	€m	833	505	65
Adjusted EBITDA	€m	49	-99	
Adjusted EBIT	€m	-62	-211	71
EBIT	€m	-62	-211	71
Employees as of 31.03.	number	8,494	9,751	-13
Flights	number	20,509	5,150	298
Passengers ²⁾	thousands	2,151	389	453
Available seat-kilometres ²⁾	millions	8,788	3,420	157
Revenue seat-kilometres ²⁾	millions	5,623	1,208	365
Passenger load factor ²⁾	%	64.0	35.3	28.7 pts

¹⁾ Including Edelweiss Air.

²⁾ Previous year's figures have been adjusted.

- SWISS celebrates its 20th company anniversary this year; since making its first flight from Basel to Zurich on 31 March 2002, SWISS has become one of Europe's leading airlines and is an important contributor to the promotion of Switzerland as a place for business and tourism.
- With the introduction of a Premium Economy Class in its Boeing 777-300ER wide-body fleet in the first quarter of 2022, SWISS is reinforcing its premium positioning in the growing leisure travel segment; installation in all twelve aircraft in the Boeing 777 fleet is expected to be completed by the end of May 2022.
- SWISS continues to invest in sustainability; the company announced in February 2022 that it would be the first passenger airline worldwide to use the innovative Aero-SHARK surface technology, which is expected to save up to 15,200 tonnes of CO₂ a year; SWISS and the Lufthansa Group also agreed on a strategic partnership with Synhelion to introduce solar fuel to the market, making SWISS the first airline worldwide to use the carbon-neutral "sun-to-liquid fuel".
- In the first quarter of 2022, increased flight operations enabled revenue at SWISS to rise year-on-year by EUR 476m or 176% to EUR 746m (previous year: EUR 270m).
- Operating expenses increased by a total of EUR 328m or 65% to EUR 833m, principally due to higher volume and price-related fuel expenses, as well as higher fees and charges and staff costs (previous year: EUR 505m).
- Adjusted EBIT came to EUR -62m (previous year: EUR -211m); EBIT also came to EUR -62m (previous year: EUR -211m).

Austrian Airlines

KEY FIGURES		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue	€m	201	61	230
Total operating income	€m	208	65	220
Operating expenses ¹⁾	€m	317	169	88
Adjusted EBITDA ¹⁾	€m	-77	-68	-13
Adjusted EBIT ¹⁾	€m	-109	-104	-5
EBIT	€m	-110	-106	-4
Employees as of 31.03.	number	5,611	6,314	-11
Flights	number	13,345	5,426	146
Passengers	thousands	1,134	308	268
Available seat-kilometres	millions	3,313	831	299
Revenue seat-kilometres	millions	2,094	437	379
Passenger load factor	%	63.2	52.6	10.6 pts

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 30.

- Since 1 March 2022, Annette Mann has been the Chief Executive Officer of Austrian Airlines; she succeeds Alexis von Hoensbroech, who left the company; Annette Mann was previously Head of Corporate Responsibility at Lufthansa Group.
- Increased traffic enabled revenue at Austrian Airlines to rise year-on-year in the first quarter of 2022 by EUR 140m or 230% to EUR 201m (previous year: EUR 61m).
- Operating expenses of EUR 317m were EUR 148m or 88% higher than last year (previous year: EUR 169m), mainly due to volume and price-related increases in fuel expenses and higher volume-related fees and charges.
- Adjusted EBIT came to EUR -109m in the first quarter of 2022 (previous year: EUR -104m) and EBIT came to EUR -110m (previous year: EUR -106m).

Brussels Airlines

KEY FIGURES		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue	€m	157	55	185
Total operating income	€m	165	60	175
Operating expenses	€m	227	130	75
Adjusted EBITDA	€m	-35	-41	15
Adjusted EBIT	€m	-62	-70	11
EBIT	€m	-62	-70	11
Employees as of 31.03.	number	3,142	3,065	3
Flights	number	8,153	1,791	355
Passengers	thousands	874	192	356
Available seat-kilometres	millions	2,746	1,056	160
Revenue seat-kilometres	millions	1,845	614	200
Passenger load factor	%	67.2	58.2	9.0 pts

- As of 1 July 2022, Tilman Reinshagen, currently Vice President Ground Operations Hub Airlines Frankfurt, will become a member of the Brussels Airlines Executive Board as Chief Operating Officer (COO); his appointment is still subject to the approval of the SN Airholding Board of Directors; he succeeds Edi Wolfensberger, who took over the position of COO at Eurowings as of 1 April 2022.
- Brussels Airlines' revenue increased by EUR 102m or 185% year-on-year to EUR 157m in the first quarter of 2022 (previous year: EUR 55m) due to expanded flight operations.
- Operating expenses went up by a total of EUR 97m or 75% to EUR 227m, principally due to higher volume and price-related fuel expenses, as well as higher volume-related fees and charges (previous year: EUR 130m).
- Adjusted EBIT in the reporting period came to EUR -62m (previous year: EUR -70m); EBIT also came to EUR -62m (previous year: EUR -70m).

Eurowings

KEY FIGURES		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue	€m	186	39	377
Total operating income	€m	201	55	265
Operating expenses ¹⁾	€m	338	173	95
Adjusted EBITDA ¹⁾	€m	-113	-94	-20
Adjusted EBIT ¹⁾	€m	-163	-143	-14
EBIT	€m	-163	-142	-15
Employees as of 31.03.	number	3,792	3,015	26
Flights	number	19,404	4,319	349
Passengers	thousands	1,820	292	524
Available seat-kilometres	millions	3,725	657	467
Revenue seat-kilometres	millions	2,608	344	658
Passenger load factor	%	70.0	52.3	17.7 pts

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures → Notes, p. 30.

- Eurowings opened its eleventh European base on 27 March 2022 in Stockholm; for the first time, the airline now flies directly from Sweden to numerous destinations in Europe.
- Eurowings added the first of 13 new Airbus A320neos and A321neos to its fleet on 5 April 2022.
- Since 1 February 2022, Kai Duve has been the member of the Eurowings Executive Board responsible for HR and finance; he was previously Head of Cabin Crews at Lufthansa German Airlines and succeeds Frank Bauer, who moved to Corporate Controlling at the Lufthansa Group in April 2022.
- Since 1 April 2022, Edi Wolfensberger has been the Chief Operating Officer (COO) at Eurowings; he was previously COO of Brussels Airlines; he succeeds Jens Ritter, who is the new Chief Executive Officer of Lufthansa German Airlines.
- Revenue at Eurowings of EUR 186m was EUR 147m or 377% higher than last year, primarily due to volumes (previous year: EUR 39m).
- Operating expenses rose by EUR 165m or 95% to EUR 338m (previous year: EUR 173m); fuel costs rose significantly due to volumes and prices, with fees and charges rising mainly due to higher volumes; staff costs increased due to the recruitment required to rebuild the flight programme and also because of the end of short-time working.
- Adjusted EBIT at Eurowings came to EUR -163m in the first quarter of 2022 (previous year: EUR -143m); this primarily reflects the costs associated with the planned significant expansion of the flight programme from the spring onwards; demand was also severely affected by the spread of the Omicron variant of the coronavirus, especially at the start of the year; EBIT also came to EUR -163m (previous year: EUR -142m).

LOGISTICS BUSINESS SEGMENT

KEY FIGURES

		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue	€m	1,169	802	46
of which traffic revenue	€m	1,131	765	48
Total operating income	€m	1,190	819	45
Operating expenses ¹⁾	€m	701	508	38
Adjusted EBITDA ¹⁾	€m	535	350	53
Adjusted EBIT ¹⁾	€m	495	315	57
EBIT	€m	481	316	52
Adjusted EBIT margin ¹⁾	%	42.3	39.3	3.0 pts
Segment capital expenditure	€m	7	4	75
Employees as of 31.03.	number	4,108	4,261	-4
Available cargo tonne-kilometres ²⁾	millions	2,597	2,200	18
Revenue cargo tonne-kilometres ²⁾	millions	1,788	1,673	7
Cargo load factor ²⁾	%	68.8	76.0	-7.2 pts

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures → Notes, p. 30.

²⁾ Previous year's figures have been adjusted.

- The performance of the Logistics segment is still at a record high; total market freight capacity continues to be down as a result of the coronavirus pandemic and the consequent absence of belly capacities on passenger aircraft; demand for the remaining freight capacities remains very high; operating stability has been maintained despite a difficult operating environment, which included lockdowns in China and the southerly bypass of Russia.
- Freight capacity was expanded in March 2022 with a permanently modified Airbus A321F, while a second is to follow in the second half-year; the A321Fs are managed by Lufthansa CityLine; with the market uptake, Lufthansa Cargo is responding to increasing demand from the e-commerce industry and can thus offer customers even more capacities and additional fast connections in the medium-haul segment.
- On 1 March 2022, Dietmar Focke joined the Executive Board at Lufthansa Cargo AG, where he is responsible for Operations and HR; previously, he was Head of Engine Services at Lufthansa Technik; he succeeds Harald Gloy, who left Lufthansa Cargo on 28 February 2022 and will become the new Chief Operating Officer and Chief Human Resources Officer of Lufthansa Technik on 1 July 2022.
- Lufthansa Cargo's capacity was 18% up on the year in the first quarter of 2022, mainly thanks to higher belly capacities resulting from the increase in passenger flight operations; sales rose by 7%; the cargo load factor fell by 7.2 percentage points to 68.8%; yields adjusted for exchange rate effects increased in all Lufthansa Cargo traffic regions and were 34.6% higher than the previous year.
- Traffic revenue also increased in all traffic regions by EUR 366m or 48% to EUR 1,131m (previous year: 765m) as a result of higher sales volumes, while yields continued to climb to unprecedented heights; revenue rose by EUR 367m or 46% to EUR 1,169m (previous year: EUR 802m).
- Operating expenses rose by EUR 193m or 38% to EUR 701m, largely because of higher fuel costs and higher belly expenses paid to Group companies (previous year: EUR 508m).
- Adjusted EBIT improved by EUR 180m or 57% to EUR 495m (previous year: EUR 315m), primarily thanks to higher yields and sales, enabling Lufthansa Cargo to achieve another record result in the reporting period; EBIT improved by EUR 165m or 52% to EUR 481m (previous year: EUR 316m); the difference from Adjusted EBIT is due to restructuring expenses.
- Segment capital expenditure came to EUR 7m in the first quarter of 2022 (previous year: EUR 4m).
- As of 31 March 2022, the number of employees fell by 4% to 4,108 (previous year: 4,261).

TRENDS IN TRAFFIC REGIONS

	Net traffic revenue external revenue		Available cargo tonne-kilometres		Revenue cargo tonne-kilometres		Cargo load factor	
	Jan - Mar 2022	Change	Jan - Mar 2022	Change	Jan - Mar 2022	Change	Jan - Mar 2022	Change
	in €m	in %	in millions	in %	in millions	in %	in %	in pts
Europe	71	42	126	29	68	25	53.7	-1.7 pts
America	552	55	1,338	34	896	18	67.0	-8.6 pts
Asia/Pacific	433	38	893	-6	682	-10	76.4	-3.1 pts
Middle East/Africa	75	67	240	59	142	33	59.2	-11.7 pts
Total	1,131	48	2,597	18	1,788	7	68.8	-7.2 pts

MRO BUSINESS SEGMENT

KEY FIGURES

		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue	€m	1,326	829	60
of which with companies of the Lufthansa Group	€m	373	163	129
Total operating income	€m	1,394	900	55
Operating expenses ¹⁾	€m	1,261	846	49
Adjusted EBITDA ¹⁾	€m	165	89	85
Adjusted EBIT ¹⁾	€m	120	45	167
EBIT	€m	41	16	156
Adjusted EBIT margin ¹⁾	%	9.0	5.4	3.6 pts
Segment capital expenditures	€m	14	12	17
Employees as of 31.03.	number	20,008	22,166	-10

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 30.

- Lufthansa Technik's business continued to recover from the coronavirus crisis in the first quarter of 2022; revenue and earnings improved thanks to rising demand from airlines for maintenance and repair services in expectation of a strong increase in customer demand for air travel in the months ahead; the sanctions against Russia had an adverse effect, however.
- The sale and transfer of the base maintenance company Lufthansa Technik Shannon Limited in Ireland was completed in late March 2022.
- Lufthansa Technik and BASF have started series production of the new AeroSHARK surfacing technology, with which the Lufthansa Cargo fleet and the Boeing 777 aircraft at SWISS will be equipped over the course of the year; additional expressions of interest were received for the planned commercialization of the product outside the Lufthansa Group; the AeroSHARK film reduces aircraft air resistance and thus cuts fuel consumption.
- As of 1 July 2022, Sören Stark will become the new Chief Executive Officer at Lufthansa Technik; he was previously Chief Operating Officer at Lufthansa Technik; he will be succeeded in this position by Harald Gloy, who is also taking over the function of Chief Human Resources Officer (CHRO) from the current Chief Executive Officer Johannes Bußmann; Johannes Bußmann is leaving the company at his own request as of 30 June 2022.
- Revenue rose year-on-year in the reporting period by EUR 497m or 60% to EUR 1,326m (previous year: EUR 829m).
- Strict cost discipline and the successful implementation of restructuring measures limited the cost increase resulting from the recovery; operating expenses rose by EUR 415m or 49% to EUR 1,261m (previous year: EUR 846m), mainly driven by the volume-related increase in the cost of materials and services and higher staff costs due to the significant reduction in short-time working.
- Adjusted EBIT improved in the reporting period by EUR 75m or 167% to EUR 120m (previous year: EUR 45m); EBIT was affected by impairments due to the sanctions against Russia and came to EUR 41m (previous year: EUR 16m).
- Segment capital expenditure increased by EUR 2m or 17% to EUR 14m (previous year: EUR 12m) but remained on a low level because of the strict selection of investment projects.
- As of 31 March 2022, the number of employees fell year-on-year by 10% to 20,008 (previous year: 22,166).

CATERING BUSINESS SEGMENT

KEY FIGURES

		Jan - Mar 2022	Jan - Mar 2021	Change in %
Revenue	€m	373	194	92
of which with companies of the Lufthansa Group	€m	9	6	50
Total operating income	€m	386	260	48
Operating expenses ¹⁾	€m	396	261	52
Adjusted EBITDA ¹⁾	€m	5	12	-58
Adjusted EBIT ¹⁾	€m	-14	-8	-75
EBIT	€m	-33	-9	-267
Adjusted EBIT margin ¹⁾	%	-3.8	-4.1	0.3 pts
Segment capital expenditure	€m	6	2	200
Employees as of 31.03.	number	16,520	16,382	1

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures. → Notes, p. 30

- The LSG group was confronted by a market environment that remained challenging in the first quarter of 2022, especially in Asia; however, the recovery continued in the North American market and in Latin America.
- Wilken Bormann has been a member of the LSG group's Executive Board since 1 March 2022 and is responsible for finances and HR; he succeeds Kristin Neumann, who left the company at her own request; Wilken Bormann was previously Head of Lufthansa Group Finance.
- Revenue at the LSG group increased by EUR 179m or 92% to EUR 373m in the first quarter of 2022 due to positive business performance in all regions, especially North America (previous year: EUR 194m).
- Other income fell by EUR 53m or 81% to EUR 13m (previous year: EUR 66m), largely due to the cessation of subsidies received in the previous year under the US CARES Act.
- Operating expenses increased by EUR 135m or 52% to EUR 396m, particularly due to higher costs of materials and services and higher staff costs (previous year: EUR 261m).
- Adjusted EBIT decreased in the first quarter of 2022 to EUR -14m in the absence of subsidies received pursuant to the US CARES Act (previous year: EUR -8m); without this effect, Adjusted EBIT would have been higher than last year; EBIT fell to EUR -33m (previous year: EUR -9m); the difference from Adjusted EBIT stems largely from impairment losses and expenses in connection with the war in Ukraine.
- Segment capital expenditure amounted to EUR 6m (previous year: EUR 2m).
- As of 31 March 2022, the number of employees rose year-on-year by 1% to 16,520 (previous year: 16,382).

ADDITIONAL BUSINESSES AND
GROUP FUNCTIONS

KEY FIGURES

		Jan - Mar 2022	Jan - Mar 2021	Change in %
Operating income	€m	518	482	7
Operating expenses ¹⁾	€m	583	537	9
Adjusted EBITDA ¹⁾	€m	-34	-23	-48
Adjusted EBIT ¹⁾	€m	-63	-53	-19
EBIT	€m	-65	-68	4
Segment capital expenditures	€m	17	13	31
Employees as of 31.03.	number	7,916	8,922	-11

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures → Notes, p. 30.

- Operating income of Additional Businesses and Group Functions rose year-on-year in the first quarter of 2022 by EUR 36m or 7% to EUR 518m (previous year: EUR 482m).
- Operating expenses increased by EUR 46m or 9% to EUR 583m, essentially due to higher staff costs following the significant reduction in short-time working (previous year: EUR 537m).
- Adjusted EBIT therefore fell by EUR 10m or 19% to EUR -63m (previous year: EUR -53m); EBIT improved by EUR 3m or 4% to EUR -65m (previous year: EUR -68m); the previous year's figure had been affected by restructuring expenses.
- As of 31 March 2022, the number of employees fell year-on-year by 11% to 7,916 (previous year: 8,922); the number of employees in Group Functions fell by 18%.

Opportunities and risk report

The opportunities and risks for the Group described in detail in the Annual Report 2021 have materialised or developed as follows:

- A further escalation in the Ukraine war could affect the insurance coverage of airlines worldwide. To address this risk, the Lufthansa Group companies are engaged in discussions with governments and aviation authorities to ensure continuity of flight operations in their respective home markets.
- The crude oil price has risen significantly as a result of the war in Ukraine. Furthermore, the price difference between crude oil and kerosene, known as the jet fuel crack, has increased significantly. Further increases could lead to higher fuel expenses for the Lufthansa Group, since the structure of oil markets means that the underlying risk is typically hedged by means of crude oil. There is currently no indication that kerosene supplies to airports will be restricted, though this cannot be ruled out if the geopolitical situation continues to deteriorate.
- The increasing living and energy costs could negatively impact consumer confidence and demand for flights and negatively influence the revenue of the Lufthansa Group.

On the basis of its improved financial performance, the cost-cutting measures that have been initiated and the scenarios on which its financial planning is based, the Executive Board does not consider that the continued existence of the Lufthansa Group is at risk.

Forecast

- The impact of the Ukraine war on the global economy – especially on consumer confidence and energy prices – is expected to have a strong influence on the Group's economic recovery; however, a more precise estimate of its effects was not possible at the time this report was prepared.
- The further course of the pandemic and the resulting changes in travel restrictions are also subject to considerable uncertainty.
- The Group's entire financial outlook therefore remains subject to a high degree of forecast uncertainty.
- Based on current booking patterns, the Lufthansa Group assumes it will be able to expand flight capacity significantly over the course of the year; the expectation is that capacity expansion will be driven largely by short-haul tourist routes in Europe; the Lufthansa Group also expects further recovery on long-haul routes and in the business travel segment, although at a lower level.
- Overall, the Lufthansa Group anticipates that available capacity for the Passenger Airlines in 2022 will be above 70% of its pre-crisis level, subject to the development of the Ukraine war.
- Due to the further recovery of the Passenger Airlines, continued strong demand in the Logistics segment and an ongoing upturn in the MRO segment, the Lufthansa Group expects revenue to increase in 2022, though it is not expected to attain its pre-crisis level this year.
- The Lufthansa Group expects Adjusted EBIT to improve year-on-year in 2022; the extent of the improvement is expected to depend largely on the extent to which the Group can pass on rising costs, especially for fuel, to its customers; continued progress with the implementation of the cost-cutting programme will support the earnings performance.

Further details on the Group's financial outlook can be found in the [Annual Report 2021 starting on p. 136](#).

Consolidated income statement

January - March 2022

CONSOLIDATED INCOME STATEMENT

in €m	Jan - Mar 2022	Jan - Mar 2021
Traffic revenue	3,833	1,542
Other revenue	1,530	1,018
Total revenue	5,363	2,560
Changes in inventories and work performed by entity and capitalised	116	24
Other operating income ¹⁾	420	316
Cost of materials and services	-3,193	-1,412
Staff costs	-1,806	-1,390
Depreciation, amortisation and impairment ²⁾	-577	-569
Other operating expenses ³⁾	-903	-613
Profit/loss from operating activities	-580	-1,084
Result of equity investments accounted for using the equity method	-62	-52
Result of other equity investments	2	1
Interest income	18	-2
Interest expenses	-101	-116
Other financial items	33	-60
Financial result	-110	-229
Profit/loss before income taxes	-690	-1,313
Income taxes	108	259
Profit/loss after income taxes	-582	-1,054
Thereof profit/loss attributable to non-controlling interests	2	-5
Thereof net profit/loss attributable to shareholders of Deutsche Lufthansa AG	-584	-1,049
Basic/diluted earnings per share in €	-0.49	-1.75

¹⁾ The total amount includes EUR 18m (previous year: EUR 14m) from the reversal of write-downs and allowances on receivables.

²⁾ The total amount includes EUR 0m (previous year: EUR 0m) for write-downs on non-current receivables.

³⁾ The total amount includes EUR 6m (previous year: EUR 32m) for the recognition of loss allowances on current receivables.

Consolidated statement of comprehensive income

January - March 2022

STATEMENT OF COMPREHENSIVE INCOME

in €m	Jan - Mar 2022	Jan - Mar 2021 ¹⁾
Profit/loss after income taxes	-582	-1,054
Other comprehensive income		
Other comprehensive income with subsequent reclassification to the income statement		
Differences from currency translation	45	18
Subsequent measurement of financial assets at fair value without effect on profit and loss	-35	1
Subsequent measurement of hedges - cash flow hedge reserve	1,032	397
Subsequent measurement of hedges - costs of hedges	-101	43
Other comprehensive income from investments accounted for using the equity method	-	1
Other expenses and income recognised directly in equity	-	-1
Income taxes on items in other comprehensive income	-185	-101
	756	358
Other comprehensive income without subsequent reclassification to the income statement		
Revaluation of defined-benefit pension plans	1,357	1,798
Subsequent measurement of financial assets at fair value	1	0
Other comprehensive income from investments accounted for using the equity method	-	0
Other expenses and income recognised directly in equity	54	0
Income taxes on items in other comprehensive income	-459	-430
	953	1,368
Other comprehensive income after income taxes	1,709	1,726
Total comprehensive income	1,127	672
Thereof comprehensive income attributable to non controlling interests	18	-4
Thereof comprehensive income attributable to shareholders of Deutsche Lufthansa AG of Deutsche Lufthansa AG	1,109	676

Consolidated statement of financial position as of 31 March 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

in €m	31/03/2022	31/12/2021	31/03/2021
Intangible assets with an indefinite useful life ¹⁾	1,196	1,189	1,160
Other intangible assets	408	419	454
Aircraft and reserve engines	15,520	15,318	15,532
Repairable spare parts for aircraft	1,853	1,847	1,807
Property, plant and other equipment ²⁾	3,304	3,354	3,598
Investments accounted for using the equity method	385	434	368
Other equity investments	231	245	252
Non-current securities	39	38	35
Loans and receivables	841	525	456
Derivative financial instruments	1,063	894	393
Deferred charges and prepaid expenses	70	74	82
Effective income tax receivables	63	65	36
Deferred tax assets	4,201	4,661	4,582
Non-current assets	29,174	29,063	28,755
Inventories	701	675	695
Contract assets	243	179	187
Trade receivables and other receivables	4,397	3,686	3,122
Derivative financial instruments	1,108	542	322
Deferred charges and prepaid expenses	314	208	229
Effective income tax receivables	246	249	288
Securities	5,467	5,359	3,268
Cash and cash equivalents	2,485	2,307	1,482
Assets held for sale	251	270	105
Current assets	15,212	13,475	9,698
Total assets	44,386	42,538	38,453

¹⁾ Including Goodwill.

²⁾ These include investment property of EUR 30 million (as of 31.12.2021: EUR 30 million).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SHAREHOLDERS' EQUITY AND LIABILITIES

in €m	31/03/2022	31/12/2021	31/03/2021
Issued capital	3,060	3,060	1,530
Capital reserve	956	956	378
Silent participation of the Economic Stabilization Fund	-	-	-
Retained earnings	-764	491	-489
Other neutral reserves	2,700	2,134	1,646
Net profit/loss	-584	-2,191	-1,049
Equity attributable to shareholders of Deutsche Lufthansa AG	5,368	4,450	2,016
Minority interests	58	40	36
Shareholders' equity	5,426	4,490	2,052
Pension provisions	5,711	6,676	7,821
Other provisions	780	703	558
Borrowings	14,510	15,041	13,503
Contract liabilities	31	30	35
Other financial liabilities	72	67	88
Advance payments received, deferred income and other non-financial liabilities	30	30	31
Derivative financial instruments	305	290	244
Deferred tax liabilities	538	529	491
Non-current provisions and liabilities	21,977	23,366	22,771
Other provisions	1,024	1,255	847
Borrowings	1,691	1,629	2,144
Trade payables and other financial liabilities	4,711	4,186	3,269
Contract liabilities from unused flight documents	5,360	3,340	2,093
Other contract liabilities	2,489	2,609	2,866
Advance payments received, deferred income and other non-financial liabilities	681	648	1,511
Derivative financial instruments	279	247	201
Effective income tax obligations	723	705	699
Liabilities in connection with assets held for sale	25	63	-
Current provisions and liabilities	16,983	14,682	13,630
Total shareholders' equity and liabilities	44,386	42,538	38,453

Consolidated statement of changes in shareholders' equity as of 31 March 2022

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in €m	Issued capital	Capital reserve	Fair value measurement of financial instruments	Currency differences	Revaluation reserve (due to business combinations)	Other neutral reserves	Total other neutral reserves	Retained earnings	Net profit/loss	Equity attributable to shareholders of Deutsche Lufthansa AG	Non-controlling interests	Total shareholders' equity
As of 01/01/2021	1,530	378	305	396	236	359	1,296	4,868	-6,725	1,347	40	1,387
Capital increases/reductions	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-6,725	6,725	-	-	-
Dividends to Lufthansa shareholders/ minority interests	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with minority interests	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated net profit/ loss attributable to Lufthansa shareholders/ minorities	-	-	-	-	-	-	-	-	-1,049	-1,049	-5	-1,054
Other expenses and income recognised directly in equity	-	-	340	18	-	-1	357	1,368	-	1,725	1	1,726
Hedging results reclassified from non-financial assets to acquisition costs	-	-	-7	-	-	-	-7	-	-	-7	-	-7
As of 31/03/2021	1,530	378	638	414	236	358	1,646	-489	-1,049	2,016	36	2,052
As of 01/01/2022	3,060	956	946	589	236	363	2,134	491	-2,191	4,450	40	4,490
Capital increases/reductions	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-2,191	2,191	-	-	-
Dividends to Lufthansa shareholders/ minority interests	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with minority interests	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated net profit/ loss attributable to Lufthansa shareholders/ minorities	-	-	-	-	-	-	-	-	-584	-584	2	-582
Other expenses and income recognised directly in equity	-	-	712	45	-	-	757	936	-	1,693	16	1,709
Hedging results reclassified from non-financial assets to acquisition costs	-	-	-191	-	-	-	-191	-	-	-191	-	-191
As of 31/03/2022	3,060	956	1,467	634	236	363	2,700	-764	-584	5,368	58	5,426

Consolidated cash flow statement

January - March 2022

CONSOLIDATED CASH FLOW STATEMENT²⁾

in €m	Jan - Mar 2022	Jan - Mar 2021
Cash and cash equivalents at start of period	2,305	1,804
Net profit/loss before income taxes	-690	-1,313
Depreciation, amortisation and impairment losses on non-current assets (net of reversals)	575	569
Depreciation, amortisation and impairment losses on current assets (net of reversals)	41	-10
Net proceeds on disposal of non-current assets	-10	-5
Result of equity investments	60	51
Net interest	83	118
Income tax payments/reimbursements	11	-16
Significant non-cash expenses/income	-124	58
Change in trade working capital	1,292	-389
Change in other assets/shareholders' equity and liabilities	258	162
Cash flow from operating activities	1,496	-775
Capital expenditure for property, plant and equipment and intangible assets	-637	-147
Capital expenditure for financial investments	-3	-6
Additions/loss to repairable spare parts of aircraft	-43	30
Proceeds from disposal of non-consolidated shares	-	-
Proceeds from disposal of consolidated shares	1	-
Cash outflows for acquisitions of non-consolidated shares	-8	-3
Cash outflows for acquisitions of consolidated shares	-	-
Proceeds from disposal of intangible assets, property, plant and equipment and other financial investments	48	40
Interest income	2	-2
Dividends received	3	1
Net cash from/used in investing activities	-637	-87
Purchase of securities/fund investments	-807	-1,004
Disposal of securities/fund investments	700	1,391
Net cash from/used in investing and cash management activities	-744	300
Capital increase/ Silent Participation I	-	-
Transactions by non-controlling interests	-	-
Non-current borrowing	162	2,403
Repayment of non-current borrowing	-632	-2,227
Dividends paid	-	-
Interest paid	-116	-55
Net cash from/used in financing activities	-586	121
Net increase/decrease in cash and cash equivalents	166	-354
Changes due to currency translation differences	10	11
Cash and cash equivalents 31/03/2022¹⁾	2,481	1,461
Securities	5,467	3,268
Liquidity	7,948	4,729
Net increase/decrease in liquidity	284	-729

¹⁾ The difference between the bank balance and cash-in-hand shown in the statement of financial position comes from fixed-term deposits of EUR 4m with terms of four to twelve months (previous year: EUR 21m).

²⁾ Prior-year figures amended due to change in presentation of pension.

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

The consolidated financial statements of Deutsche Lufthansa AG and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as applicable in the European Union (EU), taking account of interpretations by the IFRS Interpretations Committee (IFRIC). This interim report as of 31 March 2022 has been prepared in condensed form in accordance with IAS 34.

In preparing the interim financial statements, the standards and interpretations applicable as of 1 January 2022 have been applied. The interim financial statements as of 31 March 2022 have been prepared using the same accounting policies as those on which the preceding consolidated financial statements as of 31 December 2021 were based. The standards and interpretations mandatory from 1 January 2022 onwards had no effect on the Group's net assets, financial and earnings position, and no restatements resulting from new standards were necessary.

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

The business activities of the Lufthansa Group companies were again impacted by the effects of the coronavirus pandemic in the first quarter of 2022 and the related restrictions and quarantine regulations. Increasing levels of immunity and a milder course of the disease led the authorities to further ease COVID-related restrictions in the Lufthansa Group's home markets, in additional European countries and in most nations worldwide. Against the background of these developments, revenue increased significantly compared with the prior-year period.

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

Liquidity at Deutsche Lufthansa AG and its domestic and foreign subsidiaries was secured in the 2020 year thanks to the government aid provided as part of the stabilisation packages. The stabilisation measures were largely applied for, negotiated and approved in Germany, Switzerland, Austria, Belgium and the USA.

In addition to funding commitments, the framework agreement signed with the Economic Stabilisation Fund in Germany provides for extensive information and auditing rights for the Economic Stabilisation Fund and obligations for the Lufthansa Group including regarding the suspension of dividend payments, limitations on management compensation, waiver of up to 24 slots at both the Frankfurt and Munich airports and pursuit of a sustainable corporate policy.

The full repayment of the amounts provided by the ESF and the subsequent cancellation of the stabilisation funds still

available meant that Deutsche Lufthansa AG fulfilled the requirements for the obligation to sell the shareholding agreed in the framework agreement with ESF in the fourth quarter of 2021. The ESF is therefore in principle obliged to sell its equity investment in Deutsche Lufthansa AG, which amounted to 14.09% of issued capital according to the latest notification of voting rights, by October 2023 at the latest.

Following repayment of CHF 210m in the first quarter of 2022, CHF 210m of the state-guaranteed credit lines agreed in Switzerland as part of the stabilisation measures had been used as of the reporting date.

The EUR 240m credit facility that forms part of the state aid agreed in Austria was used in full as of the reporting date.

The credit facility of EUR 287m from the stabilisation package agreed with the Belgian government was used in full as of the reporting date.

With a payment of USD 164m in the first quarter of 2022, the LSG group repaid the loan provided as part of the CARES Act I-III in full with interest.

As of 31 March 2022, Deutsche Lufthansa AG had centrally available liquidity of EUR 6.6bn. Decentralised bank and cash balances came to a further EUR 1.4bn, and a total of EUR 1.2bn has not yet been used from the state funding agreed in Switzerland. Free credit lines of EUR 0.7bn are still available as of the reporting date. Altogether, the Lufthansa Group's available liquidity therefore comes to EUR 9.9bn.

Deutsche Lufthansa AG signed a new revolving line of credit with a credit facility of EUR 2.0bn in April 2022, which replaces the free credit lines of EUR 0.7bn mentioned above.

Since there is still uncertainty surrounding travel opportunities and customer behaviour, the Lufthansa Group regularly updates its rolling liquidity planning to reflect the changing parameters for its forecast course of business. The direct effects and the additional uncertainties surrounding the armed conflict between Russia and Ukraine represent a risk for the continued recovery of business. Performance in 2022 will largely depend on the further course of the pandemic and on the extent of the economic impact of the war in Ukraine, which in turn are significant factors for the recovery potential of the aviation industry. The Lufthansa Group is of necessity affected by the significantly higher prices for energy, especially crude oil and kerosene, as well as by the resulting effects on the general trend of prices.

Taking into account the corporate planning – which continues to assume an average available capacity of over 70% and over 85% of the 2019 level in 2022 and 2023 respectively – and the resulting liquidity planning, the further potential funding measures and the uncertainties about the future course of business, the Company's Executive Board considers the Group's liquidity to be secure for the next 18 months. In the management's opinion, the uncertainties in connection with the public and political debate on climate protection are not a threat to this forecast. These interim

financial statements have accordingly been prepared on a going concern basis.

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

The outbreak of the coronavirus pandemic and the steps taken worldwide to contain the virus have continued to have a massive impact on the Group's business operations since

the 2020 financial year. This is also reflected in the Lufthansa Group's first interim report for 2022.

Further easing of international travel restrictions and quarantine rules has led to a significant increase in air travel at the Lufthansa Group companies. As a result, the comparability of income and expenses in the two periods is limited.

TOTAL REVENUE

TRAFFIC REVENUE BY AREA OF OPERATIONS

	2022	Europe ¹⁾	North-america ¹⁾	Central- and South America ¹⁾	Asia/Pacific ¹⁾	Middle East ¹⁾	Africa ¹⁾
in €m							
Passenger-Airlines	2,702	1,986	395	58	136	66	61
Lufthansa German Airlines	1,473						
SWISS ²⁾	721						
Austrian Airlines	181						
Brussels	141						
Eurowings ²⁾	186	-	-	-	-	-	-
Logistics	1,131	588	121	40	348	14	20
Total	3,833						

¹⁾ Traffic revenue is allocated to the original location of sale.

²⁾ Disclosure of traffic revenue, including belly revenue; this is reported in the segment reporting in the reconciliation column.

TRAFFIC REVENUE BY AREA OF OPERATIONS

	2021	Europe ¹⁾	North-america ¹⁾	Central- and South America ¹⁾	Asia/Pacific ¹⁾	Middle East ¹⁾	Africa ¹⁾
in €m							
Passenger-Airlines ³⁾	777	528	86	25	88	22	28
Lufthansa German Airlines	398						
SWISS ²⁾	244						
Austrian Airlines	50						
Brussels Airlines	46						
Eurowings ²⁾	39	-	-	-	-	-	-
Logistics	765	386	80	25	251	9	14
Total	1,542						

¹⁾ Traffic revenue is allocated to the original location of sale.

²⁾ Disclosure of traffic revenue, including belly revenue; this is reported in the segment reporting in the reconciliation column.

³⁾ restated.

OTHER OPERATING REVENUE BY AREA OF OPERATIONS

	2022	Europe ¹⁾	North- America ¹⁾	Central and South America ¹⁾	Asia/ Pacific ¹⁾	Middle East ¹⁾	Africa ¹⁾
in €m							
MRO	953	382	319	26	169	39	18
MRO services	822						
Other operating revenue	131						
Catering	364	39	265	24	21	7	8
Catering services	303						
Revenue from in-flight sales	34						
Other services	27						
Passenger-Airlines	99	84	6	1	5	2	1
Logistics	27	19	8	-	-	-	-
Additional Businesses and Group Functions	87	60	9	4	11	2	1
IT services	38						
Travel management	33						
Other	16						
Total	1,530						

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

OTHER OPERATING REVENUE BY AREA OF OPERATIONS

	2021	Europe ¹⁾	North- America ¹⁾	Central and South America ¹⁾	Asia/ Pacific ¹⁾	Middle East ¹⁾	Africa ¹⁾
in €m							
MRO	666	304	187	19	113	27	16
MRO services	567						
Other operating revenue	99						
Catering	188	9	143	10	16	2	8
Catering services	167						
Revenue from in-flight sales	8						
Other services	13						
Passenger-Airlines ²⁾	64	57	2	-	2	2	1
Logistics	30	19	10	-	-	1	-
Additional Businesses and Group Functions	70	48	8	2	6	4	2
IT services	42						
Travel management	13						
Other	15						
Total	1,018						

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

GOVERNMENT AID MEASURES

Total state subsidies of EUR 81m were received from 1 January 2022 to 31 March 2022. These are primarily attributable to the reimbursement of wage-replacement benefits and social security contributions paid in the context of short-time working in Germany, Austria and Switzerland. This includes EUR 12m in subsidies for social security contributions, which are classified as support measures. Another EUR 4m in lump-sum subsidies was reported under other operating income.

Loans on below-market terms were granted by the Belgian government as part of the stabilisation measures. The interest rate subsidy they contain of EUR 1m for the current financial year is netted against interest expense.

CHANGE IN OTHER ESTIMATES

The war in Ukraine has caused uncertainty regarding the use of assets, particularly at Lufthansa Technik and in the Catering segment. This resulted in total expenses of EUR 110m for valuation allowances, depreciation and amortisation and impending compensation payments.

AIRCRAFT AND RESERVE ENGINES

The Lufthansa Group provided three aircraft as collateral for new loans of EUR 137m taken out in the current financial year by way of aircraft financing models. In addition to purchases, two aircraft leases and other wet leases were signed for a total of EUR 100m.

DEFERRED TAXES

Deferred taxes have been capitalised in full for the losses and deferred tax assets incurred in Germany and Switzerland in particular during the financial year. These were offset by a significant decline in deferred taxes recognised on temporary differences, particularly for pension obligations, so that the total net amount of deferred taxes recognised was further reduced. As the losses were triggered by an exogenous shock with a temporary impact and the Company expects to be able to use the deferred tax assets when it generates sufficient positive tax results in the foreseeable future, they are expected to continue to be recoverable in full. Even considering further uncertainty regarding the war in Ukraine, the Company still considers this overall assessment to be accurate. Tax loss carry-forwards are not subject to any restrictions regarding the period of time in which they can be used in Germany.

ASSETS CLASSIFIED AS HELD FOR SALE

Assets held for sale and corresponding liabilities			
in €m	31/03/2022	31/12/2021	31/03/2021
Assets			
Aircraft and reserve engines	208	216	101
Land and buildings	11	9	3
Financial assets	11	11	-
Other assets	21	34	1
	251	270	105
Liabilities			
Pension provisions	2	6	-
Other provisions	5	21	-
Borrowings	-	1	-
Other Liabilities	18	35	-
	25	63	-

Assets with a carrying amount of EUR 251m were held for sale as of 31 March 2022. This item included five aircraft held for sale with a carrying amount of EUR 208m, comprised of three Airbus A380s and two Airbus A321s. Land and buildings largely consisted of a Lufthansa Aviation Training Germany GmbH location; long-term financial assets related to the equity investments in Beijing Lufthansa Center Co. Ltd. and Lufthansa Technik Brussels N.V. Assets of EUR 21m and all liabilities related to Lufthansa Technik Maintenance International GmbH, which is held for sale.

PENSION PROVISIONS

The discount rate used to calculate obligations in Germany was 1.8%. As of 31 December 2021, the rate was 1.3%. A discount rate of 1.3% was used for the pension obligations in

Switzerland (31 December 2021: 0.3%). The decline in pension provisions stemmed largely from the increase in the discount rate. This was partially offset by losses on the market value of plan assets.

CASH FLOW FROM OPERATING ACTIVITIES

All payments in connection with pension commitments are recognised in cash flow from operating activities as of 2022. Contributions to and returns from plan assets were previously shown in cash flow from investing activities, whereas pension payments were presented in cash flow from operating activities. This was intended to avoid the reduction of cash flow from operating activities by contributions to plan assets for pension commitments made in the past. Since regular withdrawals from plan assets are planned for pension payments in the future, the resulting effects will be aggregated under cash flow from operating activities. The statement of cash flow for the previous year was adjusted accordingly. This adjustment resulted in a reduction of cash flow from operating activities by EUR 9m in the previous year, whereas cash flow from investing activities increased by the same amount.

4 Seasonality

The Group's business is mainly exposed to seasonal effects via the Passenger Airlines. As such, revenue in the first and fourth quarters is generally lower, since people travel less, while higher revenue and operating profits are normally earned in the second and third quarters. These seasonal effects are currently being outweighed by the easing of pandemic-related travel restrictions.

5 Contingencies and events after the reporting period

CONTINGENT LIABILITIES

in €m	31/03/2022	31/12/2021
From guarantees, bills of exchange and cheque guarantees	1,138	1,063
From warranty contracts	203	204
From providing collateral for third-parties liabilities	3	6
	1,344	1,273

Provisions for other contingent liabilities were not made because it was not sufficiently probable that they would be necessary. The potential financial effect of these provisions on the result would have been EUR 69m in total (as of 31 December 2021: EUR 76m).

As well as information and auditing rights for the Economic Stabilisation Fund, the framework agreement with the Economic Stabilisation Fund provides for extensive obligations for the Lufthansa Group including the suspension of dividend payments, a commitment not to make equity investments and a ban on cross-subsidising companies which were already in difficulty within the meaning of EU Regulation No. 651/2014 on 31 December 2019. In respect of the above-mentioned obligations, risks may arise due to a dif-

ference of interpretation between the Company and the European Commission. The Lufthansa Group and the European Commission are continuing to exchange information (including relevant documents) in order to fully clarify these matters. However, at the present time it is impossible to reliably predict the outcome of these discussions. It therefore cannot be ruled out that additional significant financial risks for the Company might arise beyond the risk provisions recognised in the consolidated financial statements for 2021 due to ultimately determined violations of agreed obligations.

As of 31 March 2022, the tax risks for which no provisions had been recognised came to some EUR 200m (as of 31 December 2021: EUR 200m).

At the end of March 2022, there were order commitments of EUR 14.4bn for capital expenditure on property, plant and equipment, including repairable spare parts, and for intangible assets. As of 31 December 2021, the order commitments came to EUR 14.6bn. The change is mainly due to advance payments and settlement of the remaining commitments for aircraft deliveries in the reporting period. This was offset by foreign currency valuation for existing orders.

EVENTS AFTER THE REPORTING PERIOD

The Lufthansa Group concluded a contract for a revolving line of credit with a broad consortium of international banks for the first time on 8 April 2022. The credit facility of EUR 2.0bn is being provided for three years, with two extension options of a year each. This revolving line of credit replaces existing unused bilateral credit lines of some EUR 0.7bn and thereby increases the Lufthansa Group's available liquidity by an additional EUR 1.3bn.

6 Financial instruments and financial liabilities

FINANCIAL INSTRUMENTS

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

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

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

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

As of 31 March 2022, the fair value hierarchy for assets and liabilities held at fair value was as follows:

FAIR VALUE HIERARCHY OF ASSETS AS OF 31/03/2022

in €m	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	4,305	33	26	4,364
Financial derivatives classified as held for trading	-	33	-	33
Securities	4,305	-	-	4,305
Investments	-	-	26	26
Derivative financial instruments which are an effective part of a hedging relationship	-	2,138	-	2,138
Financial assets at fair value through other comprehensive income	48	1,130	-	1,178
Equity instruments	13	13	-	26
Debt instruments	35	1,117	-	1,152
Total assets	4,353	3,301	26	7,680

FAIR VALUE HIERARCHY OF LIABILITIES AS OF 31/03/2022

in €m	Level 1	Level 2	Level 2	Total
Financial liabilities at fair value through profit or loss	-	-658	-	-658
Derivative financial instruments at fair value through profit or loss	-	-10	-	-10
Derivative financial instruments which are an effective part of a hedging relationship	-	-574	-	-574
Total liabilities	-	-1,242	-	-1,242

In the financial year, additional CO2 emissions certificates valued at EUR 85m were sold and simultaneously repurchased on the market in what are known as "repo" agreements so that economic ownership of the certificates is maintained. EUR 27m was also repaid under similar expiring repo agreements.

As of 31 December 2021, the fair value hierarchy for assets and liabilities held at fair value was as follows:

FAIR VALUE HIERARCHY OF ASSETS AS OF 31/12/2021

in €m	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	4,201	12	24	4,237
Financial derivatives classified as held for trading	-	12	-	12
Securities	4,201	-	-	4,201
Investments	-	-	24	24
Derivative financial instruments which are an effective part of a hedging relationship	-	1,424	-	1,424
Financial assets at fair value through other comprehensive income	13	1,170	-	1,183
Equity instruments	13	12	-	25
Debt instruments	-	1,158	-	1,158
Total assets	4,214	2,606	24	6,844

FAIR VALUE HIERARCHY OF LIABILITIES AS OF 31/12/2021				
in €m	Level 1	Level 2	Level 2	Total
Financial liabilities at fair value through profit or loss	-	-647	-	-647
Derivative financial instruments at fair value through profit or loss	-	-29	-	-29
Derivative financial instruments which are an effective part of a hedging relationship	-	-508	-	-508
Total liabilities	-	-1,184	-	-1,184

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

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

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

FINANCIAL LIABILITIES

The following table shows the carrying amounts and market values for individual classes of financial liabilities. Market values for bonds are equal to the listed prices. The market values for other types of financial liability have been calculated using the applicable interest rates for the remaining term to maturity and repayment structures at the reporting date based on available market information (Bloomberg).

Information regarding the loan funds received under the state stabilisation measures can be found in Note 2.

in €m	31/03/2022		31/12/2021	
	Carrying amount	Market value	Carrying amount	Market value
Bonds	6,703	6,517	6,697	6,719
Commercial Paper	-	-	-	-
Borrower's note loans	1,626	1,764	1,626	1,803
Credit lines	-	-	-	-
State-guaranteed loans	735	703	1,082	1,072
Aircraft financing	4,534	4,496	4,464	4,586
Other borrowings	289	488	431	521
Leasing liabilities	2,314	-	2,370	-
Total	16,201	13,968	16,670	14,701

7 Earnings per share

Earnings per share		31/03/2022	31/03/2021
Basic/diluted earnings per share	€	- 0.49	- 1.75
Consolidated net profit/loss	€m	- 584	- 1,049
Weighted average number of shares		1,195,485,644	597,742,822

8 Issued capital

SHARE CAPITAL

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

AUTHORISED CAPITAL

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

A resolution passed at the Annual General Meeting on 7 May 2019 authorised the Executive Board until 6 May 2024, subject to approval by the Supervisory Board, to increase the issued capital by EUR 30,000,000 by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders' subscription rights are excluded. As of 31 March 2022, the issued capital was increased under this authorisation by a total of EUR 7,637,831.68, so that Authorised Capital B still amounted to EUR 22,362,168.32 as of the reporting date.

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

shares with the consent of the Supervisory Board. As of 31 March 2022, the issued capital was increased under this authorisation by a total of EUR 1,530,221,624.32, so that Authorised Capital C still amounted to EUR 3,969,778,375.68 as of the reporting date.

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

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

CONTINGENT CAPITAL

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

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

A resolution of the extraordinary general meeting on 25 June 2020 increased the contingent capital of Deutsche Lufthansa AG by up to EUR 897,985,223.68. The contingent

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

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

AUTHORISATION TO PURCHASE TREASURY SHARES

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

9 Segment reporting

Segmentation has been changed compared with the financial statements as of 31 December 2021. The Eurowings business segment no longer reports separately as of 1 January 2022, but as part of Passenger Airlines. This is due to the alignment of the business models whereby all passenger airlines are now managed centrally by the Executive Board of the Lufthansa Group.

The Adjusted EBIT performance indicator has also been changed in the financial reporting. In addition to the existing reconciliation items from EBIT to Adjusted EBIT (impairment losses / write-ups, results from disposals, effects of changes to pension plans), as of this financial year, expenses for staff-related restructuring activities, material extraordi-

nary legal expenses not incurred in the normal course of business, material costs in connection with company transactions, and material other expenses due to extraordinary external events are not included in the performance indicator of operating success. This change was made to ensure greater comparability with the reporting of other companies in the industry and to increase the transparency of non-recurring items. In the current financial year, the expenses for valuation allowances, depreciation and amortisation and impending compensation payments that were directly caused by the war in Ukraine were treated as key issues that were excluded from the Adjusted EBIT calculation. The comparable figures for the previous year were adjusted accordingly (relevant in the first quarter of 2021: restructuring costs).

SEGMENT INFORMATION FOR THE REPORTING SEGMENTS Jan - Mar 2022

	Passenger Airlines	Logistics	MRO	Catering	Total reportable operating segments	Additional Businesses and Group Functions	Reconciliation	Group
in €m								
External revenue	2,801	1,158	953	364	5,276	87	-	5,363
of which traffic revenue	2,510	1,131	-	-	3,641	-	192	3,833
Inter-segment revenue	219	11	373	9	612	49	-661	-
Total revenue	3,020	1,169	1,326	373	5,888	136	-661	5,363
Other operating income	138	21	68	13	240	382	-172	450
Operating income	3,158	1,190	1,394	386	6,128	518	-833	5,813
Operating expenses	4,238	701	1,261	396	6,596	583	-818	6,361
of which cost of materials	2,198	506	731	147	3,582	57	-487	3,152
of which staff cost	997	96	342	175	1,610	179	-1	1,788
of which depreciation and amortisation	438	40	45	19	542	29	-8	563
of which other operating expenses	605	59	143	55	862	318	-322	858
Result of equity investments	-34	6	-13	-4	-45	2	-	-43
of which result of investments accounted for using the equity method	-31	3	-13	-4	-45	-	-	-45
Adjusted EBIT¹⁾	-1,114	495	120	-14	-513	-63	-15	-591
Reconciliation items	67	-14	-79	-19	-45	-2	-2	-49
Impairment losses/gains	1	-	-13	-17	-29	-	-18	-47
Effects from pension provisions & restructuring	-2	-14	-1	-	-17	-1	18	-
Result of disposal of assets	-	-	10	-	10	-	-2	8
Other reconciliation items	68	-	-75	-2	-9	-1	-	-10
EBIT	-1,047	481	41	-33	-558	-65	-17	-640
Other financial result								-50
Profit/loss before income taxes								-690
Capital employed ²⁾	10,050	2,386	4,120	829	17,385	6,056	-208	23,233
of which from investments accounted for using the equity method	78	72	190	45	385	-	-	385
Segment capital expenditure	610	7	14	6	637	17	-6	648
of which from investments accounted for using the equity method	-	-	4	-	4	-	-	4
Number of employees at the end of period	55,482	4,108	20,008	16,520	96,118	7,916	-	104,034

¹⁾ For detailed reconciliation from EBIT to Adjusted EBIT see table "reconciliation of results", p. 7, in the interim management report.

²⁾ The capital employed results from total assets adjusted for non-operating items, (deferred taxes, positive market values, derivatives) less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).

SEGMENT INFORMATION FOR THE REPORTING SEGMENTS Jan - Mar 2021⁴⁾

	Passenger Airlines ³⁾	Logistics	MRO	Catering	Total reportable operating segments	Additional Businesses and Group Functions	Recon- ciliation	Group
in €m								
External revenue	841	795	666	188	2,490	70	-	2,560
of which traffic revenue	658	765	-	-	1,423	-	119	1,542
Inter-segment revenue	120	7	163	6	296	34	-330	-
Total revenue	961	802	829	194	2,786	104	-330	2,560
Other operating income	150	17	71	66	304	378	-354	328
Operating income	1,111	819	900	260	3,090	482	-684	2,888
Operating expenses	2,429	508	846	261	4,044	537	-696	3,885
of which cost of materials	865	340	421	65	1,691	43	-322	1,412
of which staff cost	680	88	256	135	1,159	139	-2	1,296
of which depreciation and amortisation	447	35	44	20	546	30	-10	566
of which other operating expenses	437	45	125	41	648	325	-362	611
Result of equity investments	-41	4	-9	-7	-53	2	-	-51
of which result of investments accounted for using the equity method	-40	4	-9	-7	-52	-	-	-52
Adjusted EBIT¹⁾	-1,359	315	45	-8	-1,007	-53	12	-1,048
Reconciliation items	-41	1	-29	-1	-70	-15	-2	-87
Impairment losses/gains	-48	-	-29	-2	-79	-15	-1	-95
Effects from pension provisions	-	-	-	-	-	-	-	-
Result of disposal of assets	7	1	-	1	9	-	-1	8
Other reconciliation items	-	-	-	-	-	-	-	-
EBIT	-1,400	316	16	-9	-1,077	-68	10	-1,135
Other financial result								-178
Profit/loss before income taxes								-1,313
Capital employed ²⁾	12,928	2,205	3,501	938	19,572	2,672	-116	22,128
of which from investments accounted for using the equity method	55	54	175	82	366	2	-	368
Segment capital expenditure	148	4	12	2	166	13	-23	156
of which from investments accounted for using the equity method	-	-	3	-	3	-	-	3
Number of employees at the end of period	59,531	4,261	22,166	16,382	102,340	8,922	-	111,262

¹⁾ For detailed reconciliation from Adjusted EBIT to EBIT ↗ table reconciliation of results, p. 7, in the interim management report.

²⁾ The capital employed results from total assets adjusted for non-operating items (deferred taxes, positive market values, derivatives), less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).

³⁾ restated.

⁴⁾ Prior-year figures adjusted due to changes in the definition of key performance indicators in the Notes, p. 30.

EXTERNAL REVENUE BY REGION Jan - Mar 2022

	Europe	thereof Germany	North America	thereof USA	Central and South America	Asia/ Pacific	Middle East	Africa	Group
in €m									
Traffic revenue ¹⁾	2,574	1,141	516	463	98	484	80	81	3,833
Other operating revenue	584	225	607	528	55	206	50	28	1,530
Total revenue	3,158	1,366	1,123	991	153	690	130	109	5,363

¹⁾ Allocated according to the original location of sale.

EXTERNAL REVENUE BY REGION Jan - Mar 2021

in €m	Europe	thereof Germany	North America	thereof USA	Central and South America	Asia/ Pacific	Middle East	Africa	Group
Traffic revenue ¹⁾	914	444	166	153	50	339	31	42	1,542
Other operating revenue	437	201	350	304	31	137	36	27	1,018
Total revenue	1,351	645	516	457	81	476	67	69	2,560

¹⁾ Allocated according to the original location of sale.

10 Related party disclosures

As stated in [➤ Note 50](#) to the 2021 consolidated financial statements (Annual Report 2021, p. 245ff.), the segments in the Lufthansa Group render numerous services to related parties within the scope of their ordinary business activities and also receive services from them. These extensive supply and service relationships take place unchanged on the basis of market prices. There have been no significant changes in comparison with the reporting date. The contractual relationships with the group of related parties described in the [➤ Remuneration Report 2021](#) (Annual Report 2021, p. 271 ff.) and in the consolidated financial statements 2021 in [➤ Note 51](#) (Annual Report 2021, p. 248) also still exist unchanged, but are not of material significance for the Group.

11 Published standards that have not yet been applied

Amendments of accounting standards which have been approved by the IASB as of the date of publication of this report and are applicable for financial years beginning after 1 January 2022 have no effect on the presentation of the net assets, financial and earnings position. Further information on the amendments resolved as of the preparation of the interim financial statements is provided in [➤ Note 3](#) to the 2021 consolidated financial statements (Annual Report 2021, p. 162ff.).

Declaration by the legal representatives

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

Frankfurt, 26 April 2022

Executive Board



Carsten Spohr
Chief Executive Officer



Christina Foerster
Chief Customer Officer



Harry Hohmeister
Chief Commercial Officer



Detlef Kayser
Chief Operations Officer



Michael Niggemann
Chief HR & Legal Officer



Remco Steenberg
Chief Financial Officer

Credits

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The Lufthansa 1st Interim Report is a translation of the original German Lufthansa Zwischenbericht 1/2022. Please note that only the German version is legally binding.

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

Financial calendar 2022

10 May 2022	Annual General Meeting
4 August 2022	Release of 2nd Interim Report January – June 2022
3 November 2022	Release of 3rd Interim Report January – September 2022

Disclaimer in respect of forward-looking statements

Information published in the 1st Interim Report 2022, with regard to the future development of the Lufthansa Group and its subsidiaries consists purely of forecasts and assessments and not of definitive facts. Its purpose is exclusively informational, and can be identified by the use of such cautionary terms as “believe”, “expect”, “forecast”, “intend”, “project”, “plan”, “estimate”, “anticipate”, “can”, “could”, “should” or “endeavour”. These forward-looking statements are based on discernible information, facts and expectations available at the time that the statements were made. They are therefore subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures, in particular in the Opportunities and risk report in the Annual Report. Should one or more of these risks occur, or should the underlying expectations or assumptions fail to materialise, this could have a significant effect (either positive or negative) on the actual results.

It is possible that the Group's actual results and development may differ materially from the results forecast in the forward-looking statements. Lufthansa does not assume any obligation, nor does it intend, to adapt forward-looking statements to accommodate events or developments that may occur at some later date. Accordingly, it neither expressly nor conclusively accepts liability, nor gives any guarantee, for the actuality, accuracy and completeness of this data and information.

Note

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