

Airbus SE

Unaudited Condensed IFRS Consolidated Financial Information for the year ended 31 December 2021

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Airbus SE Unaudited Condensed IFRS Consolidated Financial Statements

Unaudited Condensed IFRS Consolidated Income Statement

<i>(In € million)</i>	Note	2021	2020
Revenue	8	52,149	49,912
Cost of sales		(42,518)	(44,250)
Gross margin	8	9,631	5,662
Selling expenses		(713)	(717)
Administrative expenses		(1,339)	(1,423)
Research and development expenses	9	(2,746)	(2,858)
Other income	10	594	132
Other expenses	10	(201)	(1,458)
Share of profit from investments accounted for under the equity method	11	40	39
Other income from investments	11	76	113
Profit (Loss) before financial result and income taxes		5,342	(510)
Interest income		88	140
Interest expense		(334)	(411)
Other financial result		(69)	(349)
Total financial result	12	(315)	(620)
Income taxes	13	(853)	(39)
Profit (Loss) for the period		4,174	(1,169)
Attributable to			
Equity owners of the parent (Net income)		4,213	(1,133)
Non-controlling interests		(39)	(36)
Earnings per share		€	€
Basic	14	5.36	(1.45)
Diluted	14	5.36	(1.45)

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

Unaudited Condensed IFRS Consolidated Statement of Comprehensive Income

<i>(In € million)</i>	Note	2021	2020
Profit (Loss) for the period		4,174	(1,169)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement of the defined benefit pension plans		2,613	(1,537)
Income tax relating to re-measurement of the defined benefit pension plans		(368)	359
Change in fair value of financial assets		(115)	(133)
Income tax relating to change in fair value of financial assets		1	14
Share of change from investments accounted for under the equity method		134	(96)
<i>Items that may be reclassified to profit or loss:</i>			
Foreign currency translation differences for foreign operations		175	(204)
Change in fair value of cash flow hedges		(5,131)	3,648
Income tax relating to change in fair value of cash flow hedges		1,409	(916)
Change in fair value of financial assets		(103)	(61)
Income tax relating to change in fair value of financial assets		25	9
Share of change from investments accounted for under the equity method		33	51
Other comprehensive income, net of tax		(1,327)	1,134
Total comprehensive income for the period		2,847	(35)
Attributable to:			
Equity owners of the parent		2,901	(25)
Non-controlling interests		(54)	(10)

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

Unaudited Condensed IFRS Consolidated Statement of Financial Position

<i>(In € million)</i>	Note	2021	2020
Assets			
Non-current assets			
Intangible assets	15	16,367	16,199
Property, plant and equipment	15	16,536	16,674
Investment property		41	2
Investments accounted for under the equity method	16	1,672	1,578
Other investments and other long-term financial assets	17	4,001	3,855
Non-current contract assets		27	48
Non-current other financial assets	21	691	3,483
Non-current other assets	22	795	483
Deferred tax assets		4,323	4,023
Non-current securities	24	6,794	5,350
Total non-current assets		51,247	51,695
Current assets			
Inventories	18	28,538	30,401
Trade receivables		5,063	5,132
Current portion of other long-term financial assets	17	537	468
Current contract assets		1,377	1,074
Current other financial assets	21	1,451	2,432
Current other assets	22	2,393	2,216
Current tax assets		552	620
Current securities	24	1,317	1,618
Cash and cash equivalents	24	14,572	14,439
Total current assets		55,800	58,400
Assets and disposal group of assets classified as held for sale		0	0
Total assets		107,047	110,095

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<i>(In € million)</i>	Note	2021	2020
Equity and liabilities			
Equity attributable to equity owners of the parent			
Capital stock		787	785
Share premium		3,712	3,599
Retained earnings		6,834	250
Accumulated other comprehensive income		(1,822)	1,853
Treasury shares		(45)	(42)
Total equity attributable to equity owners of the parent		9,466	6,445
Non-controlling interests		20	11
Total equity	23	9,486	6,456
Liabilities			
Non-current liabilities			
Non-current provisions	19	10,771	14,298 ⁽¹⁾
Long-term financing liabilities	24	13,094	14,082
Non-current contract liabilities	20	18,620	19,212
Non-current other financial liabilities	21	6,562	5,657
Non-current other liabilities	22	583	436
Deferred tax liabilities		116	451
Non-current deferred income		8	32
Total non-current liabilities		49,754	54,168 ⁽¹⁾
Current liabilities			
Current provisions	19	4,510	6,245 ⁽¹⁾
Short-term financing liabilities	24	1,946	3,013
Trade liabilities	20	9,693	8,722
Current contract liabilities	20	23,906	24,675
Current other financial liabilities	21	2,532	1,769
Current other liabilities	22	3,532	3,160
Current tax liabilities		1,057	1,311
Current deferred income		631	576
Total current liabilities		47,807	49,471 ⁽¹⁾
Disposal group of liabilities classified as held for sale		0	0
Total liabilities		97,561	103,639
Total equity and liabilities		107,047	110,095

(1) Previous year allocation between non-current and current provisions has been restated.

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

Unaudited Condensed IFRS Consolidated Statement of Cash Flows

<i>(In € million)</i>	Note	2021	2020
Operating activities			
Profit (Loss) for the period attributable to equity owners of the parent (Net income)		4,213	(1,133)
Loss for the period attributable to non-controlling interests		(39)	(36)
<i>Adjustments to reconcile profit for the period to cash provided by operating activities:</i>			
Interest income		(88)	(140)
Interest expense		334	411
Interest received		111	82
Interest paid		(330)	(205)
Income tax expense		853	39
Income tax paid		(321)	79
Depreciation and amortisation		2,325	2,831
Valuation adjustments		(863)	95
Results on disposals of non-current assets		(116)	9
Results of investments accounted for under the equity method		(40)	(39)
Change in current and non-current provisions		(1,934)	1,138
Contribution to plan assets ⁽¹⁾		(533)	(314)
Change in other operating assets and liabilities		1,067	(8,237)
Inventories		2,405	152
Trade receivables		379	351
Contract assets and liabilities		(2,326)	848
Trade liabilities	20	194	(5,523)
Other assets and liabilities	21, 22	415	(4,065)
Cash provided by (used for) operating activities		4,639	(5,420)
Investing activities			
Purchases of intangible assets, property, plant and equipment, investment property		(1,928)	(1,759)
Proceeds from disposals of intangible assets, property, plant and equipment and investment property		212	228
Acquisitions of subsidiaries, joint ventures, businesses and non-controlling interests (net of cash)		(25)	(481)
Payments for investments accounted for under the equity method, other investments and other long-term financial assets		(577)	(565)
Proceeds from disposals of investments accounted for under the equity method, other investments and other long-term financial assets		396	408
Dividends paid by companies valued at equity		79	(8)
Disposals of non-current assets and disposal groups classified as assets held for sale and liabilities directly associated	5	310	0
Payments for investments in securities	24	(3,049)	(337)
Proceeds from disposals of securities	24	1,863	6,640
Cash provided by (used for) investing activities		(2,719)	4,126

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<i>(In € million)</i>	Note	2021	2020
Financing activities			
Increase in financing liabilities	24	0	7,102
Repayment of financing liabilities	24	(2,295)	(445)
Cash distribution to Airbus SE shareholders		0	0
Payments for liability for puttable instruments		0	91
Changes in capital and non-controlling interests	23	138	89
Change in treasury shares		(22)	(4)
Cash provided by (used for) financing activities		(2,179)	6,833
Effect of foreign exchange rate changes on cash and cash equivalents		392	(414)
Net increase in cash and cash equivalents		133	5,125
Cash and cash equivalents at beginning of period		14,439	9,314
Cash and cash equivalents at end of period	24	14,572	14,439

(1) In 2020, thereof € 331 million contributions for retirement and deferred compensation plans.

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

Unaudited Condensed IFRS Consolidated Statement of Changes in Equity

<i>(In € million)</i>	Equity attributable to equity holders of the parent									
				Accumulated other comprehensive income						
	Capital stock	Share premium	Retained earnings	Financial assets at fair value	Cash flow hedges	Foreign currency translation adjustments	Treasury shares	Total	Non- controlling interests	Total equity
Balance at 1 January 2020	784	3,555	2,241	819	(2,521)	1,179	(82)	5,975	15	5,990
Loss for the period	0	0	(1,133)	0	0	0	0	(1,133)	(36)	(1,169)
Other comprehensive income	0	0	(1,268)	(171)	2,783	(236)	0	1,108	26	1,134
Total comprehensive income for the period	0	0	(2,401)	(171)	2,783	(236)	0	(25)	(10)	(35)
Capital increase	1	44	0	0	0	0	0	45	0	45
Share-based payment (IFRS 2)	0	0	42	0	0	0	0	42	0	42
Cash distribution to Airbus SE shareholders / Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	0
Equity transaction (IAS 27)	0	0	368	0	0	0	0	368	6	374
Change in treasury shares	0	0	0	0	0	0	40	40	0	40
Balance at 31 December 2020	785	3,599	250	648	262	943	(42)	6,445	11	6,456
Profit for the period	0	0	4,213	0	0	0	0	4,213	(39)	4,174
Other comprehensive income	0	0	2,363	(192)	(3,710)	227	0	(1,312)	(15)	(1,327)
Total comprehensive income for the period	0	0	6,576	(192)	(3,710)	227	0	2,901	(54)	2,847
Capital increase	2	113	0	0	0	0	0	115	0	115
Share-based payment (IFRS 2)	0	0	61	0	0	0	0	61	0	61
Cash distribution to Airbus SE shareholders / Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	0
Equity transaction (IAS 27)	0	0	(53)	0	0	0	0	(53)	63	10
Change in treasury shares	0	0	0	0	0	0	(3)	(3)	0	(3)
Balance at 31 December 2021	787	3,712	6,834	456	(3,448)	1,170	(45)	9,466	20	9,486

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

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Notes to the Airbus SE Unaudited Condensed IFRS Consolidated Financial Statements

1. The Company

The accompanying Unaudited Condensed IFRS Consolidated Financial Statements present the financial position and the results of operations of **Airbus SE** together with its subsidiaries referred to as “the Company”, a European public limited-liability company (*Societas Europaea*) with its seat (*statutaire zetel*) in Amsterdam, The Netherlands, its registered address at Mendelweg 30, 2333 CS Leiden, The Netherlands, and registered with the Dutch Commercial Register (Handelsregister) under number 24288945. The Company’s reportable segments are Airbus, Airbus Helicopters and Airbus Defence and Space (see “– Note 7: Segment Information”). The Company is listed on the European stock exchanges in Paris, Frankfurt am Main, Madrid, Barcelona, Valencia and Bilbao. The Unaudited Condensed IFRS Consolidated Financial Statements were authorised for issue by the Company’s Board of Directors on 16 February 2022.

2. Impact of the COVID-19 pandemic

In 2020, the COVID-19 pandemic resulted in significant disruption to the Company’s business operations and supply chain. For more details on the impact in 2020, please refer to the Company’s IFRS Consolidated Financial Statements as of 31 December 2020.

The Company’s business, results of operations and financial condition have been and may continue to be materially affected by the COVID-19 pandemic, and the Company continues to face risks and uncertainties. In addition to its impact on the financial viability of operators, airlines and lessors and the reduction of commercial air traffic, new variants of the COVID-19 pandemic, lockdowns, travel limitations and restrictions around the world have posed logistical challenges and may cause disruptions to the Company’s business, its operations and supply chain as well as customers’ ability to take delivery of aircraft.

Airlines have reduced capacity, grounded portions of their fleets and sought to implement measures to reduce cash spending and secure liquidity. Some airlines have also sought arrangements with creditors, restructured or applied for bankruptcy or insolvency protection, which may have further consequences for the Company and its order book as well as other consequences resulting from the related proceedings.

In 2021, the commercial environment has shown signs of improvements, in particular an increase in air travel demand.

On 27 May 2021, the Company provided suppliers with an update of its production plans based on its expectation that the commercial aircraft market may recover to pre-COVID levels between 2023 and 2025, led by the single-aisle segment. In anticipation of a continued recovering market, the Company confirmed an average A320 Family production rate of 45 aircraft per month in the fourth quarter of 2021 and called on suppliers to prepare for the future by securing a firm rate of 64 by the second quarter of 2023. The A220 monthly production rate is confirmed to rise to around 6 in early 2022. The A350 production rate is expected to increase to 6 by Autumn 2022 while A330 production is expected to remain at an average monthly production rate of two per month.

On 28 October 2021, the Company announced the A220 production rate, which was at 5 aircraft a month, is expected to increase to around rate 6 per month in early 2022, with a monthly production rate of 14 envisaged by the middle of the decade. On the A320 Family programme, the Company is working to secure the ramp up and is on trajectory to achieve a monthly rate of 65 aircraft by summer 2023. The recent commercial successes of the A330 programme enable a monthly rate increase from around 2 to almost 3 aircraft at the end of 2022. The A350 programme is expected to increase from around 5 to around 6 aircraft a month in early 2023.

Year-to-date financials reflect deliveries as well as efforts on cost containment and competitiveness. Furthermore, the Company has performed a comprehensive review of provisions and depreciations, taking into account the amended production rates and expected future deliveries. Consequently, the Company recorded € 0.6 billion of release of COVID-related provisions including restructuring in 2021.

In 2020, the review performed led to charges being recorded for an amount of € 1.3 billion and a restructuring provision for an amount of € 1.2 billion.

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

Management considers the Company has sufficient resources to continue operating for at least 12 months and that there are no material uncertainties about the Company’s ability to continue as a going concern.

3. Accounting Policies

The Unaudited Condensed IFRS Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), issued by the International Accounting Standards Board (“IASB”) as endorsed by the European Union (“EU”). They are prepared and reported in euro (“€”) and all values are rounded to the nearest million appropriately. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The Company’s accounting policies and methods are unchanged compared to 31 December 2020. The implementation of other amended standards has no material impact on the Unaudited Condensed Consolidated Financial Statements as of 31 December 2021.

Amendments to IFRS 16 Leases: Covid-19- Related Rent Concessions beyond 30 June 2021

In March 2021, the IASB issued COVID-19-related Rent Concessions beyond 30 June 2021 to extend by another year the practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19.

The Company has applied in advance of its effective date the practical expedient retrospectively to all rent concessions that meet the conditions of the practical expedient and has accounted for them in the same manner as for a resolution of a contingency that fixes previously variable lease payments.

As such, the Company has not updated the discount rate used to re-measure the lease liability and used the re-measured consideration with a corresponding adjustment to the right-to-use. The Company re-assessed that the application of this amendment, with the extension of the relief until 30 June 2022, has still no material impact on the Consolidated Financial Statements as of 31 December 2021.

Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform – Phase 2”

Following the financial crisis, the reform and replacement of some benchmark interest rates such as LIBOR and other Interbank Offered Rates (“IBORs”) has become a priority for global regulators. There is still some uncertainty around the timing and precise nature of these changes.

The Company’s treasury is managing the transition plan, so that the existing contracts that refer to LIBORs shall be adjusted to ensure contract continuity after cessation of relevant benchmarks and address term and credit differences between LIBORs and alternative reference rates. The changed reference rates will also impact systems, processes and risk and valuation models.

To manage the transition of the USD LIBOR-referenced derivatives contracts, the Company will adhere to the ISDA Fallback protocol that ensures an automatic transition on the official cessation date scheduled on 30 June 2023 as stated by the UK FCA (Financial Conduct Authority) on 5 March 2021. The official spread adjustment published by Bloomberg and fixed on 5 March 2021 (official announcement date of the LIBOR cessation) will apply. On USD LIBOR-referenced loan contracts, the Company will apply a similar transition scheme to the derivative contracts.

The Company is mainly exposed to USD LIBOR under Airbus Bank loan assets portfolio for an amount of € 301 million (for a notional amount of US\$ 524 million) and the interest rate swaps based on USD LIBOR used in the hedge relationship, for an amount of € 64 million (for a notional amount of US\$ 1.5 billion).

The Phase 2 amendments have no impact on these Unaudited Condensed IFRS Consolidated Financial Statements as existing contracts continue to refer to LIBORs as of 31 December 2021.

Agenda Decision published by the IFRS Interpretation Committee (“IFRIC”)

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

Use of Estimates and Judgements

In preparing the Unaudited Condensed IFRS Consolidated Financial Statements, management makes assumptions and estimates. These estimates are revised if the underlying circumstances have evolved or in light of new information. The underlying assumptions used for the main estimates are similar to those described in the Company’s IFRS Consolidated Financial Statements as of 31 December 2020.

4. Climate impacts

Climate change may have a major impact on both the Company's industrial operations and its upstream and downstream value chain, including aircraft direct operations and the wider air transport ecosystem along with a strong influence on regulations and stakeholders expectations. Accordingly, climate-related risks can potentially affect the Company's business and competitiveness, its customers and other actors in the aviation industry. For more details on specific impacts, see "– Note 15: Intangible assets and Property, Plant and Equipment".

The Company is committed to contributing to meeting the Paris Agreement targets and in taking a leading role in the decarbonisation of the aviation sector in cooperation with all stakeholders.

The Company continuously assesses potential impacts of identified environmental risks and opportunities. As of 31 December 2021, to the best of the Company's judgement, there is no impact on the Company's assets and liabilities. The Company considered the assumptions related to the life cycle of its main programmes and the related impacts on long-lived assets impairments and concluded that there was no need for impairment. Similarly, the Company did not identify any need for revision to the useful lives of the property, plant and equipment and intangible assets.

The Company shares the EU's ambition to reach a net-zero carbon aviation ecosystem in Europe by 2050, and will contribute to the EU's "2030 Climate Target Plan". Further sustainability activities will continue to accelerate, especially with the objective to bring a zero emission commercial aircraft to market in 2035.

5. Acquisitions and Disposals

Acquisitions

In 2020, Bombardier transferred its remaining shares in Airbus Canada Limited Partnership ("ACLP") to Airbus and Investissement Québec ("IQ"). As per the agreement, Airbus acquired an additional 29.64% of the issued shares in ACLP. This agreement brought the shareholdings in ACLP for Airbus and IQ to 75% and 25%, respectively.

Airbus paid to Bombardier a consideration of US\$ 591 million of which US\$ 531 million was received at closing and US\$ 60 million to be paid over the 2020-22 period under certain conditions. The agreement also provides for the cancellation of Bombardier warrants owned by Airbus, as well as releasing Bombardier of its future funding capital requirement to ACLP, previously performed through the non-voting participation Class B common units in ACLP.

The call rights of Airbus in respect of all IQ's interests in ACLP at fair market value have been extended by an additional three years to January 2026.

The effect of this equity transaction on the equity attributable to the owners of ACLP amounted to € -53 million.

As part of this transaction, Airbus, via its wholly owned subsidiary Stelia Aerospace, also acquired the A220 and A330 work package production capabilities from Bombardier in Saint Laurent, Québec. Under this non-material transaction, the fair value of the net assets acquired amounted to US\$ -4 million.

Disposals

On 15 December 2021, the Company divested to a 50% joint venture one of its sites in France. The assets relative to this disposal were previously classified as held for sale for an amount of € 67 million. The Company received a consideration of € 310 million and recognised a gain of € 122 million, reported in Airbus Defence and Space other income.

6. Related Party Transactions

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

7. Segment Information

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

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

On 21 April 2021, the Company presented its plans to create integrated aerostructures assembly companies in both France and Germany, and a third company as a new global player in the detail parts business, anchored in Germany.

The plans have no impact on the segment structure described above (see “– Note 27: Events after the Reporting Date”).

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

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

Business segment information for the year ended 31 December 2021 is as follows:

<i>(In € million)</i>	Airbus	Airbus Helicopters	Airbus Defence and Space	Eliminations	Consolidated Airbus
Total revenue	36,164	6,509	10,186	0	52,859
Internal revenue	(425)	(230)	(55)	0	(710)
Revenue	35,739	6,279	10,131	0	52,149
<i>thereof</i>					
<i>sales of goods at a point in time</i>	33,455	3,298	3,076	0	39,829
<i>sales of goods over time</i>	20	192	3,557	0	3,769
<i>services, including sales of spare parts</i>	2,264	2,789	3,498	0	8,551
Profit before financial result and income taxes (EBIT)	4,175	535	568	64	5,342
<i>thereof research and development expenses</i>	(2,252)	(275)	(249)	30	(2,746)
Interest result					(246)
Other financial result					(69)
Income taxes					(853)
Profit for the period					4,174

Business segment information for the year ended 31 December 2020 is as follows:

<i>(In € million)</i>	Airbus	Airbus Helicopters	Airbus Defence and Space	Eliminations	Consolidated Airbus
Total revenue	34,250	6,251	10,446	0	50,947
Internal revenue	(689)	(271)	(75)	0	(1,035)
Revenue	33,561	5,980	10,371	0	49,912
<i>thereof</i>					
<i>sales of goods at a point in time</i>	31,331	3,144	2,921	0	37,396
<i>sales of goods over time</i>	37	273	4,084	0	4,394
<i>services, including sales of spare parts</i>	2,193	2,563	3,366	0	8,122
Profit (Loss) before financial result and income taxes (EBIT)	(1,330)	455	408	(43)	(510)
<i>thereof research and development expenses</i>	(2,436)	(273)	(225)	76	(2,858)
Interest result					(271)
Other financial result					(349)
Income taxes					(39)
Loss for the period					(1,169)

8. Revenue and Gross Margin

Revenue increased by €+2,237 million to €52,149 million (2020: €49,912 million). The increase is mainly driven by Airbus (€+2,178 million) reflecting higher aircraft deliveries partly offset by an unfavourable foreign exchange impact.

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

<i>(In € million)</i>	2021	2020
Asia-Pacific	15,970	13,087
Europe	19,490	20,325
North America	10,546	8,688
Middle East	2,256	3,123
Latin America	980	983
Other countries	2,907	3,706
Total	52,149	49,912

The **gross margin** increased by €+3,969 million to €9,631 million compared to €5,662 million in 2020. It mainly reflects higher aircraft deliveries at Airbus as well as a release of COVID-related provisions for an amount of € 0.4 billion. In addition, in 2020, Airbus was impacted by lower cost efficiency and recorded charges of € 1.2 billion triggered by the COVID-19 pandemic. The gross margin rate increased from 11.3% to 18.5%.

The Company delivered the last A380 aircraft in 2021. As a consequence and in addition to the net charge recorded in 2018, the Company recorded a net charge of € 385 million in EBIT in 2020 as part of its continuous assessment of asset recoverability and review of onerous contract provision assumptions. In 2021, a positive EBIT impact of € 274 million was recorded, mainly reflecting the release of provision recorded in 2018 on the former A380 Lagardère facility that will be used for the modernised A320 FAL.

As of 31 December 2021, the Company has delivered a total of 105 A400M aircraft including 8 aircraft in 2021.

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

In 2020, an update of the contract estimate at completion was performed and a charge of € 63 million recorded reflecting mainly the variation of price escalation indexes. In 2021, an update of the contract estimate at completion has been performed and an additional charge of € 212 million has been recorded. This reflects mainly the updated estimates on the delivery pattern of the launch contract and the associated impact on unabsorbed costs.

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

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

9. Research and Development Expenses

Research and development expenses decreased by € -112 million to €2,746 million compared to €2,858 million in 2020.

10. Other Income and Other Expenses

Other income increased by € +462 million to €594 million compared to €132 million in 2020. In 2021, it includes the gain of €122 million for the divestment of one of its sites to a 50% joint venture (see “– Note 5: Acquisitions and Disposals”).

Other expenses decreased by € -1,257 million to € -201 million compared to € -1,458 million in 2020, mainly due to the restructuring provision recorded in 2020 for an amount of € 1.2 billion in response to the COVID-19 pandemic.

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

Share of profit from investments under the equity method and **other income from investments** decreased by € -36 million to €116 million compared to €152 million in 2020. It includes dividends received from other investments classified at fair value through OCI for an amount of €108 million (2020: €137 million).

12. Total Financial Result

Total financial result improved by € +305 million to € -315 million compared to € -620 million in 2020. This is driven by the revaluation of certain equity investments (see “– Note 17: Other Investments and Other Long-Term Financial Assets”), compensated by a negative impact from revaluation of financial instruments. In addition, in 2020 it included the re-measurement on the A350 Repayable Launch Investment (“RLI”) (see “– Note 21: Other Financial Assets and Other Financial Liabilities”).

13. Income Taxes

The **income tax** expense amounts to € -853 million (2020: € -39 million) and corresponds to an effective income tax rate of 17.0%. This includes positive impacts from tax risk updates, the tax-free revaluation of certain equity investments under IFRS 9 and a net release of deferred tax asset impairments mainly due to an updated business outlook. Management will continue to assess its tax contingencies going forward, whose outcome could result in further financial impacts.

14. Earnings per Share

	2021	2020
Profit (Loss) for the period attributable to equity owners of the parent (Net income)	€ 4,213 million	€ (1,133) million
Weighted average number of ordinary shares	785,326,074	783,178,191
Basic earnings per share	€ 5.36	€ (1.45)

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

During 2021, the average price of the Company’s shares exceeded the exercise price of the share-settled Performance Units and therefore 575,926 shares were considered in the calculation of diluted earnings per share.

As there was a loss in 2020, the effect of potentially dilutive ordinary shares was anti-dilutive.

	2021	2020
Profit (Loss) for the period attributable to equity owners of the parent (Net income), adjusted for diluted calculation	€ 4,213 million	€ (1,133) million
Weighted average number of ordinary shares (diluted) ⁽¹⁾	785,902,000	783,178,191
Diluted earnings per share	€ 5.36	€ (1.45)

(1) In 2021, dilution assumes conversion of all potential ordinary shares.

15. Intangible Assets and Property, Plant and Equipment

Intangible assets increased by € +168 million to € 16,367 million (2020: € 16,199 million). Intangible assets mainly relate to goodwill of € 13,028 million (2020: € 12,999 million). Based on management’s best estimate, there is no impact on the useful life of capitalised development costs resulting from the Company’s journey towards sustainable aerospace.

Property, plant and equipment decreased by € -138 million to € 16,536 million (2020: € 16,674 million). Property, plant and equipment include right-of-use assets for an amount of € 1,698 million as of 31 December 2021 (2020: € 1,804 million). Based on management’s best estimate, there is no impact on the useful life of Property, plant and equipment resulting from the Company’s journey towards sustainable aerospace.

16. Investments Accounted for under the Equity Method

Investments accounted for under the equity method increased by € +94 million to € 1,672 million (2020: € 1,578 million). They mainly include the equity investments in ArianeGroup, MBDA and ATR GIE.

17. Other Investments and Other Long-Term Financial Assets

<i>(In € million)</i>	31 December	
	2021	2020
Other investments	2,511	2,245
Other long-term financial assets	1,490	1,610
Total non-current other investments and other long-term financial assets	4,001	3,855
Current portion of other long-term financial assets	537	468
Total	4,538	4,323

Other investments mainly comprise the Company's participations and include the remaining investment in Dassault Aviation (9.90%, 2020: 9.90%) amounting to € 786 million at 31 December 2021 (2020: € 742 million).

In March 2020, **OneWeb Communications** filed under Chapter 11 of the US Bankruptcy Code. Consequently, the related financial assets were fully impaired, leading to a decrease in the fair value of the equity investment by € -137 million recorded through OCI and a depreciation of a loan by € -136 million recorded through financial result.

In November 2020, the US Bankruptcy Court entered an order issuing a final decree to allow a consortium of Her Majesty's Government HMG and Bharti Global Limited to acquire the newly re-organised OneWeb.

As at 31 December 2021, the Company holds a minor investment in OneWeb which is accounted for at fair value.

Other long-term financial assets and the **current portion of other long-term financial assets** include other loans in the amount of € 1,909 million as of 31 December 2021 (2020: € 1,841 million), and the sales financing activities in the form of finance lease receivables and loans from aircraft financing.

18. Inventories

Inventories of € 28,538 million (2020: € 30,401 million) decreased by € -1,863 million. This is driven by Airbus (€ -1,944 million), and mainly reflects the delivery of the last A380 aircraft and the reduction in the widebodies inventory.

19. Provisions

<i>(In € million)</i>	31 December	
	2021	2020
Provisions for pensions	7,072	9,980
Other provisions	8,209	10,563
Total	15,281	20,543
<i>thereof non-current portion</i>	<i>10,771</i>	<i>14,298⁽¹⁾</i>
<i>thereof current portion</i>	<i>4,510</i>	<i>6,245⁽¹⁾</i>

(1) Previous year allocation between non-current and current provisions has been restated.

As of 31 December 2021, **provisions for pensions** decreased mainly due to the change in financial assumptions of € 1,453 million reflecting the further strengthening of interest rates and increased inflation assumptions in Germany, France, Canada and the UK and the increase in plan assets of € 1,341 million.

Other provisions decreased mainly due to the restructuring provision recorded in 2020 in response to the COVID-19 pandemic and a decrease in provisions for onerous contracts due to the delivery of the last A380 aircraft, the utilisation and net presentation of the A400M programme losses against inventories and the reduction in the A220 programme.

In September 2020, a restructuring provision was recognised in response to the COVID-19 pandemic under other provisions for an amount of € 1.2 billion including mainly the cost of voluntary and compulsory measures taking into account management's best estimate of the impact of the working time adaptation and government support measures.

As of 31 December 2021 and 31 December 2020, the restructuring provision in response to the COVID-19 pandemic amounted to € 0.1 billion and € 1.0 billion respectively. It reflects the utilisation of the restructuring provision for an amount of € 0.6 billion, the release of € 0.2 billion and € 0.2 billion reclassified to liabilities to reflect the progress of the plan.

20. Contract Assets and Contract Liabilities, Trade Receivables and Trade Liabilities

Significant changes in contract assets and contract liabilities during the period are as follows:

<i>(In € million)</i>	2021		2020	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognised that was included in the contract liability balance at 1 January	-	(19,311)	-	(20,327)
Increases due to cash received, excluding amounts recognised as revenue ⁽¹⁾	-	17,792	-	20,915
Transfers from contract assets recognised at 1 January	(5,765)	-	(4,353)	-
Increase as a result of changes in the measure of progress	6,045	-	4,188	-

(1) Including final payments received from customers and others parties in anticipation.

As of 31 December 2021, trade receivables amounting to € 210 million (2020: € 189 million) will mature after more than one year.

The respective movement in the allowance for doubtful accounts in respect of trade receivables and contract assets during the period was as follows:

<i>(In € million)</i>	2021	2020
Allowance balance at 1 January	(306)	(397)
Utilisations / disposals and business combinations	47	162
Additions	(104)	(71)
Allowance balance at 31 December	(363)	(306)

Trade liabilities of € 9,693 million (2020: € 8,722 million) increased by € +971 million, mainly in Airbus.

As of 31 December 2021, trade liabilities amounting to € 89 million (2020: € 67 million) will mature after more than one year.

21. Other Financial Assets and Other Financial Liabilities

Other Financial Assets

<i>(In € million)</i>	31 December	
	2021	2020
Positive fair values of derivative financial instruments	664	3,451
Others	27	32
Total non-current other financial assets	691	3,483
Receivables from related companies	803	1,158
Positive fair values of derivative financial instruments	341	973
Others	307	301
Total current other financial assets	1,451	2,432
Total	2,142	5,915

Other Financial Liabilities

<i>(In € million)</i>	31 December	
	2021	2020
Liabilities for derivative financial instruments	2,640	1,834
European Governments' refundable advances	3,730	3,712
Others	192	111
Total non-current other financial liabilities	6,562	5,657
Liabilities for derivative financial instruments	1,923	983
European Governments' refundable advances	131	200
Liabilities to related companies	180	130
Others	298	456
Total current other financial liabilities	2,532	1,769
Total	9,094	7,426

Airbus SE
Unaudited Condensed IFRS Consolidated Financial Information
for the year ended 31 December 2021

The total net fair value of derivative financial instruments decreased by € -5,165 million to € -3,558 million (2020: € 1,607 million) as a result of the strengthened US dollar versus the euro associated with the mark to market valuation of the hedge portfolio.

As of 31 December 2021, the total hedge portfolio with maturities up to 2028 amounts to US\$ 88.3 billion (2020: US\$ 81.0 billion) and covers a major portion of the foreign exchange exposure expected over the hedging horizon. The average US\$/€ hedge rate of the US\$/€ hedge portfolio until 2028 amounts to 1.25 US\$/€ (2020: 1.26 US\$/€).

In 2021, the European Governments' refundable advances decreased by € -51 million to € 3,861 million (2020: € 3,912 million).

In 2020, the Company signed amendments to the French and Spanish A350 RLI contracts, leading to a re-measurement of the A350 RLI for an additional net amount of € 236 million in the third quarter, using an equivalent estimated market rate at the date of the amendments.

The allocation of European Governments' refundable advances between non-current and current presented in the Unaudited Condensed IFRS Consolidated Financial Statements ended 31 December 2021 is based on the applicable contractual repayment dates.

As at 31 December 2020, the fair value of the written put options on non-controlling interests ("NCI puts") relating to ACLP was nil, mainly reflecting the latest projections on funding needs, slower ramp-up phasing and market projections.

The Company has re-measured the written put options as at 31 December 2021 and the fair value amounts to € 16 million. The fair value of these NCI puts are derived from a discounted cash flow analysis using the latest operating plan and a projection over the lifetime of the A220 programme. In addition a post-tax WACC of 9.58% is used to discount the forecasted cash flows, taking into account the specificities of the programme (2020: 9.49%).

22. Other Assets and Other Liabilities

Other Assets

<i>(In € million)</i>	31 December	
	2021	2020
Cost to fulfil a contract	301	282
Prepaid expenses	116	76
Others	378	125
Total non-current other assets	795	483
Value added tax claims	1,183	1,025
Cost to fulfil a contract	499	557
Prepaid expenses	392	191
Others	319	443
Total current other assets	2,393	2,216
Total	3,188	2,699

Non-current other assets include € 305 million of payments to be made to Airbus by suppliers after aircraft delivery and are recorded as a reduction of cost of goods sold at the time of aircraft delivery. These future payments are discounted to reflect specific contractual terms and repayment profile.

Other Liabilities

<i>(In € million)</i>	31 December	
	2021	2020
Others	583	436
Total non-current other liabilities	583	436
Tax liabilities (excluding income tax)	771	749
Others	2,761	2,411
Total current other liabilities	3,532	3,160
Total	4,115	3,596

23. Total Equity

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

<i>(In number of shares)</i>	2021	2020
Issued at 1 January	784,149,270	783,173,115
Issued for ESOP	1,934,420	976,155
Issued for convertible bond	0	0
Issued at 31 December	786,083,690	784,149,270
Treasury shares	(454,735)	(432,875)
Outstanding at 31 December	785,628,955	783,716,395

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

Equity attributable to equity owners of the parent (including purchased treasury shares) amounts to € 9,466 million (2020: € 6,445 million) representing an increase of € +3,021 million. This is due to a net income for the period of € +4,213 million and a decrease in other comprehensive income, principally related to the mark to market revaluation of the hedge portfolio of € -3,710 million partly offset by a change in actuarial gains and losses of € +2,363 million.

The **non-controlling interests ("NCI")** from non-wholly owned subsidiaries increased to € 20 million as of 31 December 2021 (2020: € 11 million). These NCI do not have a material interest in the Company's activities and cash flows.

24. Net Cash

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

<i>(In € million)</i>	31 December	
	2021	2020
Cash and cash equivalents	14,572	14,439
Current securities	1,317	1,618
Non-current securities	6,794	5,350
Gross cash position	22,683	21,407
Short-term financing liabilities	(1,946)	(3,013)
Long-term financing liabilities	(13,094)	(14,082)
Total	7,643	4,312

The net cash position on 31 December 2021 amounted to € 7,643 million (2020: € 4,312 million), with a gross cash position of € 22,683 million (2020: € 21,407 million).

Cash and Cash Equivalents

Cash and cash equivalents are composed of the following elements:

<i>(In € million)</i>	31 December	
	2021	2020
Bank account and petty cash	1,964	4,173
Short-term securities (at fair value through profit or loss)	12,075	9,654
Short-term securities (at fair value through OCI)	533	512
Others	0	100
Total cash and cash equivalents	14,572	14,439

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

Securities

The Company's securities portfolio amounts to € 8,111 million and € 6,968 million as of 31 December 2021 and 2020, respectively. The security portfolio contains a non-current portion of € 6,794 million (2020: € 5,350 million), and a current portion of € 1,317 million (2020: € 1,618 million).

Cash and cash equivalents have increased by € +0.2 billion from € 14.4 billion at 31 December 2020 to € 14.6 billion at 31 December 2021 and they include payments received in advance from certain customers.

The main variations are as follows:

Cash provided by operating activities amounted to € +4.6 billion in 2021, mainly driven by a profit translated into cash partly offset by provision consumption related to the restructuring plan, a positive impact from working capital which mainly reflects the delivery of the last A380 aircraft and the reduction in the widebodies inventory largely offset by a negative impact from contract assets and contract liabilities. In addition, it includes the net payment made to suppliers in anticipation and the negative impact due to the expiry of certain agreements reached with suppliers relating to payment terms.

Cash used for investing activities amounted to € -2.7 billion, mainly reflecting capital expenditures and securities. The acquisition of real estate assets in the UK has negatively impacted cash used for investing activities, and also negatively impacted cash used for financing activities relating to the repayment of the existing lease liabilities.

Cash used for financing activities amounted to € -2.2 billion and reflects the pre-payment of a US\$1 billion bond issued on 9 April 2013 and the repayment of the exchangeable bonds convertible into Dassault Aviation shares for an amount of € 1.0 billion.

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

Financing Liabilities

<i>(In € million)</i>	31 December	
	2021	2020
Bonds and commercial papers	11,061	12,032
Liabilities to financial institutions	467	418
Loans	75	94
Lease liabilities	1,491	1,538
Total long term financing liabilities	13,094	14,082
Bonds and commercial papers	0	1,075
Liabilities to financial institutions	26	111
Loans	96	94
Lease liabilities	245	260
Others ⁽¹⁾	1,579	1,473
Total short term financing liabilities	1,946	3,013
Total	15,040	17,095

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

Long-term financing liabilities, mainly comprising of bonds and lease liabilities, decreased by € -988 million to € 13,094 million (2020: € 14,082 million), mainly due to pre-payment of a US\$1 billion bond issued on 9 April 2013 in the US institutional market with an original maturity of ten years.

Short-term financing liabilities decreased by € -1,067 million to € 1,946 million (2020: € 3,013 million), mainly due to the repayment of the exchangeable bonds to be convertible into Dassault Aviation shares issued on 14 June 2016 for an amount of € 1.0 billion.

The Company can issue **commercial papers** under its € 11 billion Negotiable European Commercial Paper ("NEuCP") programme, its €4 billion Euro Commercial Paper ("ECP") programme and its \$ 3 billion US Commercial Paper programme.

As of 31 December 2021, there were no outstanding amounts under any of its commercial paper programmes.

25. Litigation and Claims

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Securities Litigation

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

In addition, the Company received notification in August 2021 of two separate claims alleging similar facts as the US class action. Two claims have been filed in the Netherlands purportedly on behalf of Airbus investors.

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

The second Dutch claim was filed in December 2021 following a demand letter sent by a foundation incorporated under the laws of the Netherlands, a purported representative of unnamed institutional and retail investors worldwide, starting a class action against the Company before the Dutch courts. This second Dutch claim targets the Company, certain of the Company's current and former directors and officers, and the Company's current and former auditors. A procedural hearing is scheduled for the second quarter of 2022.

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

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

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

Air France Flight 447 Trial

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

Qatar Airways Commercial Litigation

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

Other Investigations

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

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

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

26. Number of Employees

	Airbus	Airbus Helicopters	Airbus Defence and Space	Consolidated Airbus
31 December 2021	73,560	20,126	32,809	126,495
31 December 2020	78,487	20,026	32,836	131,349

27. Events after the Reporting Date

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

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

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