

Airbus SE

Unaudited Condensed Interim IFRS Consolidated Financial Information

for the nine-month period ended 30 September 2023

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Airbus SE Unaudited Condensed Interim IFRS Consolidated Financial Statements

Unaudited Condensed Interim IFRS Consolidated Income Statement

<i>(In € million)</i>	Note	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Revenue	9	42,560	38,119	14,897	13,309
Cost of sales		(35,992)	(31,053)	(12,846)	(11,162)
Gross margin	9	6,568	7,066	2,051	2,147
Selling expenses		(642)	(576)	(218)	(193)
Administrative expenses		(1,231)	(1,044)	(405)	(338)
Research and development expenses	10	(2,167)	(1,965)	(736)	(709)
Other income	11	130	64	96	9
Other expenses	11	(88)	(67)	(15)	(5)
Share of profit from investments accounted for under the equity method	12	129	17	49	34
Other income from investments	12	13	57	3	28
Profit before financial result and income taxes		2,712	3,552	825	973
Interest income		524	92	246	62
Interest expense		(531)	(258)	(195)	(92)
Other financial result		238	(140)	78	(383)
Total financial result	13	231	(306)	129	(413)
Income taxes	14	(729)	(768)	(192)	74
Profit for the period		2,214	2,478	762	634
Attributable to:					
Equity owners of the parent (Net income)		2,332	2,568	806	667
Non-controlling interests		(118)	(90)	(44)	(33)
Earnings per share		€	€	€	€
Basic	15	2.96	3.26	1.02	0.85
Diluted	15	2.95	3.26	1.02	0.85

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

Unaudited Condensed Interim IFRS Consolidated Statement of Comprehensive Income

<i>(In € million)</i>	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Profit for the period	2,214	2,478	762	634
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss:</i>				
Re-measurement of the defined benefit pension plans	696	3,777	300	175
Income tax relating to re-measurement of the defined benefit pension plans	3	(708)	20	(1)
Change in fair value of financial assets	(7)	(515)	(177)	(85)
Income tax relating to change in fair value of financial assets	1	64	22	10
Share of change from investments accounted for under the equity method	(6)	140	(13)	137
<i>Items that may be reclassified to profit or loss:</i>				
Foreign currency translation differences for foreign operations	41	317	11	112
Change in fair value of cash flow hedges	507	(9,616)	(1,157)	(4,322)
Income tax relating to change in fair value of cash flow hedges	(136)	2,640	314	1,200
Change in fair value of financial assets	62	(715)	4	(223)
Income tax relating to change in fair value of financial assets	(1)	7	(1)	2
Share of change from investments accounted for under the equity method	40	(43)	3	(34)
Other comprehensive income, net of tax	1,201	(4,652)	(674)	(3,029)
Total comprehensive income for the period	3,415	(2,174)	90	(2,395)
<i>Attributable to:</i>				
Equity owners of the parent	3,529	(2,048)	137	(2,332)
Non-controlling interests	(114)	(126)	(47)	(63)

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Unaudited Condensed Interim IFRS Consolidated Statement of Financial Position

<i>(In € million)</i>	Note	30 September 2023	31 December 2022
Assets			
Non-current assets			
Intangible assets	16	17,009	16,768
Property, plant and equipment	16	16,645	16,505
Investment property		36	37
Investments accounted for under the equity method	17	2,163	2,067
Other investments and other long-term financial assets	18	4,635	4,190
Non-current contract assets		26	26
Non-current other financial assets	21	671	781
Non-current other assets	22	2,142	1,872
Deferred tax assets		4,890	4,683
Non-current securities	24	7,272	6,013
Total non-current assets		55,489	52,942
Current assets			
Inventories	19	36,525	32,202
Trade receivables		4,905	4,953
Current portion of other long-term financial assets	18	792	665
Current contract assets		2,062	1,501
Current other financial assets	21	1,733	2,542
Current other assets	22	3,608	2,850
Current tax assets		796	704
Current securities	24	1,491	1,762
Cash and cash equivalents	24	13,642	15,823
Total current assets		65,554	63,002
Assets and disposal group of assets classified as held for sale	6	56	0
Total assets		121,099	115,944

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for the nine-month period ended 30 September 2023

<i>(In € million)</i>	Note	30 September 2023	31 December 2022
Equity and liabilities			
Equity attributable to equity owners of the parent			
Capital stock		791	789
Share premium		3,979	3,837
Retained earnings		15,142	13,408
Accumulated other comprehensive income		(4,510)	(5,016)
Treasury shares		(139)	(68)
Total equity attributable to equity owners of the parent		15,263	12,950
Non-controlling interests		37	32
Total equity	23	15,300	12,982
Liabilities			
Non-current liabilities			
Non-current provisions	20	5,839	6,896
Long-term financing liabilities	24	9,526	10,631
Non-current contract liabilities		23,792	22,044
Non-current other financial liabilities	21	9,181	10,117
Non-current other liabilities	22	482	498
Deferred tax liabilities		191	164
Non-current deferred income		28	17
Total non-current liabilities		49,039	50,367
Current liabilities			
Current provisions	20	3,930	4,127
Short-term financing liabilities	24	3,141	2,142
Trade liabilities		14,548	13,261
Current contract liabilities		25,452	23,869
Current other financial liabilities	21	3,125	4,073
Current other liabilities	22	4,257	3,803
Current tax liabilities		1,777	817
Current deferred income		442	503
Total current liabilities		56,672	52,595
Disposal group of liabilities classified as held for sale	6	88	0
Total liabilities		105,799	102,962
Total equity and liabilities		121,099	115,944

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

Unaudited Condensed Interim IFRS Consolidated Statement of Cash Flows

<i>(In € million)</i>	Note	1 January - 30 September 2023	1 January - 30 September 2022
Operating activities			
Profit for the period attributable to equity owners of the parent (Net income)		2,332	2,568
Loss for the period attributable to non-controlling interests		(118)	(90)
<i>Adjustments to reconcile profit for the period to cash provided by operating activities:</i>			
Depreciation and amortisation		1,609	1,640
Valuation adjustments		(707)	(127)
Deferred tax expense (income)		(304)	(480)
Change in income tax assets, income tax liabilities and provisions for income tax		875	1,023
Results on disposals of non-current assets		45	13
Results of investments accounted for under the equity method		(128)	(17)
Change in current and non-current provisions		(319)	(785)
Contribution to plan assets		(277)	(458)
Change in other operating assets and liabilities		(942)	78
Cash provided by operating activities		2,066	3,365
Investing activities			
Purchases of intangible assets, property, plant and equipment and investment property		(1,684)	(1,307)
Proceeds from disposals of intangible assets, property, plant and equipment and investment property		34	82
Acquisitions of subsidiaries, joint ventures, businesses and non-controlling interests (net of cash)		(58)	(88)
Payments for investments accounted for under the equity method, other investments and other long-term financial assets		(685)	(653)
Proceeds from disposals of investments accounted for under the equity method, other investments and other long-term financial assets		379	277
Dividends paid by companies valued at equity		150	97
Change in securities		(897)	(343)
Cash (used for) investing activities		(2,761)	(1,935)
Financing activities			
Change in financing liabilities		(309)	(1,252)
Cash distribution to Airbus SE shareholders	23	(1,421)	(1,181)
Change in liability for puttable instruments		138	135
Change in capital and non-controlling interests		140	140
Change in treasury shares		(83)	(36)
Cash (used for) financing activities		(1,535)	(2,194)
Effect of foreign exchange rate changes on cash and cash equivalents		56	707
Net (decrease) in cash and cash equivalents	24	(2,174)	(57)
Cash and cash equivalents at beginning of period	24	15,823	14,572
Cash and cash equivalents at end of period	24	13,649	14,515
<i>thereof presented as cash and cash equivalents</i>	<i>24</i>	<i>13,642</i>	<i>14,515</i>
<i>thereof presented as part of disposal groups classified as held for sale</i>	<i>6</i>	<i>7</i>	<i>0</i>

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

Unaudited Condensed Interim IFRS Consolidated Statement of Changes in Equity

<i>(In € million)</i>	Equity attributable to equity owners of the parent	Non-controlling interests	Total Equity
Balance at 1 January 2022	9,466	20	9,486
Profit for the period	2,568	(90)	2,478
Other comprehensive income	(4,616)	(36)	(4,652)
Total comprehensive income for the period	(2,048)	(126)	(2,174)
Capital increase	123	0	123
Share-based payment	106	0	106
Cash distribution to shareholders / dividends to non-controlling interests	(1,181)	0	(1,181)
Equity transaction	(81)	135	54
Change in treasury shares	(23)	0	(23)
Balance at 30 September 2022	6,362	29	6,391
Balance at 1 January 2023	12,950	32	12,982
Profit for the period	2,332	(118)	2,214
Other comprehensive income	1,197	4	1,201
Total comprehensive income for the period	3,529	(114)	3,415
Capital increase	144	0	144
Share-based payment	158	0	158
Cash distribution to shareholders / dividends to non-controlling interests	(1,421)	0	(1,421)
Equity transaction	(26)	119	93
Change in treasury shares	(71)	0	(71)
Balance at 30 September 2023	15,263	37	15,300

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

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

1. The Company

The accompanying Unaudited Condensed Interim IFRS Consolidated Financial Statements present the financial position and the results of operations of **Airbus SE** together with its subsidiaries referred to as “the Company”, a European public limited-liability company (*Societas Europaea*) with its seat (*statutaire zetel*) in Amsterdam, The Netherlands, its registered address at Mendelweg 30, 2333 CS Leiden, The Netherlands, and registered with the Dutch Commercial Register (Handelsregister) under number 24288945. The Company’s reportable segments are Airbus, Airbus Helicopters and Airbus Defence and Space (see “– Note 8: Segment Information”). The Company is listed on the European stock exchanges in Paris, Frankfurt am Main, Madrid, Barcelona, Valencia and Bilbao. The Unaudited Condensed Interim IFRS Consolidated Financial Statements were authorised for issue by the Company’s Board of Directors on 8 November 2023.

2. Ukraine Crisis

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

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

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

The Company is also indirectly exposed through its partnership into the joint venture ArianeGroup. Arianespace paid and received pre-payments for the Soyuz program for which Roscosmos decided to suspend the rocket launches operated by Arianespace. Agreements have been reached on pre-payments received with three of these clients. Negotiations continue with the remaining clients.

In 2022 and in the first nine months 2023, there was no material impact.

3. Macroeconomic Environment

In 2022, the Company has been operating in an adverse macroeconomic environment in light of high inflation, energy crisis, increasing interest rates, but also remaining effects of the COVID-19 pandemic. For more details on the impacts in 2022, please refer to the Company’s IFRS Consolidated Financial Statements as of 31 December 2022.

The main impacts of inflation on the Company’s Consolidated Financial Statements continue to be assessed regularly. No further significant impacts have been recorded during the first nine months 2023.

Interest rates have continued to rise, leading to a decrease in the defined benefit obligations of certain pension plans (see “– Note 20: Provisions”).

This environment paired with the consequences of Russia's invasion of Ukraine (see "– Note 2: Ukraine Crisis") has further increased the Company's exposure to supply chain risks. While the Company is operating in a complex environment and continues to be affected by delays of materials and parts in the first nine months 2023, it maintains its production ramp-up trajectory. The ramp-up on the A220 programme is continuing towards a monthly production rate of 14 aircraft in 2026. Production on the A320 Family programme is progressing well towards the previously announced rate of 75 aircraft per month in 2026. On widebody aircraft, the Company has decided to increase the monthly rate for the A350 to 10 aircraft a month in 2026 and continues to target rate 4 for the A330 in 2024.

4. Accounting Policies

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

These Unaudited Condensed Interim IFRS Consolidated Financial Statements are prepared in compliance with IAS 34 and should be read in conjunction with the IFRS Consolidated Financial Statements as of 31 December 2022. The Company's accounting policies and methods are unchanged compared to 31 December 2022. The implementation of new or amended standards has no material impact on the Unaudited Condensed Interim IFRS Consolidated Financial Statements as of 30 September 2023.

Use of Estimates and Judgements

In preparing the Unaudited Condensed Interim IFRS Consolidated Financial Statements, management makes assumptions and estimates. These estimates are revised if the underlying circumstances have evolved or in light of new information. The underlying assumptions used for the main estimates are similar to those described in the Company's IFRS Consolidated Financial Statements as of 31 December 2022.

5. Climate Impacts

Climate change may have a major impact on both the Company's industrial operations and its upstream and downstream value chains, including aircraft direct operations and the wider air transport ecosystem. Accordingly, climate-related risks can potentially affect the Company's business and competitiveness, its customers and other actors in the aviation industry.

As of 30 September 2023, to the best of the Company's judgement, there is no material impact on the Company's assets and liabilities. The Company considered the assumptions related to the life cycle of its programmes and the related impacts on long-lived assets and concluded that there is 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.

This is supported by the current demand for the Company's products as demonstrated by its order backlog. As it relates to commercial aircraft, the Company's current portfolio already delivers significant CO₂ reduction when compared to the previous generations aircraft. Around 75% of the global commercial aircraft fleet is made up of older generation aircraft, therefore, renewing the fleet represents an immediate potential for aviation decarbonisation. Furthermore, the Company expects its commitment to certify all current aircraft and helicopter programmes to be capable of flying on 100% Sustainable Aviation Fuels (SAF) by 2030 will play an important role in the sector's decarbonisation journey.

The Company has received approval from the Science Based Targets initiative (SBTi) for its greenhouse gas emission reduction near-term targets. These targets, in line with the Paris agreement's objectives, are based on climate science and cover the full set of the Company's emissions. Airbus intends to reduce its Scope 1 and Scope 2 industrial emissions by up to 63% by 2030, in line with a 1.5°C pathway. The Company also committed to reducing by 46% the greenhouse gas emissions intensity generated by its commercial aircraft in service (Scope 3 - Use of Sold Product) by 2035. Both targets are based on the 2015 year as a baseline.

In support of the overall sector ambition, the Company is investing in and accelerating its efforts on complementary strategic pathways to reduce its environmental footprint. Overall, a major portion of the Company capital expenditures, research & technology, and research & development expenses is linked to its commercial aircraft activities and the realisation of five decarbonisation pathways. In the first nine months 2023, the total research & development expenses amounted to € 2.2 billion (first nine months 2022: € 2.0 billion).

6. Acquisitions and Disposals

Acquisitions

On 20 June 2022, a Share Purchase Agreement was signed by the Company, Safran and Tikehau Capital for the acquisition of Aubert & Duval from Eramet. On 28 April 2023, the acquisition was finalised following the satisfaction of all conditions precedent including required regulatory approvals. Aubert & Duval is a strategic supplier providing high-performance steel, superalloy, aluminium or titanium parts to high-precision customers in aerospace and other industries. Aubert & Duval investment is owned equally by Airbus, Safran and Tikehau Capital and is accounted for under the equity method.

On 20 July 2022, Satair USA, Inc. signed a Membership Interest Purchase Agreement under which it acquired 100% of the shares of VAS Aero Services, LLC. VAS Aero Services provides aviation logistics and aftermarket services including end-of-life support. A preliminary goodwill of € 67 million was recognised as of 31 December 2022. The one year window period for the completion of the purchase price allocation ended in June 2023 which confirmed the preliminary goodwill assessment.

On 31 December 2022, Airbus Helicopters Deutschland GmbH acquired 100% of the shares of ZF Luftfahrttechnik GmbH. ZF Luftfahrttechnik was subsequently renamed Airbus Helicopters Technik GmbH. The company is a manufacturer of dynamic components for light and medium helicopters and a maintenance, repair, and overhaul service partner for helicopter fleet. A preliminary goodwill of € 60 million was recognised as of 31 December 2022 and the one year window period for the completion of the purchase price allocation will end in December 2023.

Assets and Disposal Groups Classified as Held for Sale

As of 30 September 2023, the Company intends to divest one of its subsidiaries. The assets and liabilities relating to this disposal have been reclassified to assets classified as held for sale for a net amount of € -32 million. The transaction is expected to be closed in 2024.

7. Related Party Transactions

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

8. Segment Information

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

- **Airbus** — Development, manufacturing, marketing and sale of commercial jet passenger aircraft of more than 100 seats, freighter aircraft and regional turboprop aircraft and aircraft components; aircraft conversion and related services. It also includes the holding function of the Company and its bank activities.
- **Airbus Helicopters** — Development, manufacturing, marketing and sale of civil and military helicopters; provision of helicopter related services.
- **Airbus Defence and Space** — Military Air Systems design, development, delivery and support of manned and unmanned military air systems and their associated services. Space Systems design, development, delivery, and support of a broad 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 and space launcher systems.

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

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

Airbus SE
Unaudited Condensed Interim IFRS Consolidated Financial Information
for the nine-month period ended 30 September 2023

Business segment information for the nine-month period ended 30 September 2023 is as follows:

<i>(In € million)</i>	Airbus	Airbus Helicopters	Airbus Defence and Space	Eliminations	Consolidated Airbus
Total revenue	31,507	4,662	7,133	0	43,302
Internal revenue	(497)	(210)	(35)	0	(742)
Revenue	31,010	4,452	7,098	0	42,560
<i>thereof</i>					
<i>sales of goods at a point in time</i>	28,030	1,757	2,165	0	31,952
<i>sales of goods over time</i>	0	336	2,405	0	2,741
<i>services, including sales of spare parts</i>	2,980	2,359	2,528	0	7,867
Profit before financial result and income taxes (EBIT)	2,306	410	(3)	(1)	2,712
<i>thereof research and development expenses</i>	(1,798)	(223)	(165)	19	(2,167)
Interest result					(7)
Other financial result					238
Income taxes					(729)
Profit for the period					2,214

Business segment information for the nine-month period ended 30 September 2022 is as follows:

<i>(In € million)</i>	Airbus	Airbus Helicopters	Airbus Defence and Space	Eliminations	Consolidated Airbus
Total revenue	26,654	4,515	7,593	0	38,762
Internal revenue	(423)	(189)	(31)	0	(643)
Revenue	26,231	4,326	7,562	0	38,119
<i>thereof</i>					
<i>sales of goods at a point in time</i>	24,047	1,931	2,330	0	28,308
<i>sales of goods over time</i>	0	194	2,717	0	2,911
<i>services, including sales of spare parts</i>	2,184	2,201	2,515	0	6,900
Profit before financial result and income taxes (EBIT)	3,241	380	(64)	(5)	3,552
<i>thereof research and development expenses</i>	(1,618)	(178)	(180)	11	(1,965)
Interest result					(166)
Other financial result					(140)
Income taxes					(768)
Profit for the period					2,478

9. Revenue and Gross Margin

Revenue increased by € +4,441 million to € 42,560 million (first nine months 2022: € 38,119 million). The increase is mainly driven by Airbus (€ +4,779 million) reflecting higher aircraft deliveries. It is partly offset by Airbus Defence and Space (€ -464 million).

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

<i>(In € million)</i>	1 January - 30 September 2023	1 January - 30 September 2022
Europe	15,939	16,920
Asia-Pacific	12,024	9,636
North America	9,057	8,211
Middle East	2,561	1,761
Latin America	1,040	1,463
Other countries	1,939	128
Total	42,560	38,119

The **gross margin** decreased by € -498 million to € 6,568 million compared to € 7,066 million in the first nine months 2022. It is mainly driven by negative foreign exchange impacts and updated estimates at completion (EAC) of certain satellite development programmes, partly offset by higher deliveries and the release of compliance-related provisions of € 0.1 billion. In the first nine months 2022, the gross margin included a non-recurring positive impact related to the re-measurement of past service cost in the retirement obligations of € 0.4 billion. The gross margin rate decreased from 18.5% to 15.4%.

In the first nine months 2023, the Company has delivered four A400M aircraft.

The Company has continued with development activities toward achieving the revised capability roadmap. Retrofit activities are progressing in close alignment with the customer.

In 2022, an update of the contract estimate at completion was performed and an additional charge of € 477 million recorded, mainly reflecting updated assumptions, including inflation and risks related to the remaining SOC3 contractual development milestones to be achieved. No further net material impact was recognised as of 30 September 2023.

Risks remain on the qualification of technical capabilities and associated costs, on aircraft operational reliability, on cost reductions and on securing overall volume as per the revised baseline.

In addition, the updated EACs of certain satellite development programmes led to a further charge of € -0.4 billion as of 30 September 2023. This includes an updated assessment of assumptions and estimates related to the remaining revenue and costs to completion and the progress of the contracts together with the underlying programmes status (see “– Note 5: Key Estimates and Judgements” in the Company’s IFRS Consolidated Financial Statements as of 31 December 2022).

In a notice of termination dated 9 June 2022, the Norwegian Defence Material Agency notified NHIndustries SAS (“NHI”) of the Norwegian Ministry of Defence’s decision to terminate its contract for the supply of 14 NH90 helicopters. In a press release dated 10 June 2022, NHI noted it “is extremely disappointed by the decision taken by the Norwegian Ministry of Defence and refutes the allegations being made against the NH90 as well as against [NHI].” NHI considers the termination to be legally groundless and reserves its right to take any necessary legal action to challenge it. The parties are working toward resolving this matter, with a mediation process having been initiated during the second quarter of 2023.

10. Research and Development Expenses

Research and development expenses increased by € 202 million to € 2,167 million compared to € 1,965 million in the first nine months 2022.

11. Other Income and Other Expenses

Other income increased by € 66 million to € 130 million compared to € 64 million in the first nine months 2022.

Other expenses increased by € -21 million to € -88 million compared to € -67 million in the first nine months 2022.

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

Share of profit from investments under the equity method and **other income from investments** increased by € +68 million to € 142 million compared to € 74 million in the first nine months 2022 mainly driven by negative impacts in ArianeGroup in the first nine months 2022.

13. Total Financial Result

Total financial result amounts to € 231 million (first nine months 2022: -306 million). It mainly reflects positive impacts from the revaluation of certain equity investments and foreign exchange valuation of monetary items partly offset by a negative impact from the revaluation of financial instruments.

14. Income Taxes

The **income tax** expense amounts to € -729 million (first nine months 2022: € -768 million) and corresponds to an effective income tax rate of 24.8%. This includes impacts from the tax-free revaluation of certain equity investments under IFRS 9, tax risk updates and deferred tax assets impairments. As a result of a corporate reorganisation in Germany to be finalised in the fourth quarter 2023, a prior-year deferred tax asset impairment was partially reversed for € 237 million, out of which € 160 million recorded in the income statement and € 77 million in other comprehensive income.

15. Earnings per Share

	1 January - 30 September 2023	1 January - 30 September 2022
Profit for the period attributable to equity owners of the parent (Net income)	€ 2,332 million	€ 2,568 million
Weighted average number of ordinary shares	788,697,186	786,924,508
Basic earnings per share	€ 2.96	€ 3.26

Diluted earnings per share – The Company’s dilutive potential ordinary shares are equity-settled Performance Shares relating to **Long-Term Incentive Plans (“LTIP”)**. For the shares meeting the performance conditions at the closing date, the dilutive effect is determined in accordance with the treasury share method specified by IAS 33 – Earnings per share.

In the first nine months 2023, a total of 995,089 equity-settled Performance Shares was considered in the calculation of diluted earnings per share.

	1 January - 30 September 2023	1 January - 30 September 2022
Profit for the period attributable to equity owners of the parent (Net income), adjusted for diluted calculation	€ 2,332 million	€ 2,568 million
Weighted average number of ordinary shares (diluted)	789,692,275	787,499,064
Diluted earnings per share	€ 2.95	€ 3.26

16. Intangible Assets and Property, Plant and Equipment

Intangible assets increased by €+241 million to € 17,009 million (prior year-end: € 16,768 million). Intangible assets mainly relate to goodwill of € 13,167 million (prior year-end: € 13,165 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 (see “– Note 5: Climate Impacts”).

Property, plant and equipment increased by €+140 million to € 16,645 million (prior year-end: € 16,505 million). Property, plant and equipment include right-of-use assets for an amount of € 1,664 million as of 30 September 2023 (prior year-end: € 1,746 million). Based on management’s best estimate, there is no impact on the useful life of Property, plant and equipment, considering the Company’s journey towards sustainable aerospace, climate risks and current amortisation schemes over asset life (see “– Note 5: Climate Impacts”).

17. Investments Accounted for under the Equity Method

Investments accounted for under the equity method increased by € +96 million to € 2,163 million (prior year-end: € 2,067 million). They mainly include the equity investments in ArianeGroup, MBDA and ATR GIE.

18. Other Investments and Other Long-Term Financial Assets

<i>(In € million)</i>	30 September 2023	31 December 2022
Other investments	2,767	2,641
Other long-term financial assets	1,868	1,549
Total non-current other investments and other long-term financial assets	4,635	4,190
Current portion of other long-term financial assets	792	665
Total	5,427	4,855

Other investments mainly comprise the Company’s participations and include the remaining investment in Dassault Aviation (9.90%, prior year-end: 9.90%) amounting to € 1,476 million at 30 September 2023 (prior year-end: € 1,309 million).

Other long-term financial assets and the **current portion of other long-term financial assets** include other loans in the amount of € 2,561 million as of 30 September 2023 (prior year-end: € 2,129 million), and the sales financing activities in the form of finance lease receivables and loans from aircraft financing.

19. Inventories

Inventories of € 36,525 million (prior year-end: € 32,202 million) increased by € +4,323 million across all divisions and is mainly linked to an increase in work in progress, driven by the inventory build-up to support the ramp-up across all Airbus programmes.

20. Provisions

<i>(In € million)</i>	30 September 2023	31 December 2022
Provisions for pensions	2,751	3,509
Other provisions	7,018	7,514
Total	9,769	11,023
<i>thereof non-current portion</i>	5,839	6,896
<i>thereof current portion</i>	3,930	4,127

As of 30 September 2023, **provisions for pensions** amount to € 2.8 billion (prior year-end: € 3.5 billion). The decrease mainly reflects the change in actuarial assumptions related to inflation and discount rates in Germany recognised in other comprehensive income.

As of 30 September 2023, a non-current asset of € 0.8 billion (prior year-end: € 0.6 billion) is accounted for to reflect the surplus in two pension funds in the UK, the Airbus Section of the participation in BAE Systems Pension Scheme and the Company UK Pension Scheme (see “– Note 22: Other Assets and Other Liabilities”).

The French pension reform signed into law in April 2023 and accounted for as a plan amendment did not have any material impact on the Company’s Consolidated Financial Statements.

Other provisions decreased mainly due to the utilisation of provisions for onerous contracts related to the A400M and A220 programmes and the release of compliance-related provisions. This is partly offset by additional provisions related to the updates of certain satellite development programmes (see “– Note 9: Revenue and Gross Margin”).

21. Other Financial Assets and Other Financial Liabilities

Other Financial Assets

<i>(In € million)</i>	30 September 2023	31 December 2022
Positive fair values of derivative financial instruments	643	753
Others	28	28
Total non-current other financial assets	671	781
Receivables from related companies	958	1,104
Positive fair values of derivative financial instruments	425	1,141
Others	350	297
Total current other financial assets	1,733	2,542
Total	2,404	3,323

Other Financial Liabilities

<i>(In € million)</i>	30 September 2023	31 December 2022
Liabilities for derivative financial instruments	5,208	6,163
European Governments’ refundable advances	3,722	3,717
Others	251	237
Total non-current other financial liabilities	9,181	10,117
Liabilities for derivative financial instruments	2,540	3,450
European Governments’ refundable advances	155	140
Liabilities to related companies	169	186
Others	261	297
Total current other financial liabilities	3,125	4,073
Total	12,306	14,190

The total net fair value of derivative financial instruments improved by € +1,039 million to € -6,680 million (prior year-end: € -7,719 million) as a result of the reduction of the volume of instrument partly offset by the strengthened US dollar versus the Euro associated with the market valuation of the hedge portfolio.

In the first nine months 2023, the European Governments’ refundable advances increased by € +20 million to € 3,877 million (prior year-end: € 3,857 million).

The allocation of European Governments’ refundable advances between non-current and current presented in the Unaudited Condensed Interim IFRS Consolidated Financial Statements ended 30 September 2023 is based on the applicable contractual repayment dates.

22. Other Assets and Other Liabilities

Other Assets

<i>(In € million)</i>	30 September 2023	31 December 2022
Cost to fulfil a contract	424	337
Prepaid expenses	141	149
Others	1,577	1,386
Total non-current other assets	2,142	1,872
Value added tax claims	2,438	1,732
Cost to fulfil a contract	497	448
Prepaid expenses	319	161
Others	354	509
Total current other assets	3,608	2,850
Total	5,750	4,722

As of 30 September 2023, other assets include € 819 million of payments to be made to Airbus by suppliers after aircraft delivery (prior year-end: € 673 million). They are recorded as a reduction of cost of goods sold at the time of aircraft delivery. These future payments are discounted to reflect specific contractual terms and repayment profile.

As of 30 September 2023, a non-current asset of € 0.8 billion (prior year-end: € 0.6 billion) is accounted for to reflect the surplus in two pension funds in the UK (see “– Note 20: Provisions”).

Other Liabilities

<i>(In € million)</i>	30 September 2023	31 December 2022
Others	482	498
Total non-current other liabilities	482	498
Tax liabilities (excluding income tax)	1,448	1,082
Others	2,809	2,721
Total current other liabilities	4,257	3,803
Total	4,739	4,301

As of 30 September 2023, current other liabilities mainly comprise tax (excluding income tax) and personnel liabilities.

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>	30 September 2023	31 December 2022
Issued at 1 January	788,205,008	786,083,690
Issued for ESOP	2,190,603	2,121,318
Issued at end of period	790,395,611	788,205,008
Treasury shares	(1,219,076)	(647,500)
Outstanding at end of period	789,176,535	787,557,508

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 € 15,263 million (prior year-end: € 12,950 million) representing an increase of € +2,313 million mainly due to the net income for the period of € +2,332 million and an increase in the other comprehensive income, principally related to the change in actuarial gains and losses of € +691 million and the mark to market revaluation of the hedge portfolio of € +399 million and partly offset by dividend payments of € -1,421 million (€1.80 per share).

The **non-controlling interests (“NCI”)** from non-wholly owned subsidiaries increased to € 37 million as of 30 September 2023 (prior year-end: € 32 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>	30 September 2023	31 December 2022
Cash and cash equivalents	13,642	15,823
Current securities	1,491	1,762
Non-current securities	7,272	6,013
Gross cash position	22,405	23,598
Short-term financing liabilities	(3,141)	(2,142)
Long-term financing liabilities	(9,526)	(10,631)
Interest rate contracts	(1,423)	(1,394)
Total	8,315	9,431

The net cash position on 30 September 2023 amounted to € 8,315 million (prior year-end: € 9,431 million), with a gross cash position of € 22,405 million (prior year-end: € 23,598 million).

Cash and Cash Equivalents

Cash and cash equivalents are composed of the following elements:

<i>(In € million)</i>	30 September 2023	31 December 2022
Bank account and petty cash	4,734	3,687
Short-term securities (at fair value through profit or loss)	7,933	11,135
Short-term securities (at fair value through OCI)	976	1,001
Total cash and cash equivalents	13,642	15,823

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

Cash and cash equivalents have decreased by € -2.2 billion from € 15.8 billion at 31 December 2022 to € 13.6 billion at 30 September 2023 and they include payments received in advance from certain customers and limited payments given to suppliers as a financial support.

The main variations are as follows:

Cash used for operating activities amounted to € +2.1 billion in the first nine months 2023, primarily driven by a profit translated into cash partly offset by a negative impact from working capital. The latter is driven by the increase in inventory partly compensated by larger contract liabilities reflecting higher advance payments including significant and anticipated predelivery payments from certain customers, and a positive impact from net payments made to suppliers in anticipation.

Cash used for investing activities amounted to € -2.8 billion, mainly reflecting capital expenditures and investments in securities.

Cash provided by financing activities amounted to € -1.5 billion. It mainly includes the cash distribution to Airbus SE shareholders of € -1.4 billion.

Similar to previous years, the Company has supported its suppliers concerning supply chain financing arrangements. As of 30 September 2023, these arrangements have no impact on the Company's Unaudited Condensed Interim IFRS Consolidated Financial Statements. The Company evaluates such suppliers' early payment arrangements with a financing third party against a number of indicators to assess whether the payable continues to hold the characteristics of a trade payable or should be classified as borrowings; these indicators include whether the payment terms exceed customary payment terms in the industry. As at 30 September 2023, the payables subject to supplier financing arrangements do not meet the criteria to be reclassified as borrowings.

Financing Liabilities

<i>(In € million)</i>	30 September 2023	31 December 2022
Bonds and commercial papers	7,861	8,681
Liabilities to financial institutions	49	383
Loans	199	75
Lease liabilities	1,417	1,492
Total long term financing liabilities	9,526	10,631
Bonds and commercial papers	810	0
Liabilities to financial institutions	51	27
Loans	81	83
Lease liabilities	218	242
Others ⁽¹⁾	1,981	1,790
Total short term financing liabilities	3,141	2,142
Total	12,667	12,773

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

Long-term financing liabilities, mainly comprising of bonds and lease liabilities, decreased by € -1,105 million to € 9,526 million (prior year-end: € 10,631 million) mainly related to the reclassification of an EMTN bond from long-term to short term maturing in 2024.

Short-term financing liabilities increased by € +999 million to € 3,141 million (prior year-end: € 2,142 million) mainly related to the reclassification of an EMTN bond from long-term to short term maturing in 2024.

On 31 January 2023, the Company signed a lease agreement with Mobile Airport Authority for a new Final Assembly Line in Mobile, Alabama. As of 30 September 2023, and based on IFRS 16, this lease has not commenced and therefore no lease liabilities have been recognised in the financial statements. The future discounted cash outflows amount to US\$ 1 billion to be fully guaranteed by the Company out of which an amount of US\$ 0.8 billion has been issued on 31 January 2023 and US\$ 0.2 billion is scheduled to be issued by year end.

25. Financial Instruments

The following table presents the composition of derivative financial instruments:

<i>(In € million)</i>	30 September 2023	31 December 2022
Non-current positive fair values	643	753
Current positive fair values	425	1,141
Total positive fair values of derivative financial instruments	1,068	1,894
Non-current negative fair values	(5,208)	(6,163)
Current negative fair values	(2,540)	(3,450)
Total negative fair values of derivative financial instruments	(7,748)	(9,613)
Total net fair values of derivative financial instruments	(6,680)	(7,719)

The total net fair value of derivative financial instruments improved by € +1,039 million to € -6,680 million (prior year-end: € -7,719 million) as a result of the reduction of the volume of instrument partly offset by the strengthened US dollar versus the Euro associated with the market valuation of the hedge portfolio.

As of 30 September 2023, the total hedge portfolio with maturities up to 2029 amounts to US\$ 70.5 billion (prior year-end: US\$ 76.4 billion) and covers a major portion of the foreign exchange exposure expected over the hedging horizon. The US dollar spot rate was 1.06 US\$/€ and 1.07 US\$/€ at 30 September 2023 and at 31 December 2022, respectively. The average US\$/€ hedge rate of the US\$/€ hedge portfolio until 2029 remains at 1.24 US\$/€ (prior year-end: 1.24 US\$/€).

Carrying Amounts and Fair Values of Financial Instruments

Fair values of financial instruments have been determined with reference to available market information at the end of the reporting period and the valuation methodologies as described in detail in Note 38.2 to the 2022 IFRS Consolidated Financial Statements. For the first nine months 2023, the Company has applied the same methodologies for the fair value measurement of financial instruments.

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Carrying amount is a reasonable approximation of fair value for all classes of financial instruments listed in the first table of Note 38.2 to the 2022 IFRS Consolidated Financial Statements, with the exception of:

<i>(In € million)</i>	30 September 2023		31 December 2022	
	Book Value	Fair Value	Book Value	Fair Value
Financing liabilities				
Bonds and commercial papers	(8,671)	(9,039)	(8,681)	(9,071)
Liabilities to financial institutions and others	(2,361)	(2,361)	(2,358)	(2,358)

Fair Value Hierarchy

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

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

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

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

<i>(In € million)</i>	30 September 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Equity instruments	2,041	0	726	2,767	1,896	0	744	2,640
Derivative instruments	0	1,068	0	1,068	0	1,894	0	1,894
Securities	8,763	0	0	8,763	7,775	0	0	7,775
Customer financing	0	0	98	98	0	0	86	86
Cash equivalents	7,933	976	0	8,909	11,135	1,001	0	12,136
Total	18,737	2,044	824	21,605	20,806	2,895	830	24,531
Financial liabilities measured at fair value								
Derivative instruments	0	(7,729)	(19)	(7,748)	0	(9,529)	(84)	(9,613)
Other financial liabilities	0	0	(108)	(108)	0	0	(83)	(83)
Total	0	(7,729)	(127)	(7,856)	0	(9,529)	(167)	(9,696)

As at 30 September 2023, the fair value of the written put options on non-controlling interests ("NCI puts") relating to ACLP amounts to € 108 million (prior year-end: € 83 million) and includes an additional funding of ACLP by IQ in 2023.

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 9.74% is used to discount the forecasted cash flows, taking into account the specificities of the programme (prior year-end: 9.74%).

26. Litigation and Claims

The Company is involved from time to time in various governmental, legal and arbitration proceedings in the ordinary course of its business, the most significant of which are described below. Other than as described below, there are no 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 had 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 was imposed on the Company in light of the continuing monitorship conducted by the AFA.

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

The agreements resulted in the suspension of prosecution for a duration of three years. This deferral period ended on 31 January 2023. On 13 February 2023, the SFO gave notice to the Company discontinuing the prosecution. On 17 March 2023, the PNF gave notice of the same with receipt of the Constat de l'extinction de l'action publique. On 28 July 2023 the DoJ filed a motion to dismiss which was granted by the court on 10 August 2023. With receipt of the aforementioned notices, the CJIP with the PNF, the DPA with the SFO and the DPA with the DoJ have been formally concluded.

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

As a result of the Company's decision to redirect export control compliance resources to ensure compliance with export control restrictions and international sanctions announced against Russia, Belarus and certain Russian entities and individuals following Russia's invasion of Ukraine on 24 February 2022, the Company asked the DoS to extend the Consent Agreement an additional nine months from its original expiration date, and the DoS granted this extension. After the end of the reporting period, on 26 October 2023, the Company received notice from the DoS of the closure of the Consent Agreement based on the fulfilment of its terms.

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 marketplace.

Airbus will continue to cooperate with the authorities in the future and to enhance its strong Ethics & Compliance programme and 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 2021 the Company received notification of two separate claims and in March 2022 of a third claim, each filed in the Netherlands purportedly on behalf of Airbus investors. These claims (the "Dutch claims") assert that the Company violated its reporting obligations, allegedly leading to an impact on the Company's share price, 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 the related criminal investigations leading to the Company's agreements approved on 31 January 2020 with the French PNF, the UK SFO, the US DoJ and the US DoS.

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

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

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

The Dutch claims followed the filing in 2020 of a putative class action lawsuit in US federal court in the state of New Jersey, against Airbus SE and members of its current and former management. The US complaint asserted violations of US securities laws, alleging 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 matter was fully and finally settled on 30 September 2022 in exchange for a payment in the amount of \$5,000,000 USD without any acknowledgement of liability.

On 30 August 2023, the first Dutch claim was dismissed on the merits. On 20 September 2023, the second and third Dutch claims were dismissed on procedural grounds. In each instance, the decisions may be appealed during a period of three months from the relevant dismissal date.

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 a trial for involuntary manslaughter. The Company's appeal to the French Supreme Court was dismissed. Following a trial in the fourth quarter of 2022, the Paris Criminal Court announced on 17 April 2023 that all criminal charges against the Company were dismissed but sustained certain civil liability claims. On 26 April 2023, the Paris General Prosecutor filed an appeal of the dismissal of criminal charges against Airbus and Air France. As a consequence, there will be a full retrial of the matter, which the Company expects will be scheduled to take place in 2024 or 2025.

Grand Canyon Helicopter Accident

On 10 February 2018, a fatal accident occurred in the Grand Canyon at a site called Quartermaster in Arizona involving an EC130 B4 helicopter operated by Papillon Helicopters impacting the canyon floor and catching fire, leading to five fatalities and two severely injured persons. Following the accident, product liability claims were filed in Nevada state court in the US, including claims by the estate and parents of a deceased passenger and by the injured pilot of the helicopter. On 6 May 2023 the claim of the pilot was settled, with no admission of liability on behalf of the Company. The Company intends to vigorously defend itself against the remaining claims, but such claims may generate negative publicity and reputational harm. The trial on the remaining claims is scheduled to take place in the first quarter of 2024. Any judgment or decision unfavourable to the Company could have a material adverse impact on the Financial Statements, business and operations of the Company as well as on its reputation.

Other Investigations

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

27. Number of Employees

	Airbus	Airbus Helicopters	Airbus Defence and Space	Consolidated Airbus
30 September 2023	88,250	22,081	35,180	145,511
31 December 2022	79,134	20,803	34,330	134,267

28. Events after the Reporting Date

On 26 October 2023, the Company received notice from the US Department of State of the closure of the Consent Agreement, based on the fulfilment of its terms (see "– Note 26: Litigation and Claims").