



Airbus SE N.V.
CEO / Board of Directors
Mendelweg 30
2333 CS Leiden

20 February 2023

Dear Mr Faury,

TCI has been a long-term shareholder of Airbus and currently owns over 3% of the shares outstanding, valued at over €4bn.

We are writing to urge you to immediately terminate negotiations with Atos over the purchase of a minority stake in 'Evidian'.

An investment in Evidian would be value destructive

Evidian is a low-quality, highly levered company, with 60,000 employees, operating in an extremely competitive market. A minority 29.9% stake in Evidian would be an illiquid and distressed asset. It would be stranded capital and an extremely inefficient use of shareholder funds. Investing in Evidian would also significantly dilute the quality of Airbus' business and investors would ascribe zero value to the stake.

Airbus can continue to have a mutually productive and profitable relationship with Evidian without making an equity investment. Not being an anchor shareholder does not prevent increased collaboration between the two companies. Airbus already works successfully with thousands of its critical suppliers without owning a stake in them, and can do so too with Evidian.

You must also understand that if Airbus owns 29.9% of Evidian, it will own Evidian's operating losses, its charges and its funding requirements. You will be committing Airbus to the risks associated with all future capital raises and rights issues at Evidian. The future losses and funding needs could be material, so it would be irresponsible to expose Airbus to these unquantifiable risks and liabilities.

The transaction appears to be a bail out of Atos, a company that is burdened with unsustainable levels of debt and other liabilities. Airbus should therefore disclose whether any of the money it invests in Evidian will be used to pay down the debt or other liabilities of Atos.

7 Clifford Street, London, W1S 2FT Telephone: +44 (0) 20 7440 2330

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Airbus is a great business that demands management's full attention

In contrast to Evidian, Airbus is one of the highest quality businesses in the world and the outlook for the company's core aviation business is extremely positive. Airbus is the leading global commercial aircraft manufacturer in the fast-growing aerospace industry. The barriers to entry are huge and shareholders rightly value Airbus' dominant market position and the enormous potential it has to grow profits and cashflow once the ramp up of its aircraft programs is complete.

In the last year, however, Airbus has consistently missed its aircraft delivery targets. Management should therefore be totally focused on fixing the supply chain and delivering aircraft rather than being distracted by this agreement with Atos. Indeed, investors and customers will be questioning whether it is a coincidence that while management has been negotiating the deal, Airbus has just reported one of its lowest aircraft delivery months in the last 10 years.

Airlines are angry and frustrated with these delivery delays because they are desperate for more new, fuel-efficient aircraft to lower the CO₂ emissions of their fleets. The world is depending on Airbus, so execution of the ramp up must be the overwhelming priority of management.

The proposed transaction with Atos raises serious questions about Airbus' corporate governance

We are also concerned that the Airbus board has permitted this potential transaction to proceed. It reflects poorly on the board's decision making and the company's governance. Airbus is already a hugely complex, multinational organisation and the executive team has always struggled to maintain full control over all the various programs and projects. Every year has brought new charges and delays. The last thing management needs is a new problem-child to distract it from Airbus' core business, which for the first time in 20 years looks to be in good order.

In a press release issued on 16 February 2023, Atos stated that the potential transaction will ensure "technological sovereignty in France". This suggests there is some political motivation for Airbus to complete the transaction. Management and the board have a fiduciary duty to act in the best interests of Airbus and its shareholders, not to invest the company's capital with regard to political issues such as "sovereignty".

A much better use of Airbus' prodigious and rising cashflow would be to increase the dividend or to buy back the company's stock, which we think is extremely undervalued.

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Governance issues and the risk of poor capital allocation are the main reasons why Airbus stock trades at a discount to its aerospace peers and to its fair value. We urge you to address this by immediately terminating negotiations with Atos over the purchase of a minority stake in Evidian.

If such a transaction with Evidian is consummated and there is evidence that it is, in part, a politically motivated and justified transaction, then all directors may be in breach of their fiduciary duty and we reserve our rights to litigate for shareholder damages and hold the directors personally liable for these damages.

In light of our numerous and significant concerns about this transaction, on 17 February 2023 TCI filed a motion to be added to the agenda of Airbus' AGM in April requesting the disclosure and discussion of certain important issues regarding the potential purchase of the stake in Evidian. We have attached the AGM motion to this letter.

We look forward to discussing this matter with you at the earliest opportunity.

Yours sincerely,

Christopher Hohn

TCI Fund Management Limited
For an on behalf of The Children's Investment Master Fund

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By registered mail

Airbus SE N.V.
Board of Directors / CEO
Mendelweg 30
2333CS Leiden

Also by e-mail: ir@airbus.com

17 February 2023

Dear Sir/Madam,

Strategic partnership with and acquisition of minority stake in Evidian

TCI Fund Management Limited (“TCI”) is the discretionary investment manager of The Children’s Investment Master Fund (“TCI Fund”). TCI Fund is one of Airbus’ largest private investors. TCI manages over USD 40 billion across a range of asset classes.

As of today, 17 February 2023, TCI Fund holds more than 3% of the shares in Airbus. As such, TCI Fund is able to propose topics to add to the agenda of the Annual General Meeting (“AGM”). We would like to use this opportunity to give all of Airbus’ shareholders the chance to discuss at the AGM the announcement on 16 February 2023 that Airbus has made an indicative offer to Atos to enter into a long-term strategic and technological agreement and to acquire a minority stake of 29.9% in Evidian.

To that end TCI Fund would like to propose adding the following topics to the agenda of the AGM, scheduled to be held on 19 April 2023, as discussion points:

1. How did the board of Airbus and its executives conclude that it was in Airbus’ best interest to enter into a long-term strategic and technological agreement with Evidian?
2. Why is this transaction necessary and relevant to Airbus’ existing business?
3. Why is it also necessary to acquire a minority stake of 29.9% in Evidian and what is the economic rationale?

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4. What valuation metrics were used to establish the value for the minority stake in Evidian? What were the peer companies used as comparisons to value Evidian?
5. Why is Evidian the best partner with whom to enter into a long-term strategic and technological agreement?
6. Did Airbus consider, approach and have discussions with any other companies for such a technological partnership?
7. Explain the comment “ensuring technological sovereignty in France” in the Atos press release of 16 February 2022? How important was this factor to Airbus in negotiating the agreement with Atos?
8. Why are considerations of French technological sovereignty in the best interests of Airbus and its shareholders?
9. Disclose whether there have been any discussions with the French government, it’s representatives or advisors regarding this transaction.
10. Disclose which Airbus board members and executives have been involved in any discussions with the French government, it's representatives or advisors.
11. Provide full details of all conversations that Airbus board members, executives and advisors have had with the French government its representatives or advisors.
12. If this transaction has been partly motivated by political considerations, explain and justify why it is in the best interests of Airbus and its shareholders?
13. If this transaction has been partly motivated by political considerations, explain why the Airbus board directors are not in breach of their fiduciary duty to act in the best interests of Airbus and it’s shareholders.
14. If the Airbus board directors are in breach of their fiduciary duty, should the board members be held personally liable for any losses suffered in the future as a result of this transaction?

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15. Why should this transaction not be interpreted as a bail out of Atos, a company that is burdened by unsustainable levels of debt and other liabilities?

16. Will any of the money invested by Airbus in Evidian be used to pay off the debts and other liabilities of Atos and why is this in the best interests of Airbus and it's shareholders?

We look forward to discussing these points with the Board of Directors as well as the other shareholders at the next AGM.

Sincerely yours,

Christopher Hohn

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For an on behalf of The Children's Investment Master Fund

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