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Joint Report

Pursuant to §§ 295(1) sentence 2 and 293a of the German Stock Corporation Act (AktG)

by the Executive Board of

Fraport AG Frankfurt Airport Services Worldwide

and

the management of

Airport Cater Service GmbH

on the conclusion and content of an amendment agreement to the control and profit and loss transfer agreement to be concluded between the companies

1. General

Fraport AG Frankfurt Airport Services Worldwide (formerly incorporated as Flughafen Frankfurt/Main AG) (hereinafter the “**controlling company**” or “**Fraport AG**”) and Airport Cater Service GmbH (hereinafter the “**controlled company**”) concluded a control and profit and loss transfer agreement on November 13, 1996 (hereinafter the “**original agreement**”), which entered into effect on December 11, 1996, upon entry in the commercial register of the controlled company. The Annual General Meeting of Fraport AG (formerly incorporated as Flughafen Frankfurt/Main AG) had previously approved the original agreement on June 20, 1996, and the shareholders’ meeting of the controlled company approved it on November 13, 1996.

The Executive Board of the controlling company and the management of the controlled company hereby issue the following report pursuant to §§ 295(1) sentence 2 and 293a of the German Stock Corporation Act (Aktiengesetz, hereinafter “**AktG**”) on an amendment agreement to the control and profit and loss transfer agreement (hereinafter the “**amendment agreement**”) which is to be concluded between the controlling company and the controlled company and shall serve to amend the original agreement.

The draft of this amendment agreement shall be submitted to the Annual General Meeting of the controlling company on June 1, 2021 for approval.

2. Conclusion of the amendment agreement

Fraport AG intends to conclude the amendment agreement in the capacity of the controlling company with Airport Cater Service GmbH as the controlled company. The amendment agreement in question constitutes an amendment agreement in accordance with § 295 AktG. It requires the approval of both the Annual General Meeting of the controlling company and the shareholders’ meeting of the controlled company in order to be valid. The Executive Board and Supervisory Board of the controlling company will be presented with a proposal to approve the conclusion of the amendment agreement at the Annual General Meeting of the controlling company to be convened on June 1, 2021. The shareholders’ meeting of the controlled company has not yet approved the conclusion of the amendment agreement. This approval is expected to take place after the Annual General Meeting of the controlling company issues its approval. The amendment agreement shall come into effect upon entry in the commercial register at the location of the controlled company’s headquarters.

3. Parties to the agreement

3.1. Controlling company

The controlling company is a stock corporation (Aktiengesellschaft) under German law based in Frankfurt am Main. It is entered in the commercial register of the District Court of Frankfurt am Main under HRB 7042. The fiscal year of the controlling company is the calendar year.

The purpose of the company is the operation, maintenance, development and expansion of Frankfurt Airport. The purpose of the company additionally encompasses the operation, maintenance, development and expansion of other airports, infrastructure facilities and real estate in Germany and abroad, the provision of related services and the application and marketing of the knowledge and skills gained in the course of these activities in Germany and abroad.

In accordance with § 5(1) of the Articles of Association of the controlling company, the Executive Board consists of at least three members. In all other respects, the number of members is defined by the Supervisory Board. The Executive Board of the controlling company currently consists of five members:

Dr. Stefan Schulte (Chairman)

Ms. Anke Giesen

Mr. Michael Müller

Dr. Pierre Dominique Prümm

Dr. Matthias Zieschang

The controlling company is represented legally by two Executive Board members or by one Executive Board member together with an authorized signatory (§ 5(2) of the Articles of Association).

In its capacity as the parent company of the Fraport Group, the controlling company holds direct and indirect stakes in the controlled company and numerous other companies in Germany and abroad.

3.2. Controlled company

The controlled company is a limited liability company (Gesellschaft mit beschränkter Haftung) under German law based in Frankfurt am Main. It is entered in the commercial register of the District Court of Frankfurt am Main under HRB 42375. The fiscal year of the controlled company is the calendar year. The fully paid-in share capital of the controlled company amounts to DEM 50,000.00.

The purpose of the company is the operation of the cafeterias of Flughafen Frankfurt/Main AG, catering and the management of catering facilities in Germany and abroad, as well as consulting and the provision of related services.

The controlling company is the sole shareholder of the controlled company.

In accordance with its Articles of Association, the controlled company has one managing director. The company is represented solely by this managing director. The currently appointed managing director is Dirk Glasner.

4. Legal and economic reasons for the conclusion of the amendment agreement to the control and profit and loss transfer agreement

The conclusion of the amendment agreement is taking place in the interest of a desired harmonization of the Fraport Group.

The controlling company and the controlled company concluded the original agreement on November 13, 1996. This agreement was a mandatory requirement for the establishment of a corporate and trade tax entity consisting of the controlling company and the controlled company in accordance with §§ 14(1) and (17) of the German Corporate Income Tax Act (Körperschaftsteuergesetz, hereinafter “**KStG**”). The establishment of this tax entity made it possible for the specified companies to be taxed jointly. This resulted in a tax group within which the positive and negative results of the controlled company could and can still be offset with the positive and negative results of the controlling company within the respective taxation/assessment period. This had and still has the potential to lead to tax advantages depending on the taxable earnings situations of the companies involved. In addition, the establishment of an income tax group also enabled and still enables the transfer of the controlled company’s profits to the controlling company without incurring an additional tax burden. While profits could still be transferred to the controlling company without the establishment of a tax group by means of a dividend distribution, they would still incur corporate and trade tax to a limited extent for the controlling company. 5% of the dividend would be considered non-deductible business expenses, thus increasing the taxable income of the controlling company.

§ 4(1) of the original agreement stipulates that the controlling company is obligated to offset any annual net deficit otherwise incurred by the controlled company during the term of the agreement insofar as this is not offset by the removal of amounts from free reserves which have been transferred to them during the term of the agreement. § 4(2) of the original agreement subsequently establishes the corresponding validity of the provisions of § 302 AktG.

The original agreement now stands to be amended in regard to the provision on the absorption of losses under § 4 of the agreement in order to correspond to the wording of the other existing control and profit and loss transfer agreements of Fraport AG and the amended tax requirements due to the fact that § 17(1) sentence 2 no. 2 KStG requires a “dynamic reference” to § 302 AktG.

In addition, the provisions on the transfer of profits under § 3 of the original agreement and the provision on interpretation in § 8(1) of the original agreement stand to be amended to correspond to the wording of the other existing control and profit and loss transfer agreements of Fraport AG, and a new minimum contract term stands to be agreed in § 7(3) of the original agreement.

There is no alternative to the conclusion of the amendment agreement which would offer equivalent or greater economic advantage.

5. Explanation of the amendment agreement

- a) The preamble serves as an introduction to the company law background and intended purpose of the amendment agreement.
- b) § 1 serves to amend the provisions on the transfer of profit in § 3 of the original agreement and align them with the other existing control and profit and loss transfer agreements of Fraport AG.

In this section, the controlled company undertakes to transfer its entire profit to the controlling company during the term of the agreement. The provisions of § 301 AktG, as amended, shall apply accordingly to scope of the transfer of profits in all other respects. On the basis of this provision, regardless of any other arrangements which have been made in regard to the calculation the profit to be transferred, the controlled company can transfer a maximum of the annual net profit that would have been incurred without the transfer of profit, reduced by any losses carried forward from the previous year, the amount to be allocated to statutory reserves in accordance with § 300 AktG and the amount barred from distribution pursuant to § 268(8) of the German Commercial Code (Handelsgesetzbuch, hereinafter “**HGB**”), to the controlling company as its profit; cf. § 301 sentence 1 AktG. If any amounts have been allocated to other revenue reserves during the term of the agreement, these amounts can thus be removed from other revenue reserves and transferred as profit; cf. § 301 sentence 2 AktG.

The controlled company may, with the approval of the controlling company, transfer amounts from the net profit to other revenue reserves (§ 272(3) HGB) only insofar as this is permitted under commercial law and is justified in economic terms on the basis of a reasonable commercial appraisal. Other revenue reserves (§ 272(3) HGB) recognized during the term of this agreement shall be reversed at the request of the controlling company and transferred as profit or appropriated in accordance with § 302(1) AktG, as amended. This is without prejudice to the provisions on absorption of losses under § 4 of the original agreement (see below).

Any profits carried forward which originated prior to the entry of this agreement into effect may not be transferred to the controlling company as profit or used to offset an annual net deficit. The same applies for revenue reserves (§ 272(3) HGB) that were recognized prior to commencement of the agreement and for capital reserves (§ 272(2) HGB).

Entitlement to the transfer of profits shall in each case arise at the end of the controlled company's fiscal year and shall be due as of this time.

The controlling company may request that profits are transferred in advance if and insofar as payment of an advance dividend would be permissible.

The amendments to § 3 of the original agreement adopted under § 1 of the amendment agreement correspond to the provisions on the transfer of profit typically contained in profit and loss transfer agreements and are closely aligned with the applicable statutory provisions.

- c) § 2 serves to amend § 4 of the original agreement to correspond to the wording of § 17(1) sentence 2 no. 2 KStG. This stipulates that the provisions of § 302 AktG, as amended, shall apply accordingly to the absorption of losses (dynamic reference). Pursuant to § 302(1) AktG, the controlling company is obligated to offset any annual net deficit incurred by the controlled company during the term of the agreement insofar as this is not offset by the removal of amounts from other revenue reserves which have been transferred to them during the term of the agreement.
- d) § 3 serves to agree a new minimum contract term under § 7(3) of the original agreement. As a result of this change, the earliest permissible date for the termination of the agreement shall be December 31, 2025. This amendment is being made as a precautionary measure in order to fulfill any potentially applicable tax requirements.
- e) § 4 serves to adjust the provision on interpretation under § 8(1) of the original agreement in order to amend the original agreement to correspond with the wording of the other existing control and profit and loss transfer agreements of Fraport AG. This stipulates that the interpretation of the agreement in regard to the relevant tax requirements for the tax group should take into consideration the fact that the establishment of a valid tax group is intended.
- f) § 5 stipulates solely for the sake of clarity that the remaining provisions of the original agreement shall continue to apply with no changes in content.
- g) § 6 contains provisions on the entry of the amendment agreement into effect. It stipulates that the amendment agreement requires the approval of the Annual General Meeting of the controlling company and the shareholders' meeting of the controlled company in order to be valid. The amendment agreement shall come into effect upon entry in the commercial register of the controlled company.
- h) In § 7, a severability clause serves to ensure the validity and enforceability of the amendment agreement. If any provision of the agreement is or becomes ineffective or unenforceable in full or in part, this shall not affect the validity of the remaining provisions of the agreement. The ineffective or unenforceable provision shall be replaced by an effective or enforceable provision that comes closest to the economic purpose pursued by the controlling company and the controlled company via the ineffective or unenforceable provision. The same shall apply in the event of an unintended gap in the provisions of the agreement.
- i) A consolidated clean version of the control and profit and loss transfer agreement with the new wording is enclosed as an annex.

In sum, the content of the amendment agreement aside from the specific amendments to the original agreement is in full conformity with what is commonly stipulated in an amendment agreement for a control and profit and loss transfer agreement.

6. No compensation and no severance pursuant to §§ 304 and 305 AktG; no contract review pursuant to § 293b AktG

The controlling company directly holds 100% of shares in the controlled company. As the controlled company has no external shareholders, there is no need to specify appropriate compensation in the agreement pursuant to § 304 AktG. For the same reason, there is no reason to specify severance (§ 305 AktG) and no need to carry out a valuation of the companies involved in order to determine appropriate compensation or appropriate severance. Finally, there is no need for a review of the amendment agreement by an expert auditor (contract auditor) pursuant to § 293b(1) AktG or an audit report pursuant to § 293e AktG.

Frankfurt am Main, _____ 2021

Fraport AG Frankfurt Airport Services Worldwide

Dr. Stefan Schulte

Anke Giesen

Michael Müller

Dr. Pierre-Dominique Prümm

Dr. Matthias Zieschang

_____, _____ 2021

Airport Cater Service GmbH
Management

Dirk Glasner