



Annual General Meeting (AGM) of Fraport AG

held virtually on May 24, 2022

***Text of the address by Dr. Stefan Schulte,
Chair of the Executive Board of Fraport AG***

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The address given on the day of the AGM is the definitive version.

I. Introduction

Dear Shareholders, dear Ladies and Gentlemen!

I also want to sincerely welcome you to this year's Annual General Meeting of Fraport AG. Like last year, you only get to see us virtually. But this time at a special place: the recently completed first pier of our new Terminal 3. As you know, we have stuck to our plans to expand the airport with Terminal 3 despite traversing the worst crisis ever to afflict commercial aviation. We remain confident that air traffic will grow again over the long term. The new pier is now going to let us respond flexibly to demand and take advantage of future growth opportunities. This allows us to look ahead with optimism.

Before I go into detail on our plans, I would like to describe how we piloted your company through the second year of the Covid-19 pandemic during the last fiscal year, while at the same time preparing Fraport both for future growth and for mastering the challenges ahead.

II. Review of the 2021 fiscal year

Dear Shareholders, as you know, it was only by taking rapid and consistent action that we succeeded in keeping your company on an even keel during the crisis, which began in 2020 and has been the most severe and longest-lasting one ever to afflict modern aviation. In 2021, we built on our success in managing this crisis. In addition to extensively implementing a large number of organization adjustments, in mid-2021 we achieved a crucial goal of our "Zukunft FRA – Relaunch 50" program: we decreased our staff cost by reducing the workforce in Frankfurt by around 4,000 employees in a socially responsible manner. Short-time work contributed to this success, although it was mainly limited to administrative personnel over the course of the year. We had already reduced short-time work for non-administrative employees when operations restarted. At the same time, we also resumed recruiting personnel for departments that are directly involved in aircraft ground handling.

We also continued to increase our liquidity. To achieve greater financial flexibility, Fraport carried out debt financing measures amounting to 3.1 billion euros. In addition, we continue managing our costs very strictly in order to strengthen our capital base. Going forward, we will continue to focus on reducing our debt while also making investments that are important for the future of our business.

Alongside our ongoing expansion projects, the single most important, and also most sustainable investment in our future is the transition to carbon-free operations. We have once again taken important steps for this in 2021 – I'll come back to this later.

We owe these successes to the enormous dedication and commitment of our employees here at Frankfurt and worldwide across the Fraport Group. I therefore want to take this opportunity to sincerely express great thanks to each and every member of our entire workforce, also on behalf of my colleagues on the Executive Board. Without their persistent effort and commitment, we would not have been able to conclude the second pandemic year with such positive results.

Traffic development is the basis of our business development. Therefore, we are satisfied that during the past year we succeeded in significantly increasing our passenger volumes at Frankfurt and almost all of our Group airports. Especially our airports serving traditional holiday destinations experienced a strong surge in demand from the start of summer. As a result, our Group airports in Greece and Turkey nearly achieved pre-crisis passenger volumes again in 2021.

At Frankfurt Airport, which registered 24.8 million passengers, we achieved the upper end of our forecast. However, this was still more than 65 percent below the pre-crisis level. But the trend confirms what we have assumed: namely, that people want to travel again!

Our global air travel hub in Frankfurt is very well positioned to take advantage of this trend. In our industry, connectivity is an important metric of a hub's overall quality. Where this is concerned, in 2021 we topped the list in Europe. No other European hub airport has better connectivity than Frankfurt. And globally, we occupied a solid third place in the ranking of ACI Airports Council International. This shows that we are very well positioned overall in the market. Even more gratifying was the

development of airfreight: here we succeeded in expanding further and even achieved a new historic record of over 2.3 million metric tons of cargo. As a result, Frankfurt continues to reign as Europe's leading airfreight hub.

Dear Shareholders, 2021 has shown that we have bottomed out and are now climbing back up step-by-step in terms of traffic volumes. This overall encouraging picture is supported by positive trends in our key financial figures. The Group's revenue increased by almost 28 percent to a total of 2.14 billion euros.

Thanks to the package of measures that we initiated at an early stage to manage the crisis, we succeeded in further reducing our operating expenditures significantly – in Frankfurt by a total of 30 percent compared to 2019. Also at the Group's companies outside Germany, we continued to reduce our operating costs by implementing measures such as short-time work, work reduction, or leave agreements in compliance with local laws. Particularly our Group companies with seasonal traffic benefited from flexible cost structures. The Group's fully consolidated companies outside Germany were able to reduce their costs for personnel and materials by more than 38 percent compared to 2019. Group EBITDA also benefitted from this, improving to 757 million euros and therefore clearly returning to positive territory.

This growth in our operational result during the 2021 fiscal year was additionally bolstered by crisis-related compensation payments and other compensation granted by governments, amounting to a total of 320 million euros. But let me briefly stress one thing: we would have turned an operational profit in 2021 even without these compensatory payments – despite the continuing strong headwinds caused by the pandemic. The Group result was clearly positive again, reaching 92 million euros.

Now let's take a look at how the price of the Fraport share has fared. Last year it significantly outperformed important benchmarks like the DAX and MDAX on multiple occasions. On the other hand, the performance was also subject to considerable volatility. In December 2021, for example, insecurity in the aviation sector spiked once more, this time due to the coronavirus' Omicron variant. This had a strong negative effect also on our share price. Fortunately, the robust increase in demand

resulted in a prompt recovery early this year that remained quite robust until mid-February. The financial markets – and definitely not only those – were then hit hard by Russia’s attack on Ukraine, an event that continues to appall all of us and that we strongly condemn. Ever since, the war has been heavily impacting international financial markets.

III. Key projects for the future and outlook

Now let’s take a look at our performance so far this year and our expectations for the upcoming summer.

The rapid spread of the Omicron virus variant weakened demand around the start of the year. But it only briefly slowed our recovery. People’s desire to travel is unbroken. And this trend is supported by the progress being made in vaccinating the population and especially by the noticeable relaxation of travel restrictions. Many of the world’s countries are now once again accessible with minimal preparations. A vaccination certificate or proof of having recovered from the virus is often sufficient, which greatly facilitates travel. This is reflected in the good booking figures for the upcoming summer.

With the switch to the summer flight schedule, and then around Easter, passenger volumes began to increase noticeably. On peak days, more than 150,000 passengers passed through our home airport in Frankfurt. And on recent weekends, the passenger figures have been reaching similarly high levels even outside the school vacations or public holidays. Therefore, we expect this recovery momentum to further continue during the summer. For the year as a whole, we forecast passenger volumes in Frankfurt to increase to between about 55 percent and 65 percent of pre-crisis levels.

This year as well, many of the Group’s airports will benefit to a greater extent from holiday bookings than what we are witnessing here in Frankfurt. The FRA global hub is characterized by considerably more complex traffic patterns and depends more heavily on intercontinental routes, which are still suffering. At our airports in Greece, for example, we expect traffic volumes in 2022 to climb back to 80 percent or more of the 2019 level.

At Frankfurt we are also getting ready for a busy summer. We expect to attain between 70 and 75 percent of the pre-crisis level. This is definitely good news and a hopeful sign for our society in general, and naturally also for us and our employees. At the same time, the months ahead will demand a lot from us in operational terms. We learned this from the surge in traffic during the recent Easter holidays. The biggest challenge for our operations are isolated peaks occurring during the day. Occasionally, during these peaks, passenger volumes rise to levels as high as those before the pandemic. Afterward they drop off again sharply. These ups and downs happen several times a day. We don't yet have 100 percent of our personnel on duty when peaks occur. This makes it extremely difficult to assign enough people to handle them.

To offset this, we have launched a comprehensive package of measures called "Ramp Up 2022". It involves close communication with our partners and stakeholders. On this basis, we try to plan personnel assignments and shifts so that they are aligned as closely as possible with demand, and work with the airlines to coordinate the flight schedules for the following days and weeks. We are also focusing on recruiting more operational personnel. Currently we are hiring about a hundred new workers each month. We want to maintain this pace and welcome up to a total of a thousand new colleagues by the end of the year.

Strengthening our competitiveness is an ongoing task that is constantly on our agenda. Currently we are focusing on two levels:

For one, we have begun a comprehensive program to optimize our processes. It has two parts. The first involves significantly simplifying and accelerating processes in the company by, for example, reducing avoidable loops and approval procedures; and the other deploying digital solutions to model tasks in the future, either automatically or supported by artificial intelligence. We see huge potential here for improving efficiency. Initially we are focusing on administrative processes, for example in connection with procurement and human resources. True to our mission statement, we pay especially great attention to the needs of our customers and external partners: simplified internal processes ensure faster, more efficient handling of business and therefore more satisfied customers.

Second, we are concentrating on developing your company further in organizational terms. The first steps for achieving this have already been implemented. They include reorganizing our subsidiary FraSec as a holding company with three specialized subsidiaries of its own. Among other things, this lets us systematically share responsibility with external partners. This has already happened with FraSec Luftsicherheit GmbH, in which the family-owned enterprise of Sasse will purchase a majority share by 2023.

Another of our subsidiaries, GCS – Gesellschaft für Cleaning Service mbh & Co. – was renamed Fraport Facility Services GmbH in April and now brings together various activities of a service portfolio that was broadened beforehand in a series of steps.

Where Ground Handling is concerned, we are committed to plans for developing this service further within the Group and lastingly increasing its competitiveness. This year, however, we will initially concentrate on ramping up operations.

Parallel to this, we are intensifying cooperation with our partners at Frankfurt Airport, including Lufthansa. A current example is a joint project with Lufthansa to improve recycling. We are the first European airport to take used PET bottles straight from aircraft and directly recycle them. The materials contained in several million bottles a year will be completely reused.

Another example of how we are systematically extending our collaborative endeavors is a strategic partnership with Miles & More. As a fully integrated partner in this loyalty program, we are going to let passengers collect and redeem miles directly at the airport.

Dear Shareholders, while ramping up our operations, at Frankfurt we are also focusing on getting ready to assume responsibility for the security checks. The handover will happen on January 1, 2023. Last year we cleared an important milestone for this, when the German Federal Ministry of the Interior officially commissioned us as a trusted partner to perform this important task. Since then, we have been working hard to complete all of the preparations on time for this significantly greater responsibility. From 2023, we will be able to make the decisions on which lines to open at the security checks, while taking flight frequencies and

passenger volumes into account to a much greater extent than is now the case. We will also have greater freedom for deciding to invest in new, more advanced, certified security infrastructure. It is quite clear that we will make no compromises where security is concerned. We will naturally continue our excellent cooperation with the German Federal Police and make sure to maintain the current high level of quality of these services at the airport.

We are steadfastly taking the next steps along this path. In early May, we completed the process of awarding contracts to selected security service providers. From 2023 on, three different companies will be involved in checking passengers – for the first time at Frankfurt. In addition, we are planning to test new inspection equipment. This also includes CT scanners. In the medium term, they will eliminate the need for passengers to remove liquids and electronic devices from their carry-on bags. This will make the checks even more reliable and faster, and less stressful. We are making excellent progress here.

We are also progressing according to plan with Terminal 3. Here too, we recently reached a milestone. We succeeded in completing the first part of the new terminal, namely Pier G, right on schedule in mid-April. The main terminal building is also taking shape. Right now, we are installing the departure hall's roof, which is as large as two-and-a-half soccer fields. The carcass is almost finished. The work to build Piers H and J is shifting to their interiors, where work to install the technical systems has been ongoing since the start of the year. Our current plans call for Terminal 3 to begin operating in the summer season of 2026, including Pier G. The new terminal will provide us with sufficient capacity to handle expected future growth in aviation volumes after Covid, and also for any possibly required work to modernize the existing buildings in the north of the airport.

Modernization is an important theme where Terminal 1 is concerned. In its outdoor areas, the work to build a new above-ground Sky Line people mover station is making visible progress. Its excellent location ensures easy access to and from the regional and long-distance train stations, so that passengers arriving by train can conveniently continue on to Terminal 2 and, from 2026 onward, Terminal 3 as well. Under the heading of "Transforming Terminal 1," in the years ahead we are also

going to give the interior of Terminal 1 an entirely new face. The measures involved will noticeably facilitate processes for our customers while improving the overall airport experience.

The first step is redesigning the check-in area of Concourse A. State-of-the-art self-drop baggage counters are being installed, which, if required, can also be staffed by service personnel. Then, in the middle of next year, we will start moving the security check areas of Concourse B further north. This will make it considerably easier for passengers to move among the A, B, and C Schengen areas, which is a very important aspect of our hub product. At the same time, we will take advantage of the extra space gained at the back of Concourse B to significantly upgrade that whole area and additionally improve our passengers' experience, also where shops, restaurants, and cafés are concerned.

Let's now take a look at the airports that our Group operates outside Germany. In recent years we have successfully completed a large number of expansion projects, most recently in Greece and Brazil, as well as in Ljubljana in Slovenia. This has set the stage for future growth.

Currently we are focusing on two other projects at our worldwide Group airports. First: Antalya in Turkey. Having won the new concession for Antalya Airport in late 2021, we are now enlarging the airport's capacity. The work to build the first extension to its terminals has already begun. It will be completed within three years. Together with our partner, TAV Airports Holding, in late March we paid the contractually agreed upfront concession fee of 25 percent, equaling some 1.8 billion euros, to the Turkish airport authority DHMI for the new 25-year concession to operate Antalya Airport.

Our second expansion project takes shape in Lima, Peru, where we are right on schedule in building a second runway. It will be finished by the end of this year. By that time there will also be a new air traffic control tower, a new fire station, and ten kilometers of new taxiways. Work to build a new terminal has also already begun. Parallel to this, we are coordinating further processes with the responsible government officials. We expect the construction projects to be completed by 2025.

Where the Far East is concerned, we had already announced earlier that we wanted to sell our share in X'ian Airport in China. Recently, we signed the respective sales

agreement. During the first few years of our involvement in X'ian, we made our main contribution in the form of airport-specific expertise. Now that this phase has been completed and our involvement was to become purely financial, we are taking the logical next step by exiting this involvement.

The situation is more difficult in the case of Pulkovo Airport in St. Petersburg, where we own a 25 percent share in the airport's operating company. Following the outbreak of war, we immediately responded by suspending all of our business activities there. Before that, our activities were mainly limited to providing consulting services. We have not been involved in actually operating the airport.

Fraport will of course do everything in its power to retrieve its assets there and avoid losses to the greatest possible extent. At the same time, we fully support and respect the currently applicable and increasingly severe sanctions. However, due to contractual restrictions it will not be possible for us to sell our share before 2025. Currently it is worth about 111 million euros, after we adjusted its value by 48 million euros in the first quarter of this year.

In this connection, I would like to add a word concerning speculations about Russian military aircraft taking off from Pulkovo Airport. Neither Fraport as a minority shareholder nor any of the other shareholders have any influence on the types of flight movements that take place at the airport in St. Petersburg. Like at every other airport, state institutions are responsible for this. In Germany, for example, this role is played by DFS Deutsche Flugsicherung and the transportation ministries of the states. In Russia, corresponding government bodies are responsible. We have no knowledge of any armed military aircraft being deployed via Pulkovo for the war against Ukraine. However, we cannot rule out government flights are operating from there.

Ultimately, we can only repeat what we have already very clearly stated many times: that Russia must immediately end this war, which is causing such great suffering to the Ukrainian population. Unfortunately, however, the 25 percent share that we hold in the operator of Pulkovo Airport does not give us any influence whatsoever on this.

The impacts of the war and associated sanctions on passenger and airfreight flows here in Frankfurt and at other Group airports are still small at this time. Especially in Antalya it will be important to closely monitor how the situation develops, since the airport normally serves a large number of travelers from Russia. Today supply shortages for certain materials are already apparent, associated with significantly increasing costs for materials and rising energy prices, which will also affect us.

This makes it all the more important to continue the sustainability measures we have initiated, and specifically those for protecting the earth's climate. Here we have metaphorically tightened the reins even further and are getting ready for a higher leap: we want our entire Group to be carbon-free from 2045 onward. This target applies internationally to all of our fully consolidated Group airports

We want to continue achieving this without any compensations, in other words by actually reducing emissions and using renewably generated energy. Our aim is to become carbon-free in the strict sense of the word, not only carbon-neutral.

To achieve this ambitious goal, we are currently tightening the package of measures for implementation at Frankfurt, which can also serve as a blueprint for all of our fully consolidated Group companies.

As early as 2021, we achieved major milestones at Frankfurt. Since July we have been obtaining green electricity from existing onshore wind farms. In December we concluded a contract with power supplier EnBW for meeting about 85 percent of our electricity needs at Frankfurt from a new wind farm in the North Sea without causing any emissions as of 2026. The supply agreement is targeting a period of 15 years and comprises 85 megawatts of energy.

In addition, we will steadily ramp up our on-site power generation with photovoltaic systems. For 2022, we are planning an installation on the roof of a new workshop building with an output of 145 kilowatt, which will be used to operate the building. For our runway and taxiway system, we want to carry out first tests of systems on available areas.

We are also driving the conversion of our vehicle fleet to alternative drive systems and associated infrastructure. Sixteen percent of the fleet were already converted as of the end of 2021, and the figure is growing steadily.

At the European level, we are supporting the EU Commission's "Fit for 55" program, especially with regard to introducing a requirement that a certain share of synthetic fuels must be added to fossil fuels. Where this is concerned, however, recently we joined Lufthansa and Munich Airport in urging Brussels to design this measure in a way that avoids distorting competition.

Now let us consider the outlook for the 2022 full year:

As already described, we are looking at very strong booking figures for the upcoming summer season. Now that restrictions on intercontinental destinations are gradually falling away, we are starting to observe a revival of business travel. This year, however, tourism will be the main driver at Frankfurt again. Also at the Group's airports outside Germany, we once again expect passenger volumes to rebound dynamically.

Against this background, we expect Group revenue to reach some 3 billion euros in 2022. Due to persisting market uncertainties, we anticipate the Group EBITDA to be in the range from 760 million euros to about 880 million euros. Group EBIT is projected to reach between approximately 320 million euros and 440 million euros. The Group result or net profit is expected to range between about 50 million euros and 150 million euros. This will depend on how Russia's aggression ultimately impacts our figures.

In view of the ongoing repercussions of the Covid-19 pandemic and our still-challenging operating environment, at today's AGM we must refrain from presenting a proposal for appropriating our profits. Instead, we will retain profits gained to further stabilize the company.

Despite the mentioned insecurities, we regard our medium-term outlook as positive: we continue to assume that the passenger volume of 2019 will be reattained at Frankfurt by 2026, and possibly even as early as 2025. A gratifying aspect is that the recovery will not be driven exclusively by tourist traffic. As more and more countries

and destinations reopen – and especially, remain open – business travelers will also return.

For our Group airports outside Germany, the situation will normalize faster. Due to their high shares of tourist and domestic traffic, we will reattain pre-crisis passenger volumes as early as 2023.

With regard to our operating result, or EBITDA, this means that we expect this key figure to return to the level of 2019 as soon as 2023/24. This is good and important news for you as shareholders, but also for all of our employees.

We want to thank you for your trust and confidence in us, dear shareholders! Please stay loyal to us and Fraport AG!