Annual Report 2021

Gute Reise! We make it happen

Fraport

The 2021 Fiscal Year at a Glance

Financial performance indicators

€ million	2021	2020	Change in %
Revenue	2,143.3	1,677.0	+27.8
Revenue adjusted for IFRIC 12	1,901.6	1,452.5	+30.9
EBITDA	757.0	–250.6	–
EBITDA before special items[1)]	757.0	48.4	> 100
EBIT	313.7	–708.1	–
EBT	116.4	–933.2	–
Group result	91.8	–690.4	–
Profit attributable to shareholders of Fraport AG	82.8	–657.6	–
Earnings per share (basic) (€)	0.90	–7.12	–
Year-end closing price of the Fraport share (€)	59.18	49.36	+19.9
Dividend per share (€)[2)]	0.00	0.00	–
Operating cash flow	392.6	–236.2	–
Free cash flow	–772.3	–1,400.0	+44.8
Total assets	16,240.0	14,081.2	+15.3
Shareholders' equity	3,909.0	3,758.7	+4.0
Shareholders' equity ratio (%)	23.1	25.7	–
Liquidity	3,564.3	2,213.7	+61.0
Net financial debt	6,369.7	5,533.5	+15.1
Net financial debt to EBITDA	8.4	–22.1	–
Return on revenue (%)	5.4	–55.6	–
Return on shareholders' equity (%)	2.2	–18.2	–
EBITDA margin (%)	35.3	–14.9	–
EBIT margin (%)	14.6	–42.2	–
ROFRA (%)	3.4	–8.3	–
Gearing ratio (%)	169.7	152.9	–

1) Adjusted EBITDA adjusts for personnel expenses from the "Future FRA – Relaunch 50" program at Fraport AG and expenses from personnel management measures at the other Group companies.
2) Proposed dividend (2021).

Traffic development at the Group sites

Airport	Share in %	Passengers[1)]		Cargo (air freight + air mail in m. t.)		Movements	
		2021	Change in %[2)]	2021	Change in %[2)]	2021	Change in %[2)]
Frankfurt	100	24,812,849	+32.2	2,274,970	+18.8	261,927	+23.4
Ljubljana	100	421,934	+46.4	11,401	+8.0	17,461	+34.5
Fortaleza	100	3,974,759	+25.9	32,725	+11.5	41,343	+25.7
Porto Alegre	100	4,839,594	+35.9	30,337	+36.8	49,278	+30.0
Lima	80.01	10,819,010	+53.6	219,203	+15.1	102,005	+39.2
Fraport Greece	73.4	17,428,536	+102.4	5,630	+5.6	183,218	+81.4
Twin Star	60	1,964,896	+87.8	4,703	+19.6	17,534	+60.0
Burgas	60	954,402	+125.0	4,669	+20.1	8,295	+103.4
Varna	60	1,010,494	+62.4	34	–23.9	9,239	+34.3
Antalya	51/50[3)]	21,919,453	+125.7	n.a	n.a	133,800	+105.1
St. Petersburg	25	18,034,415	+64.8	n.a	n.a	153,539	+46.2
Xi'an	24.5	30,173,312	–2.9	395,604	+5.1	255,873	+0.5

1) Commercial traffic only, in + out + transit.
2) As a result of late submissions, there may be changes to the figures reported for the previous year.
3) Share of voting rights: 51%, dividend share: 50%.

Employees

	2021	2020	Change in %
Average number of employees	18,419	21,164	–13.0
Employees as at the balance sheet date	17,781	19,884	–10.6

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The year of 2021 – Events at a Glance

1. Quarter

Passenger numbers in 2021 already affected by coronavirus pandemic from beginning of the year

CEIV Pharma Certificate distinguishes handling of pharmaceutical products

Once again, Frankfurt Airport was successfully certified for exemplary handling of time-critical and temperature-sensitive pharmaceutical goods. Fraport thus also assumes a significant role in Corona vaccine distribution.

ACI seal for exemplary infection control

The international organization of airport operators Airports Council International (ACI) awards Frankfurt Airport and the Greek and Bulgarian airports for exemplary infection control measures: The program reviews hygiene and infection control measures against specified standards.

Corporate bond with a total volume of €1.15 billion successfully issued

With the significantly oversubscribed corporate bond, Fraport succeeds in placing one of the largest unrated corporate bonds in euros on the capital market to date.

2. Quarter

Air traffic restart / incipient recovery of passenger traffic in Frankfurt and internationally

Terminal 2 and Runway Northwest at Frankfurt Airport reopen on June 1, 2021

After more than a year Terminal 2 reopens in order to prepare for the expected passenger volume in the summer.
At the same time, the Runway Northwest also goes back into operation to enable smooth, delay-free operations as aircraft movements increase.

New passenger terminal inaugurated at Ljubljana Airport

After a construction period of around two years and an investment volume of around €21 million, Fraport Slovenija inaugurated the new passenger terminal on July 1, 2021, on time and on budget. The handling capacity of the airport in Ljubljana was more than doubled to 1,200 passengers per hour.

3. Quarter

Group airports benefit from strong vacation traffic / Greek airports and Antalya Airport already reach over 75% of pre-crisis level

Fraport receives compensation for holding costs

The Federal Government and the State of Hesse grant Fraport a compensation totaling around €160 million for the uncovered holding costs incurred at Frankfurt Airport during the first lockdown 2020.

Multimedia visitor center opens

On 1,200 square meters of exhibition space, almost 30 innovative exhibits present insights behind the scenes of the airport and flying. „The Globe“ maps, among other things, all flights around the globe in real time (see chapter „The Fraport Executive Board“).

Fraport Brasil opens new cargo center in Porto Alegre

In order to further exploit the growth opportunities in the Brazilian and South American cargo markets, a new international cargo center (TECA) at the Porto Alegre Airport was opened. In addition to increased handling capacities, the new TECA offers its customers state-of-the-art technical standards with the aim of providing fast and secure logistics.

4. Quarter

Sustained demand for tourist destinations / opening of the USA contribute to positive development in international traffic

Fraport responsible for airport security checks from 2023

The German Federal Police have officially entrusted Fraport with the implementation, planning and management of airport security checks in Frankfurt. With state-of-the-art equipment and optimized processes, Fraport aims to once again significantly improve handling quality in Frankfurt for its passengers and customers.

85 megawatts of green offshore wind energy to supply Frankfurt Airport in the future

Fraport AG and EnBW have concluded a Corporate Power Purchase Agreement (CPPA) for the purchase of wind energy. The CPPA has a term of 15 years, starting in the second half of 2026. With the CPPA, Fraport converts parts of the power supply at its home base Frankfurt Airport to green.

Operating concession at Antalya site extended until 2051

The concession covers the operation of the terminals and other landside infrastructure, including retail space, the parking management and passenger screening. The operational period under the new contract will begin in early 2027 after the expiration of the existing concession and will be 25 years.

To Our Shareholders

To Our Shareholders

Dear Shareholders,

the second pandemic year in a row is over. A year in which we continued to prepare your company for the future and at the end of which we were back in the black. But now we are once again facing troubling times, the impact of which on air traffic is difficult to assess at present. My sympathy at this time is with the Ukrainians who have had to endure such great suffering.

Before we turn our attention to the current fiscal year, let us first summarize the past fiscal year. At the beginning of the year 2021, the impact of the global travel restrictions on the traffic development of our Group airports lasted longer than had been initially expected. During Easter, very few people were able to travel to warmer destinations or visit their friends and acquaintances. It was only in the summer months when the situation changed, leading to a noticeable increase in passenger numbers in Frankfurt. Our airports in Greece and Antalya, Turkey, nearly reached pre-crisis levels during the summer months. And the traffic volume fell only slightly during the fourth wave of infections in the fall of last year. In November, the United States finally opened its borders to vaccinated travelers from Europe. Based on all of this, we find that our expectations have ultimately been confirmed: with almost 25 million passengers in Frankfurt, we ended 2021 at the higher end of our passenger forecast.

Our airports in Greece and Antalya nearly reached pre-crisis levels during the summer months.

In addition to our international airport portfolio, the development of freight was also very positive. We achieved a historic record in Frankfurt in this area, despite the lack of additional loading capacities on passenger aircraft. This is proof that, despite the current challenges, Frankfurt is the leading freight hub in Europe.

The increase in traffic volume, especially in the summer months, had a correspondingly positive effect on the financial figures and led to a 27.8% increase in revenue to €2.1 billion. We were once again able to greatly reduce operating expenses, resulting in a positive Group EBITDA of €757.0 million. After recording a loss of around €690 million in 2020, we are pleased to report a positive Group result of €91.8 million. The positive earnings figures are also supported in part by compensation payments and government subsidies. In particular, the compensation granted by the German federal government and the state of Hesse for the holding costs incurred for keeping Frankfurt Airport open during the first lockdown in 2020 in the amount of around €160 million and the compensation in Greece in the form of reduced fixed and variable concession charges of around €93 million led to an increase in other operating income.

Despite the positive results, we have not yet reached the pre-crisis level from 2019 and must therefore continue to work to keep your company in economic balance. Through the “Zukunft FRA – Relaunch 50” program, we achieved a headcount reduction of around 4,000 jobs in Frankfurt by mid-2021 while still maintaining our social responsibility, and this helped relieve the burden on our personnel expenses. Now we are concentrating on becoming faster, more efficient, and thus more competitive by optimizing processes and through organizational changes. At the same time, we continue to implement strict cost management and reduce any unnecessary capital expenditure. Programs to reduce costs have also been successfully introduced in the foreign Group companies.

In addition to the immediate impact of the pandemic, our focus is on the future viability of your company. We made great progress in this area in the past fiscal year. In Ljubljana, we were able to inaugurate the new passenger terminal in the middle of the year. In order to further exploit the growth opportunities in the South American market, we opened a new international cargo center at Porto Alegre Airport and completed the contractually planned extension measures at the two Brazilian airports. In Lima, on the other hand, we are still in the midst of expanding the airport. We expect to open the new runway there towards the end of this year. And we plan to inaugurate the new terminal in 2025. Towards the end of last year, we won, together with our partner TAV, the operating concession for the Antalya site until 2051. The new concession in Antalya will have a positive effect in the long term, since the international business contributes significantly to the positive development of your Group result.

At the Frankfurt site, the construction of Terminal 3 is continuing on an adjusted schedule. The shell construction of the terminal has now been largely completed, and the interior work on Pier G is also well on its way. We are currently planning to open Pier G together with the other gates of Terminal 3 in 2026.

As I pointed out in my letter last year, the German Federal Police have officially contracted us with the implementation, planning, and control of the airport security checks in Frankfurt from 2023. Even after Fraport takes over operations, the acting Federal Ministry will remain responsible for all issues relating to aviation security. However, Fraport will be responsible for procuring security equipment as well as calculating and collecting airport security fees at the site and will thus be able to decide more flexibly which devices are used or how many employees are placed per security lane and at what times. As a result, we will once again clearly increase the quality of handling even during high traffic volumes.

Climate protection is another topic for the future that is particularly important to us. Therefore, despite the ongoing crisis, we have once again adjusted our targets: We seek to be emissions-free by 2045 at the latest, and this will exclude compensation once targets are achieved. We are well on our way to ensuring that our electricity consumption at Frankfurt Airport largely comes from renewable energies in the future: we have been purchasing electricity from existing onshore wind turbines since July 2021. Another important step is the contract concluded with the energy supplier EnBW to purchase electricity from the new “He Dreiht” wind farm in the German North Sea from 2026. In addition, we are investing in our own photovoltaic power generation in Frankfurt as well as in measures to improve energy efficiency and consistently reduce our consumption.

We want to be CO_2-free by 2045 at the latest.

Taking a look at the current year, we initially expect lower passenger traffic dynamics in the first few months as a result of the spread of the omicron virus variant. By around Easter and Pentecost we expect a noticeable wave of travel and in the summer again strong holiday traffic – clearly above the previous year. Overall, we expect to count between 55 and 65 percent of the passenger numbers of 2019 in Frankfurt this year – depending on how the coronavirus pandemic and the war in Ukraine develop. At the Group’s international airports, we once again anticipate a more dynamic recovery in passenger traffic. At our Greek airports, which are dominated by tourism, we already expect to reach over 80% of the pre-crisis level. In Latin America, we also expect a faster recovery than in Frankfurt.

The positive traffic forecasts will also have a correspondingly positive impact on the earnings figures.

In view of the continuing challenging environment, however, we will not submit a proposal for the appropriation of profit to the Annual General Meeting this year in order to retain the positive Group result and to ensure your company maintains its stable position. In the medium term, we plan to reintroduce the original dividend policy – a pay-out ratio of 40 to 60% of your profit share and at least a stable dividend.

I would like to take this opportunity to express my gratitude to our employees in the Fraport Group – also on behalf of the entire Executive Board. With your perseverance and strong commitment to the company, you have made it possible for all passengers, customers, and business partners to have a “Gute Reise” during another pandemic year.

I would also like to thank you, dear shareholders, for your trust over the past year! We are looking forward to a time when we can all enjoy personal encounters and journeys across continents increase once again, and to continuing to shape the future of your company.

Sincerely yours,

Stefan Schulte

The Fraport Executive Board

Dr. Pierre Dominique Prümm
Executive Director
Aviation and Infrastructure
Born in 1973
Appointed until
June 30, 2024

Prof. Dr. Matthias Zieschang
Executive Director
Controlling and Finance
Born in 1961
Appointed until
January 31, 2026

Dr. Stefan Schulte
Chairman of the Executive Board
Born in 1960
Appointed until August 31, 2024

Michael Müller
Executive Director Labor Relations
Born in 1957
Appointed until September 30, 2022

Anke Giesen
Executive Director Retail and Real Estate
Born in 1963
Appointed until December 31, 2022

Report of the Supervisory Board

Dear Shareholders,

The coronavirus pandemic once again shaped global events during the year under review. Now, at the end of February 2022, Russian troops invaded Ukraine in violation of international law. Our concern and our sympathy go out to the people affected by this. We must do everything in our power to bring this unimaginable suffering to an immediate end. The toughest sanctions in post-war history are therefore unavoidable. How this war, the sanctions imposed as a result, and any countermeasures will affect the economic situation, air traffic, and Fraport cannot yet be assessed conclusively.

In the second year of the pandemic, the aim was to vaccinate the entire population and cope with the economic impact of the measures to combat the pandemic. The aviation industry was also particularly hard hit in 2021. Although traffic volume increased compared with the previous year, overall it remains clearly below pre-pandemic levels. Contact and travel restrictions also affected demand in the year under review. It was only from November 2021 that passengers from Europe were able to enter the United States once again. Despite all of this, there was still a need for people to travel. Wherever the conditions of the pandemic allowed it, especially at the tourist destinations in the eastern Mediterranean area during the summer months, the demand for flights was only slightly below the values of the years before the crisis. This strengthens our confidence that the long-term development of the industry will remain unaffected. At the end of the year, the Omicron variant once again presented us with challenges. Everyone in society, politics, and the economy will have to act flexibly for some time to combat the virus effectively and cope with the effects of the pandemic.

After a challenging year in 2020, Fraport AG was on the path to recovery in the year under review. The number of passengers at international Group airports and at the Frankfurt site grew compared to the previous year. Air freight traffic at Frankfurt Airport even reached peak levels. In the past fiscal year, Fraport AG was able to achieve a positive annual result. The company succeeded in winning the tender with its current consortium partner to operate Antalya Airport, Turkey, until 2051. Without the commitment and confidence of the employees in the management of the company, none of this could have been achieved. For this, we would like to express our special thanks to all our employees for their efforts.

The Supervisory Board performed all the tasks incumbent on it under law, the company statutes, and rules of internal procedure, and continuously monitored the management of the company in fiscal year 2021. The Supervisory Board regularly obtained timely and comprehensive information from the Executive Board, in writing and orally, on the proposed business policies, fundamental questions concerning future management and corporate planning, the situation and development of the company and the Group as well as significant business transactions and consulted with the Executive Board on these matters. Deviations in the business development from the planning were explained in detail to the Supervisory Board. Based on the reports of the Executive Board, the Supervisory Board extensively discussed significant business transactions of the company. The Supervisory Board harmonized the strategic alignment of the company with the Executive Board. In addition, the Chairman of the Executive Board maintained regular contact with the Chairman of the Supervisory Board and informed him about the current developments concerning the business situation as well as substantial business transactions. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. Where required by law, the company statutes, or rules of procedure, the Supervisory Board voted on the relevant proposals made by the Executive Board after having thoroughly examined and consulted on those matters.

During the reporting period, the Supervisory Board convened eight meetings, thereof one strategy session. In addition, an information event on ground handling services was held in fiscal year 2021.

Focal points of discussions of the Supervisory Board

The business development of the Fraport Group and Group companies, with an emphasis on the traffic and revenue development at Frankfurt Airport and the impact of the coronavirus pandemic on business development in air traffic, were the subject of regular discussions by the Supervisory Board in the 2021 fiscal year.

The Supervisory Board also covered the progress in the expansion to the south of the Frankfurt site on an ongoing basis. The management of the Group company Fraport Ausbau Süd GmbH regularly took part in the advisory meetings of the investment and capital expenditure committee of the Supervisory Board.

Apart from this regular reporting, the following matters were extensively discussed in 2021, in particular:

- The coronavirus pandemic and its impact on air traffic at the Frankfurt site as well as at the international Group airports were once again the main focus of discussions. The Supervisory Board was informed extensively and in a timely manner about the developments and measures. These included continued strict control of capital expenditure and non-staff expenses as well as the reduction of personnel expenses through short-time work schedules and the “Zukunft FRA – Relaunch 50” program.
- Another focus of the reporting was the expansion of capacities in the southern part of Frankfurt Airport. The Supervisory Board dealt intensively with whether continuing the expansion remained cost-effective. Progress in the construction of Terminal 3 (including Pier G) and its traffic connection to the remaining infrastructure have been the subject of in-depth discussions at all meetings. The inauguration of the terminal facilities, scheduled for 2026, is proceeding according to plan.
- The company’s liquidity requirements and the securing of the liquidity required for further expansion were dealt with on a recurring basis. The creation of authorized and conditional capital was also discussed and recommended to the Annual General Meeting.
- The Supervisory Board discussed the economic situation and the development of Ground Services.
- The Supervisory Board has been informed about the respective state of play of the take-over of management responsibility in the area of security controls at Frankfurt Airport.
- The Supervisory Board discussed the measures necessary to implement the requirements of the German Act to Strengthen Financial Market Stability (FISG) and the German Act on the Implementation of the Second Shareholders’ Rights Directive (ARUG II) and passed the necessary resolutions.
- In addition, the Supervisory Board dealt with the financial statements and management reports of the company and the Group as of December 31, 2020, as well as the Annual Report 2020 and reached the necessary decisions on their approval and adoption.

Furthermore, the Supervisory Board made specific decisions on the following subjects, among others:

- On March 15, 2021, the Supervisory Board adopted the agenda for the ordinary Annual General Meeting (AGM) on June 1, 2021. Furthermore, the Supervisory Board again decided to propose to the AGM that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, be appointed as the auditor for fiscal year 2021.
- At its special meeting on April 8, 2021, the Supervisory Board decided to recommend to the Annual General Meeting establishing Authorized Capital II in the amount of up to €458,843,520.00 and Conditional Capital of up to €120,209,310.00. At this special meeting, an updated agenda for the Annual General Meeting was then adopted.
- At another special meeting on May 18, 2021, the Supervisory Board approved the application for reimbursement of the holding costs by the Federal Republic of Germany and the state of Hessen, and the Executive Board's waiver of the LTIP tranche 2020 required for this purpose.
- At its meeting on June 21, 2021, the Supervisory Board extended the contract with Prof. Dr. Zieschang as a member of the Executive Board for an additional three years and ten months until January 31, 2026, with effect from April 1, 2022.
- At the meeting on September 10, 2021, the status of the expansion project at Lima Airport and the financing of this measure were discussed and approved.
- As part of its strategy session in mid-September 2021, the Supervisory Board dealt with the climate protection goals of Fraport AG, the underlying strategy, and the measures intended to implement the same. It discussed the corporate strategy pursued with regard to digitization.
- The Supervisory Board discussed participating in the tender for the 25-year concession to operate Antalya Airport in Turkey at its special meeting of November 26, 2021. It also issued its approval on this matter.
- Given the ongoing coronavirus pandemic, the Supervisory Board agreed on December 16, 2021 to once again hold the Annual General Meeting on May 24, 2022 online pursuant to Section 1 of the German Act on Measures under the Laws relating to Companies, Cooperative Societies, Associations, Foundations, and Commonhold Property to Combat the Effects of the COVID-19 Pandemic (COVID-19 Act). Article 15 of the Act on the Establishment of a Special Fund "Development Aid 2021" and on the temporary suspension of the obligation to file for insolvency due to heavy rainfall and flooding in July 2021 and the amendments to other laws of September 10, 2021 (Federal Law Gazette I No. 63 2021, p. 4153) extended the validity of the COVID-19 Act until August 31, 2022.
- On March 15, June 21 and December 16, 2021, the Supervisory Board discussed the company's capital requirements and agreed to increase the financing framework and approved further borrowings through loans, bonds, or other debt instruments.
- On December 16, 2021, the Supervisory Board approved the 2022 Business Plan.

Work of the committees

The Supervisory Board continued its successful work with the committees it had formed to increase efficiency and to prepare for the Supervisory Board meetings. In individual appropriate cases and in accordance with law, decision-making powers of the Supervisory Board were granted to the committees. The chairpersons of the committees provided regular reports at the next Supervisory Board meeting to the plenum of the Supervisory Board on the work of the committees. The composition and responsibilities of the individual committees can be found in the "Joint Statement on Corporate Governance" chapter as well as on the Group's website at www.fraport.com/en/investors/corporate-governance.html.

The **finance and audit committee** met six times during the reporting period and discussed substantial business transactions, the annual and consolidated financial statements, and the management reports. Representatives of the auditor participated in the meetings on individual agenda items. The finance and audit committee prepared the determination of the focal points of the 2021 fiscal year audit of accounts for the Supervisory Board. The interim report and the interim releases were discussed in detail prior to their publication. Comments were also made on the 2022 Business Plan of Fraport AG (prepared in accordance with the German Commercial Code, HGB) and the 2022 Group Plan (prepared in accordance with IFRS). Furthermore, the committee dealt with the awarding of the audit mandate to the auditor and made proposals to the plenum on the election of the auditor for fiscal year 2021 and the invitation to tender for the auditing services starting with the audit of the 2023 fiscal year. As in previous years, the quality of the audit of accounts monitored, and the remuneration of the same discussed. Furthermore, the issue of mandates for non-audit-related services to the auditor was discussed. After the cyclical change of the auditor for fiscal year 2013, it was proposed to the plenum again to recommend PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, to the AGM as auditor for fiscal year 2021. Furthermore, with regard to the review of CSR reporting, the recommendation of the Supervisory Board was in favor of this auditing company.

Further focal points of the discussions were asset and liability management as well as the regular supplementary reports to the consolidated financial statements and/or the consolidated interim reports in accordance with Section 90 of the German Stock Corporation Act (AktG). In addition, the committee discussed the risk management, the internal control system, the internal audit system, as well as the compliance management system in detail and ensured that the Supervisory Board was appropriately informed.

The discussions at the five meetings of the **investment and capital expenditure committee** in the 2021 fiscal year focused on the economic development of the investment business and the expansion measures in Germany and at foreign Group companies.

A particular focus was once again on the expansion in the southern part of Frankfurt Airport, which was intensively discussed at all committee meetings in the presence of the management of the responsible Group company Fraport Ausbau Süd GmbH, also with a view to the discussions by the Supervisory Board.

The subject of a special meeting of the investment and capital expenditure committee was the discussion on the submission of a binding offer for the concession to operate Antalya Airport, Turkey. The Supervisory Board was recommended to approve the submission of an offer together with the Turkish partner TAV.

The committee regularly dealt with the economic situation of the Group companies at the Frankfurt site and worldwide. In this context, the committee recommended to the Supervisory Board the subsequent approval of the disposal of a majority stake in FraSec Luftsicherheit GmbH. The committee worked intensively on the planning of capital expenditure in the context of the 2022 Business Plan.

At its four meetings in the 2021 fiscal year, the **human resources committee** regularly discussed the personnel situation in the Group, which continued to be impacted by the effects of the coronavirus pandemic. At the Frankfurt site, the focus was on the topics of short-time work, the status of the voluntary program for staff reductions within the framework of the “Zukunft FRA – Relaunch 50” program, and the development of personnel expenses and remuneration.

The development of the ratio of women in top management as well as the development of a competence model for these functions were another focus of discussion.

The **executive committee** met five times during the reporting period. It dealt with Executive Board matters and remuneration issues arising in the 2021 fiscal year as well as the succession planning for the Board.

In fiscal year 2021, it was not necessary to convene the **nomination committee** formed in preparation for the election of new shareholder representatives or the **mediation committee** to be formed in accordance with the provisions of Section 27 of the German Co-Determination Act.

Training and education

The training and education measures required for the tasks of the members of the Supervisory Board are carried out independently. The new members of the Supervisory Board were also adequately supported upon their appointment in 2021, and the company continued its willingness to support the training and education measures for Supervisory Board members.

Meeting attendance

In 2021, the members of the Supervisory Board attended meetings of the Supervisory Board and of the committees of which they are members as follows:

- The Chairman of the Supervisory Board, Minister Michael Boddenberg, participated in all Supervisory Board meetings (including the strategy session) and all meetings of the executive committee. No meetings of the nomination committee or mediation committee were held.
- The Vice-Chairwoman of the Supervisory Board, Ms. Claudia Amier, attended each Supervisory Board meeting (including the strategy session), four out of five meetings of the executive committee and four of six meetings of the finance and audit committee. No meetings of the mediation committee were held.
- Mr. Devrim Arslan attended all Supervisory Board meetings (including the strategy session) and all meetings of the executive committee and the human resources committee.
- Mr. Uwe Becker attended five of the eight Supervisory Board meetings, four of the five meetings of the executive committee and three of the five meetings of the investment and capital expenditure committee. No meetings of the nomination committee were held.
- Mr. Hakan Bölükmese attended all Supervisory Board meetings (including the strategy session) and all meetings of the human resources committee and the investment and capital expenditure committee.
- Mr. Hakan Cicek attended all Supervisory Board meetings (including the strategy session) and all meetings of the finance and audit committee.
- Since succeeding Ms. Kother on July 1, 2021, Ms. Yvonne Dunkelmann participated as an elected substitute member in all four meetings (including the strategy session) that took place after she joined the Supervisory Board. After her election as a member of the investment and capital expenditure committee, she attended each meeting of that committee.
- Mayor Peter Feldmann attended four of eight Supervisory Board meetings.
- Mr. Peter Gerber attended six of eight Supervisory Board meetings (including the strategy session).
- Dr. Margarete Haase attended seven of eight Supervisory Board meetings (including the strategy session) and all meetings of the executive committee and the finance and audit committee. No meetings of the nomination committee were held.
- Mr. Frank-Peter Kaufmann attended all Supervisory Board meetings (including the strategy session) and all meetings of the executive committee, the human resources committee, and the investment and capital expenditure committee.
- Dr. Ulrich Kipper participated in all Supervisory Board meetings (including the strategy session) and all meetings of the finance and audit committee.
- Mr. Lothar Klemm attended all Supervisory Board meetings (including the strategy session) and all meetings of the finance and audit committee as well as the investment and capital expenditure committee. No meetings of the mediation committee were held.
- Ms. Birgit Kother attended all four Supervisory Board meetings and all meetings of the investment and capital expenditure committee that were held before she retired from her position on June 30, 2021.
- Ms. Mira Neumaier attended all the meetings of the Supervisory Board (including the strategy session) and, after her election as a member of the investment and capital expenditure committee attended four of the five meetings of that committee.
- Mr. Michael Odenwald attended all Supervisory Board meetings (including the strategy session), three of four meetings of the human resources committee and each meeting of the finance and audit committee.
- Mr. Matthias Pöschko attended each meeting of the Supervisory Board (including the strategy session), and after his appointment to the executive committee he attended all four remaining meetings of that committee, as well as all four meetings of the investment and capital expenditure committee held after his election as a member of that committee. No meetings of the mediation committee were held.
- Mr. Qadeer Rana attended all Supervisory Board meetings (including the strategy session) and all meetings of the human resources committee and the finance and audit committee.

- Mr. Mathias Venema attended each meeting of the Supervisory Board (including the strategy session) and all meetings of the human resources and executive committees. No meetings of the mediation committee were held.
- Ms. Sonja Wärntges attended seven of eight Supervisory Board meetings (including the strategy session) and all meetings of the human resources committee and the finance and audit committee.
- Prof. Dr.-Ing. Katja Windt attended all Supervisory Board meetings (including the strategy session), two of four meetings of the human resources committee, and four of five meetings of the investment and capital expenditure committee.

Corporate Governance and statements of compliance

The Executive Board and the Supervisory Board also addressed the implementation of the German Corporate Governance Code (GCGC) in the past fiscal year.

In this context, the Supervisory Board has also continued its regular efficiency audit. In the year under review, this self-assessment was carried out on the basis of and as an update of the results obtained in 2020, which were discussed in depth at the September meeting. The discussion focused on the digitization of the committee's work and the corresponding access to information.

Further details on Corporate Governance and the wording of the current statement of compliance pursuant to Section 161 of the AktG, released by the Executive Board and the Supervisory Board on December 16, 2021, are provided in the "Joint Statement on Corporate Governance". The current and past statements of compliance can also be found on the Group's website at www.fraport.com/en/investors/corporate-governance.html.

Conflicts of interest and their treatment

There were no conflicts of interest between the supervisory boards and the executive boards in the 2021 fiscal year.

Audit of annual and consolidated financial statements as well as remuneration report

PwC audited the annual financial statements of Fraport AG and the consolidated financial statements as at December 31, 2021, as well as the combined management report, and issued an unqualified auditor's report for each. The audit mandate was issued by the chairpersons of the Supervisory Board in accordance with the resolution of the Annual General Meeting of June 1, 2021.

The separate financial statements and the combined management report were prepared in accordance with the regulations of the HGB applicable to large capital companies; the consolidated financial statements were prepared in accordance with IFRS as applicable in the EU. Furthermore, the German legal regulations to be applied in addition to Section 315e (1) of the HGB in the preparation of the consolidated financial statements and the combined management report were applied. The separate financial statements, consolidated financial statements, and the combined management report were audited by the auditor. The consolidated financial statements and the combined management report meet the conditions for exemption from the preparation of consolidated financial statements in accordance with German commercial law. The auditor established that an early risk warning system that meets the legal requirements and which makes it possible to identify developments at an early stage that could jeopardize the company as a going concern, was in place.

The documents mentioned as well as the proposal by the Executive Board for the utilization of the profit earmarked for distribution have been sent to the Supervisory Board by the Executive Board without delay. The finance and audit committee of the Supervisory Board examined these documents extensively and the Supervisory Board also reviewed them personally. In this context, the adjustments required by way of extended supplementary reporting as a result of the war in Ukraine were also discussed and examined. The audit reports of PwC and the financial statements were available to all members of the Supervisory Board and were comprehensively dealt with in the accounting meeting of the Supervisory Board on March 14, 2022, in the presence of the auditor, who reported on the significant results of its audit and was available to respond to additional questions and provide further information. In the meeting, the chairwoman of the finance and audit committee provided a comprehensive report on the treatment of the annual financial statements and the consolidated financial statements in the finance and audit committee. A focal point of this reporting was the key audit matters described in the auditor's report. The Supervisory Board approved the results of the annual audit. After the completion of the audit by the finance and audit committee and its own review, the Supervisory Board did not raise any objections. The Supervisory Board approved the financial statements prepared by the Executive Board; the annual financial statements were thus adopted.

The profit for the 2021 fiscal year amounted to €38.3 million. In view of the fact that Fraport, as an airport operator, was particularly affected by the consequences of the coronavirus pandemic, the Executive Board of Fraport AG proposed to waive the distribution of a dividend for the 2021 fiscal year. After an in-depth assessment and, in particular, taking into account the interests of the company and the shareholders, the Supervisory Board has endorsed this proposal.

The report prepared by the Executive Board on the relationships of Fraport AG with affiliated companies pursuant to Section 312 of the AktG (dependency report) for the period from January 1 to December 31, 2021, was submitted to the Supervisory Board. The report concludes with the following statement of the Executive Board, which is also included in the combined management report:

“The Executive Board declares that under the circumstances known to us at the time, Fraport AG received fair and adequate compensation for each and every legal transaction conducted. During the reporting year, measures were neither taken nor omitted at the request of or in the interests of the State of Hesse and the City of Frankfurt am Main and their affiliated companies.”

The auditor reviewed the report on the relationships with affiliated companies and issued the following auditor’s report:

“Based on our mandatory audit and the conclusions reached, we confirm that

1. the effective disclosures made in the report are correct,

2. the consideration paid by the company for the legal transactions referred to in the report was not unreasonably high.”

The auditor participated in the discussions with the Supervisory Board on March 14, 2022, on the report regarding the relationships with affiliated companies and was available to the Supervisory Board to provide additional information. After the final result of the audit of the dependency report, no objections were made to the declaration of the Executive Board at the end of the report, which was also included in the combined management report. The results of the audit of the dependent company report by the auditor are approved.

PwC was also commissioned to review the content of the Remuneration Report of Fraport AG as at December 31, 2021 as prepared by the Executive Board and the Supervisory Board. In addition to the formal examination required by law in accordance with Section 162 (1) and (2) AktG, the content of the Remuneration Report was also reviewed. Based on the substantive audit, the auditor was able to form an opinion on this with reasonable assurance and confirmed in the context of the audit report that the Remuneration Report complies with the provisions of Section 162 AktG in all material respects. The audit report is attached to the Remuneration Report.

Audit of the non-financial statement

The Supervisory Board is also responsible for auditing the content of the combined non-financial statement. As part of the preparation for this audit, the auditor PwC was commissioned to prepare a voluntary audit of the combined non-financial statement with limited assurance. The finance and audit committee of the Supervisory Board examined the combined non-financial statement extensively and it was also reviewed by the Supervisory Board.

At the accounting meeting of the Supervisory Board on March 14, 2022, the auditor, in addition to the results of its audit of the financial reporting, also reported on the significant results of its audit of the combined non-financial statement and, in this regard, was available for additional questions and information.

Ultimately, it was determined that the combined non-financial statement is correct and complies with the requirements under German commercial law.

Personnel particulars

In the year under review, there were a number of changes to the Supervisory Board.

- Ms. Birgit Kother resigned from the Supervisory Board effective June 30, 2021. She was succeeded by Ms. Yvonne Dunkelmann. Ms. Dunkelmann also succeeded Ms. Kother in the investment and capital expenditure committee as duly appointed by the Supervisory Board.

- On January 1, 2021, Mr. Matthias Pöschko was elected to replace Mr. Detlev Drath, who had left his position on the Board at the end of 2020. Mr. Pöschko was elected as a member of the executive committee and the investment and capital expenditure committee.

- Ms. Mira Neumaier was appointed by the court on March 4, 2021, to replace Ms. Katharina Wesenick, who had resigned at the end of 2020. She was elected as a member of the investment and capital expenditure committee, in which she holds the position as chairwoman.

On February 11, 2022, Fraport AG was notified of the decision of the German Federal Labor Court of February 2, 2022 in which the Federal Labor Court rejected the appeal against denial of leave to appeal concerning the decision of Regional Labor Court of the State of Hesse on the challenge to the election of employee representatives to the Supervisory Board of Fraport AG. Thus, the decision of Regional Labor Court of the State of Hesse on the challenge to the election of employee representatives to the Supervisory Board of Fraport AG, including the substitute members elected for them, by the delegates on May 23, 2018, became legally binding. Consequently, the election has been declared invalid by a court. Ms. Mira Neumaier, who was appointed as an employee representative to the Supervisory Board by decision of the District Court of Frankfurt am Main on March 4, 2021, is not affected by the invalidity of the election and remains a member of the Supervisory Board. In order to ensure quorum and to restore as quickly as possible the number of employee representatives on the Supervisory Board as required by law and the company's statutes, including the statutory equal composition of the Supervisory Board, the Executive Board immediately applied for a judicial (replacement) appointment for the employee representatives who had left the Supervisory Board. For the judicial (replacement) appointment, stakeholders' opinions (including trade unions, the Group Works Council, Fraport Works Council, Fraport Spokes-person's Committee, FraGround Works Council), and declarations of consent were obtained both from the previous employee representatives and from the new candidates nominated by the trade unions in their place. The trade union komba, which is normally represented by Ms. Yvonne Dunkelmann, appointed Ms. Ramona Lindner in place of Ms. Dunkelmann, as requested. The Executive Board has taken this request into account, also in order to avoid conflicting applications to the court and the resulting delays.

On February 16, 2022, the Amtsgericht Frankfurt/Main appointed:

Ms. Claudia Amier, Mr. Devrim Arslan, Mr. Hakan Bölükmese, Mr. Hakan Cicek, Dr. Ulrich Kipper, Ms. Ramona Lindner, Mr. Matthias Pöschko, Mr. Qadeer Rana und Mr. Mathias Venema

as employee representatives to the Supervisory Board in accordance with the appeal, for a limited term until the beginning of the next regular term of office of the new employee representatives to be elected in 2023.

In addition to co-determination considerations, the appeal and the judicial (replacement) appointment also took into account and complied with the requirements of stock corporation law for the proportion of women on a supervisory board.

Frankfurt/Main, March 14, 2022

Minister Michael Boddenberg
(Chairman of the Supervisory Board)

Joint Statement on Corporate Governance

The Fraport AG Executive Board reports – in the name of the Supervisory Board as well – on the contents subject to the reporting requirements pursuant to Section 289f of the German Commercial Code (HGB) for Fraport AG as well as for the Fraport Group (Fraport AG and fully consolidated Group companies, hereinafter referred to as "Fraport") as part of a joint statement on corporate governance pursuant to Sections 315d and 289f of the HGB in conjunction with Section 289f of the HGB, in order to enable a general statement on the Group's corporate governance principles. In this context, the Executive Board and Supervisory Board report in accordance with Principle 22 of the German Corporate Governance Code in its amended version from December 16, 2019, as published on March 20, 2020, (hereinafter: GCGC) on the corporate governance of the company.

The term "corporate governance" at Fraport means responsible corporate management and monitoring. The objectives of corporate governance at Fraport are long-term economic enhancement and creating as well as strengthening confidence among investors, customers, employees, and the public. Good corporate governance therefore has the highest priority at Fraport. In this context, efficient collaboration between the Executive Board and the Supervisory Board is as important as protecting shareholders' interests and maintaining open and transparent corporate communications. Fraport monitors the national and international developments in this area and regularly reviews its own corporate practices in connection with new legal regulations and revised national and international standards, and modifies it to meet these as required.

In accordance with Section 317 (2) sentence 6 of the HGB, the following information pursuant to Sections 289f (2) and (5) and 315d of the HGB has been included by the auditor in the audit of the annual financial statements only to the extent that the auditor verified whether the information was actually given.

Statement of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG)

As a publicly listed corporation headquartered in Germany, corporate governance at Fraport AG primarily orients itself to German stock corporation law, capital market law, and the suggestions and recommendations of the GCGC as amended. The GCGC is a major legal regulation for the management and supervision of German publicly listed companies and contains internationally and nationally recognized standards of good and responsible corporate governance in the form of principles, recommendations, and suggestions. There is no obligation to implement the suggestions and recommendations of the GCGC. However, under Section 161 of the AktG the Executive Board and the Supervisory Board are obliged to issue a statement of compliance and to report and justify any deviations from the recommendations of the GCGC.

Statement of compliance of December 16, 2021

The Executive Board and the Supervisory Board last issued the following statement of compliance under Section 161 of the AktG on December 16, 2021:

"Since the last statement of compliance was issued on December 17, 2020, Fraport AG has complied with and will continue to comply with the recommendations by the Government Commission on the German Corporate Governance Code in the amended version of December 16, 2019 (GCGC) published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette."

The statement of compliance was promptly made permanently available to the shareholders on the company's website at www.fraport.com/en/investors/corporate-governance.html.

GCGC recommendations

Fraport AG also voluntarily complies with the recommendations of the GCGC.

Disclosures on other corporate management practices

Beyond the statutory provisions, Fraport utilizes the following corporate management practices:

Compliance

Ensuring the integrity of all employees worldwide is of great importance to Fraport. Compliance is a key prerequisite for the future viability of the company.

The Code of Conduct for Employees that applies worldwide to the Fraport Group reflects the culture of values practiced at Fraport and stipulates the requirement to act responsibly when dealing with the economic, legal, and moral challenges of everyday business.

There are several ways for employees and customers around the world to report potential compliance breaches securely and in confidence. The information received is carefully and conscientiously evaluated and examined. Compliance breaches are systematically penalized, and any grievances are remedied.

Fraport employees are regularly informed on the topic of compliance through various internal channels and undergo training courses. The Code of Conduct for Employees and the Compliance Guidelines in place at the Fraport Group are available to the employees on the corresponding information platforms.

In its Supplier Code of Conduct, Fraport describes the requirements and principles for cooperation with contractors, suppliers, and service providers. The contractually agreed Supplier Code of Conduct obliges them to comply with the applicable national laws and the relevant internationally recognized standards, guidelines, and principles, as also stipulated in the Code of Conduct for Employees.

The Compliance Management System (CMS) at Fraport is a systematic tool for ensuring legal and compliant behavior within the Group. The objective of the CMS is to ensure corporate management based on values and with integrity that goes beyond the mere fulfillment of standards.

The responsibility for the CMS lies with the management of each respective Group company; the Executive Board is responsible for the CMS of Fraport AG. It has assigned the Head of the Legal Affairs and Compliance central unit as Chief Compliance Officer to develop, organize, and operate Fraport AG’s Compliance Management System.

Responsible corporate governance

Fraport is a community and partnership-oriented corporation. Fraport aims to remain competitive at all sites and in all operational units and thereby secure jobs with fair and just working conditions. Fraport offers good working conditions based on collective bargaining agreements, professional and personal development options, and a highly developed corporate ethic. Although the coronavirus pandemic once again forced the need for short-time work schedules in the second year of the pandemic in order to continue to keep the company profitable and competitive under changing market conditions, Fraport’s objective remains to provide high job security for all employees. Holistic, integrated health and safety at the workplace is also an essential part of the overall corporate responsibility of Fraport, especially when facing the coronavirus pandemic. Comprehensive protective measures have been taken at both the Frankfurt site and the Group airports.

The Fraport Group is also committed to maintaining a sustainable, conserving, and preventive approach to natural resources and the environment. Ambitious CO_2 targets for 2030 have been agreed for both Fraport AG and the Fraport Group. The declared goal for Fraport AG and the Fraport Group is to be climate neutral by 2045.

Fraport AG’s funding concept for its community, cultural, and social engagement is “Active for the Region”. It primarily serves to boost clubs and support volunteer work in the region around Frankfurt Airport. However, in 2021 and presumably in the years to come, the effects of the coronavirus pandemic have again forced Fraport AG to reduce expenses that are not directly related to its core business.

Structure and functioning of the Executive Board and Supervisory Board

For Fraport, a responsible and transparent corporate management and monitoring structure is the cornerstone for creating value and trust. In accordance with the statutory provisions, Fraport AG is subject to a “dual governance system,” which is achieved by the strict separation of personnel in the management and monitoring bodies (two-tier board). The Executive Board manages Fraport AG; the Supervisory Board monitors the Executive Board. The members of the Executive Board and the Supervisory Board work closely together in the interest of the company.

Executive Board

The Executive Board of Fraport AG is comprised of the following five members: Dr. Stefan Schulte (Chair), Anke Giesen, Michael Müller, Dr. Pierre Dominique Prümm, and Prof. Dr. Matthias Zieschang. As the management body, it conducts the business of the company. The Executive Board is bound by the company’s interests and corporate sociopolitical principles within the framework of stock corporation law. In addition, its work is based on the rules of procedure, which have been approved by the Supervisory Board. The schedule of responsibilities for the Executive Board, which governs the allocation of responsibilities, is also attached to the rules of procedure as an annex.

On this basis, the Executive Board reports to the Supervisory Board on all relevant matters of business development, corporate strategy, and possible risks in a regular, timely, and comprehensive manner. In addition, the Executive Board must have the prior approval of the Supervisory Board for certain material matters, particularly for capital expenditure and equity investment measures above a value of €10 million, to the extent that this is not provided for in a business plan approved by the Supervisory Board. The length of the appointment of the Executive Board members is geared toward the long term and has thus far been five years as a standard. Deviating from this standard, at its meeting on June 21, 2021, the Supervisory Board extended the appointment of Prof. Dr. Zieschang as a member of the Management Board for a further three years and ten months until January 31, 2026, with effect from April 1, 2022. The age limit for members of the Executive Board has, in principle, been set at 65. Remuneration of the Executive Board comprises fixed and performance-related components. The Remuneration Report for fiscal year 2021, the auditor's report pursuant to Section 162 of the German Stock Corporation Act (AktG) and the applicable remuneration system for the Executive Board are published at www.fraport.com/publications.

The Executive Board usually meets weekly and constitutes a quorum if at least half of its members participate in the meeting. Resolutions are adopted by a simple majority of all the participating members of the Executive Board. In the case of a tie vote, the chair holds the casting vote.

Further information on the members of the Executive Board as well as their memberships to be disclosed in accordance with Section 285 (10) of the German Commercial Code (HGB) and information on the respective areas of responsibility can be found in the Group Notes, note 55. CVs of the members of the Executive Board are available on the company’s website under Executive Board (fraport.com).

Supervisory Board

The Supervisory Board of Fraport AG supervises the activities of the Executive Board. It is composed of an equal number of representatives of shareholders and employees and comprises 20 members. The ten shareholder representatives are elected by the AGM, and the ten employee representatives are elected by the employees in accordance with the provisions of the German Co-Determination Act (MitbestG) for five years. The Supervisory Board has created rules of procedure, under which it has a quorum if – on the basis of a proper notice of meeting – at least half of its members participate in the voting in person or through submission of written votes. Resolutions are adopted with a simple majority unless otherwise mandated by law. In the event of a tie vote, the chair of the Supervisory Board, who must be a shareholder representative, is entitled to a second vote. Beyond this, the rules of procedure regulate, in particular, the creation and powers of committees of the Supervisory Board.

The Supervisory Board generally meets four times a year (in 2021: eight meetings, including a strategy session) and regularly reviews the efficiency of its activities. In the year under review, this self-assessment was carried out on the basis of and as an update of the results obtained in 2020, which were discussed in depth at the September meeting. The discussion focused on the digitization of the committee’s work and the corresponding access to information.

In the report of the Supervisory Board, the Supervisory Board summarizes its activities of the past fiscal year on an annual basis. The report of the Supervisory Board for the fiscal year 2021 can be found in the Annual Report 2021. The Remuneration Report for the financial year 2021, the auditor's report pursuant to § 162 of the German Stock Corporation Act (AktG), the current compensation system of the Supervisory Board and the last remuneration resolution pursuant to Section 113 (3) AktG are published at www.fraport.com/publications.

At the time of publication of this joint statement on corporate governance, the Supervisory Board was composed as follows:

Composition of the Supervisory Board

Representatives of the shareholders	Representatives of the employees
Michael Boddenberg (Chair) (Member of Supervisory Board since 26.05.2020)	Claudia Amier (Vice Chair) (Member of Supervisory Board since 31.05.2013 until 10.02.2022 and since 16.02.2022)
Uwe Becker (Member of Supervisory Board since 31.05.2013)	Devrim Arslan (Member of Supervisory Board since 31.05.2013 until 10.02.2022 and since 16.02.2022)
Peter Feldmann (Member of Supervisory Board since 03.09.2012)	Hakan Bölükmese (Member of Supervisory Board since 29.05.2018 until 10.02.2022 and since 16.02.2022)
Peter Gerber (Member of Supervisory Board 30.05.2014)	Hakan Cicek (Member of Supervisory Board since 31.05.2013 until 10.02.2022 and since 16.02.2022)
Dr. Margarete Haase (Member of Supervisory Board 01.01.2011)	Dr. Ulrich Kipper (Member of Supervisory Board since 29.05.2018 until 10.02.2022 and since 16.02.2022)
Frank-Peter Kaufmann (Member of Supervisory Board 30.05.2014)	Ramona Lindner (Member of Supervisory Board since 16.02.2022)
Lothar Klemm (Member of Supervisory Board 10.05.1999)	Mira Neumaier (Member of Supervisory Board since 04.03.2021)
Michael Odenwald (Member of Supervisory Board 11.12.2012)	Matthias Pöschko (Member of Supervisory Board since 01.01.2021 until 10.02.2022 and since 16.02.2022)
Sonja Wärntges (Member of Supervisory Board 16.10.2020)	Qadeer Rana (Member of Supervisory Board since 29.05.2018 until 10.02.2022 and since 16.02.2022)
Prof. Dr.-Ing. Katja Windt (Member of Supervisory Board 11.05.2012)	Mathias Venema (Member of Supervisory Board since 01.07.2020 until 10.02.2022 and since 16.02.2022)

In the course of a legally binding challenge to the elections of employee representatives on the Supervisory Board, the elected members left the Supervisory Board on February 10, 2022. Until the resolution on the challenge became final, the persons whose election was contested remained full members of the Supervisory Board. Ms. Mira Neumaier, who was appointed as an employee representative to the Supervisory Board by decision of the Register Court of the District Court of Frankfurt am Main on March 4, 2021, is not affected by the challenge and remains a member of the Supervisory Board. By decision of February 16, 2022, the Register Court of the Amtsgericht Frankfurt/Main, ordered a judicial replacement appointment for the departed members of the Supervisory Board at the request of the Executive Board. Since then, the Supervisory Board has again been composed of 20 members. In addition to co-determination considerations, the appeal and the judicial (replacement) appointment also took into account and complied with the requirements of stock corporation law for the proportion of women on a supervisory board. In the period from July 1, 2021 to February 10, 2022, Ms. Yvonne Dunkelmann was a member of the Supervisory Board as an employee representative. By means of the court appointment of February 16, 2022, Ms. Ramona Lindner succeeded her as employee representative on the Supervisory Board.

Further information on the members of the Supervisory Board as well as their memberships to be disclosed in accordance with Section 285 (10) of the German Commercial Code (HGB) can be found in the Group Notes, note 56. CVs of the members of the Supervisory Board are available on the company’s website under Supervisory Board & Economic Advisory (fraport.com).

Committees of the Supervisory Board

The Supervisory Board has formed the following committees based on the statutory provisions and the provisions of its rules of procedure. The following table provides an overview of the tasks, regulated number of meetings, the actual number of meetings in the past fiscal year, the planned number of members, and the actual number of members as at the date of publication of this statement.

Committees of the Supervisory Board

Committee	Functions	Regular number of meetings	Meetings 2021	Regular number of members	Members
Finance and audit committee	> Preparation of resolutions in the area of finance and audit-related resolutions > Addressing in particular > the audit of accounts > the supervision of the accounting process > the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of accounts, and compliance > Statement of opinion > on the business plan and plan changes that require approv-al, on the annual and consolidated financial statements, on the Executive Board recommendation for the appropriation of profits, on the combined management report, on the com-bined non-financial statement, on the audit report of the auditor of the financial statements and of other auditors, on the Supervisory Board's recommendation for the audit report, and on the discharge of the Executive Board > on the awarding of the audit mandate to the auditor, the fee agreement and the stipulation of the focus of the audit > The finance and audit committee is responsible for the auditor selection process > It monitors the independence of the auditor and the quality of the audit of accounts. In this regard, it provides its advance consent to all of the auditor's legitimate non-audit services.	4	6	8	Dr. Margarete Haase (Chair) Claudia Amier (Vice-Chair) Hakan Cicek Dr. Ulrich Kipper Lothar Klemm Michael Odenwald Qadeer Rana Sonja Wärntges
Investment and capital expenditure committee	> Preparation of resolutions relating to capital expenditure, resolutions or decisions concerning the founding, acquisition, and sale of Group companies and ongoing monitoring of the economic development of existing Group companies > Final decision on the creation, acquisition, or sale of direct or indirect Group companies if the obligation or entitlement of the company arises from a capital expenditure or an in-vest-ment-related action between €10,000,000.01 and €30,000,000 > Final decision on the acquisition or disposal of, or charge on property or land rights between €5,000,000.01 and €10,000,000 > Statement of opinion on the capital expenditure plan and on capital expenditure reporting	4	5	8	Lothar Klemm (Chair) Mira Neumaier (Vice-Chair) Uwe Becker Hakan Bölükmese Frank-Peter Kaufmann Ramona Lindner Matthias Pöschko Prof. Dr. Katja Windt
Human resources committee	> Preparation of resolutions in the area of human resources > Statement of opinion, in particular on changes in headcount, fundamental issues relating to collective bargain-ing law, the payment system, the employee investment plan, matters concerning the company retirement plan	4	4	8	Mathias Venema (Chair) Frank-Peter Kaufmann (Vice-Chair) Devrim Arslan Hakan Bölükmese Michael Odenwald Qadeer Rana Sonja Wärntges Prof. Dr. Katja Windt
Executive committee	> Preparations for the appointment of members of the Execu-tive Board and the conditions of employment contracts, including remuneration > Final decision concerning outside activities of members of the Executive Board that require the approval of the Super-visory Board	As needed	5	8	Chairman of the Supervisory Board Michael Boddenberg (ex officio) Vice Chairman Claudia Amier (ex officio) Devrim Arslan Uwe Becker Dr. Margarete Haase Frank-Peter Kaufmann Matthias Pöschko Mathias Venema
Committee in accordance with Section 27 of the Mit-bestG (Mediation committee)	> Preparation of a recommendation on the appointment or dismissal of members of the Executive Board if the entire Supervisory Board does not reach such decision	As needed	0	4	Chairman of the Supervisory Board Michael Boddenberg (ex officio) Vice Chairman of the Supervisory Board Claudia Amier (ex officio) Lothar Klemm Mathias Venema
Nomination committee	> Recommendation of suitable candidates to the Supervisory Board for its recommendations to the AGM	As needed	0	3	Michael Boddenberg (ex officio) Uwe Becker Dr. Margarete Haase

Shareholders and AGM

The shareholders of Fraport AG exercise their rights at the AGM where they exercise their right to a voice and a vote. The shareholders are informed of business developments in the past year and the company's forecasts included in the combined management report with sufficient time prior to the meeting. During the year, the shareholders are provided with comprehensive and timely information about current business developments through interim reports and other company publications on the company website.

The AGM is held within the first eight months of every fiscal year and makes decisions concerning the tasks assigned to it by law, such as the appropriation of profits, election and approval of the actions of the members of the Supervisory Board and approval of the actions of the Executive Board, the selection of the auditor, amendments to the company statutes, and other tasks. The shareholders can either exercise their right to vote in person or can authorize third parties to exercise their right to vote. The Executive Board is authorized to ensure that shareholders may cast their votes in writing or by electronic communication (mail-in ballot). Each share entitles its holder to one vote in the voting.

The German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the coronavirus pandemic, which entered into effect on March 28, 2020 to combat the effects of the pandemic and was amended by Article 11 of the Act on the Further Shortening of the Residual Debt Exemption Procedure and on the Adaptation of Pandemic-Related Regulations in Society, Cooperative, Association and Foundation Law as well as in Tenancy and Lease Law of December 22, 2020 (Federal Law Gazette I No. 67 2020, p. 3332), opened up the possibility, as in 2020, of holding annual general meetings in 2021 without the physical presence of shareholders or their representatives (virtual general meeting). The Executive Board of Fraport AG made use of this opportunity in 2021 with the consent of the Supervisory Board. Article 15 of the Act on the Establishment of a Special Fund "Development Aid 2021" and on the temporary suspension of the obligation to file for insolvency due to heavy rainfall and flooding in July 2021 and the amendments to other laws of September 10, 2021 (Federal Law Gazette I No. 63 2021, p. 4153) extended its validity until August 31, 2022, according to which ordinary annual general meetings can also be held online in 2022 without the physical presence of shareholders or their representatives.

Defining targets for the proportion of women on the Supervisory Board, Executive Board, and the two levels below the Executive Board

According to the German Stock Corporation Act as amended by the Second Management Positions Act (FüPoG II), Fraport AG, as a listed company to which the Co-Determination Act applies and whose Executive Board consists of more than three persons, must have at least one woman and at least one man as a member of the Executive Board (minimum participation requirement). In the year under review, Fraport AG complied with this requirement.

The targets for the proportion of women at the two levels below the Executive Board as well as the deadlines for reaching these targets must be determined based on this law.

The targets for the proportion of women on the Supervisory Board of Fraport AG does not need to be determined, since there is already a fixed gender ratio for the Supervisory Board, as is the case at Fraport AG, according to Section 96 (2) AktG.

Targets for the Executive Board

If the minimum participation requirement applies to the Executive Board, the obligation to set targets for the Executive Board ceases to apply in accordance with the provisions of the German Stock Corporation Act (Aktiengesetz) as amended by the FüPoG II.

The Supervisory Board set a target of 25% for the proportion of women on the Fraport AG Executive Board at its meeting of September 18, 2015, and this target remained even after the obligation to set targets for the Executive Board had been eliminated. This target should have been reached by June 30, 2017. As the Executive Board has been extended by one member and thus has consisted of one female and four male members as of July 1, 2019, this target is currently being missed. In view of the expected profound change in the aviation market and the associated major changes in traffic and terminal usage structures, the Supervisory Board considered it appropriate for the Executive Board to expand the responsibilities by the Executive Director "Aviation and Infrastructure" including the "Airside and Terminal Management, Corporate Safety and Security" strategic business unit (now called "Aviation") as well as the "Corporate Infrastructure Management" central unit and to appoint an internal expert. Nonetheless, the target remains in effect as regards future decisions on appointments to the Executive Board.

Targets for the first and second management levels below the Executive Board

The Executive Board sets the targets for the proportion of women at the two levels below the Executive Board in accordance with Section 76 (4) of the AktG and Principle 3 of the GCGC.

At the turn of the year 2016/2017, the Executive Board set a target of 30.0% for the proportion of women in the first management level below the Executive Board ("direct reports") and a target of 30.0% for the proportion of women for the subordinate management level ("direct reports" to the first management level) as at December 31, 2021, for Fraport AG. As at the balance sheet date for 2021, the actual proportion of women in the first management level amounted to approximately 22.7% and 27.5% in the second management level.

For the period from January 1, 2022, to December 31, 2026, the Executive Board set a target of 31.8% for the proportion of women in the first management level below the Executive Board ("direct reports") and a target of 30.9% for the proportion of women for the subordinate management level ("direct reports" to the first management level). Regarding Group companies in Germany, the Executive Board set a target of 30.8% for the proportion of women in the first management level below the Executive Board ("direct reports") and a target of 30.2% for the proportion of women for the subordinate management level ("direct reports" to the first management level) for the same period.

Gender ratio on the Supervisory Board

After the "Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector" came into force on May 1, 2015, the statutory gender ratios of a minimum of 30% women and 30% men on the Supervisory Board must be complied with (Section 96 (2) of the AktG, Principle 11 of the GCGC) as part of the new elections and postings to Fraport's Supervisory Board that became necessary from January 1, 2016.

In this respect, the Supervisory Board decided at its meeting of September 18, 2015, that these ratios are to be met separately for shareholders and for employees. This requirement was fulfilled in the new elections of the Supervisory Board in 2018 as well as the subsequent court orders and the special elections to the Supervisory Board in 2020 and 2021. The Supervisory Board currently comprises three female and seven male shareholder representatives and three female and seven male employee representatives.

Targets for the composition of the Supervisory Board; diversity concept for the Supervisory Board and Executive Board as well as the succession planning for the Executive Board

On June 27, 2016, in accordance with Recommendation C.1 of the GCGC and Section 289f (2) Nr. 6 of the HGB, the Supervisory Board adopted its specific targets for its composition as well as a competency profile for the overall board. The targets for the composition of the Supervisory Board and the competency profile for the overall board (including the diversity concept) are as follows:

"The objective is that the Supervisory Board should be composed in such a way that it ensures the competent control and support of the company's Executive Board by the Supervisory Board. It should be taken into account that the Supervisory Board as a collective body has the overall knowledge, skills, and professional experience required to properly perform its tasks. It cannot be expected that each individual member of the Supervisory Board possesses the required knowledge and experience to the fullest extent; however, there should be at least one competent member of the Board for each aspect of the Supervisory Board's activities to ensure that the Board's members together represent a comprehensive range of knowledge and experience. These should include, inter alia, an understanding of the relevant market environment, financial and commercial experience, and a strong regional connection.

In addition, each member of the Supervisory Board should be expected to have a certain level of essential general knowledge and experience that is appropriate to the nature, extent, and complexity of the business activities, and the risk structure of an international company such as Fraport AG.

In adherence to the age limits set by the Supervisory Board, which is set as 72 years of age at the time of election or reelection, candidates should be put forward who are able to perform the duties of a member of a supervisory board of an international company and safeguard the reputation of Fraport AG through their integrity, motivation, availability, and personality. The principles of diversity and the proportion of women and men based on the statutory provisions should be taken into account when nominating candidates for the Board. In addition, the Supervisory Board should have at least three independent members."

Concerning the extent to which this policy has been implemented, it can be stated that the current Supervisory Board, whose members offer a wide range of economic, political, and corporate expertise, has the knowledge, skills, and experience required to properly perform its duties. The objectives for the composition of the Supervisory Board and the competence profile for the overall Supervisory Board (including the diversity concept) were taken into account in the special election to the Supervisory Board in 2021.

In addition, the Supervisory Board has both a sufficient number of members with international experience and an adequate number of members with a strong regional connection, as some of them hold seats in local and regional governments.

With regard to further diversity, the Supervisory Board had already updated the target it established in the 2015 fiscal year – as mentioned above – for the proportion of women on the Board: "The Supervisory Board shall be composed of at least 30% women and 30% men, and this ratio is to be met separately for shareholder representatives and for employee representatives."

In line with this objective, the Supervisory Board has comprised three female and seven male shareholder representatives and three female and seven male employee representatives since the 2018 Annual General Meeting and the special election to the Supervisory Board at the 2020 Annual General Meeting.

The supervisory board members Dr. Margarete Haase, who is chairwoman of the finance and audit committee, and Ms. Sonja Wärntges both have expertise in the areas of accounting and auditing, which fulfills the requirement in Section 100 (5) of AktG that states at least two members of the Supervisory Board and the finance and audit committee must have such expertise. The Supervisory Board of Fraport AG thus meets the requirements of the Act on the Strengthening of Financial Market Integrity (FISG) with regard to the requirement of Supervisory Board members with expertise in the areas of accounting and auditing.

For shareholders, the Supervisory Board should include what they consider to be an appropriate number of independent members; the ownership structure should be taken into account (see Recommendation C.6 GCGC). The Supervisory Board decided that the board should include at least three independent shareholder representatives. Regarding this objective, the Supervisory Board had as its members Dr. Margarete Haase, Dr. Katja Windt, and Ms. Sonja Wärntges, which means that it has reached its goal of having three shareholder representatives independent of the company, the Executive Board, and the controlling shareholder. In addition, Fraport AG also complies with Recommendations C.7 and C.9 of the GCGC, according to which more than half of the shareholder representatives must be independent of the company and the Executive Board and at least two of the shareholder representatives must be independent of the controlling shareholder. It should also be noted that both the Chair of the Supervisory Board as well as the Chair of the audit committee, and the Chair of the executive committee are considered to be independent within the meaning of Recommendation C.10 of the GCGC.

In the future, the nomination committee and the Supervisory Board will also adequately take into account this objective for the composition of the Supervisory Board when presenting candidates for election to the Supervisory Board at the Annual General Meeting.

The Supervisory Board also takes diversity into account regarding the composition of the Executive Board (Recommendation B.1 of the GCGC). Given the identified qualifications of its members, the Supervisory Board does not yet pursue a diversity concept for the Executive Board.

The Supervisory Board, along with the Executive Board and based on the preparatory work by the executive committee, ensures the long-term succession planning of the Executive Board. In addition to the requirements of the German Stock Corporation Act and the German Corporate Governance Code, long-term succession planning takes into account the target set by the Supervisory Board for the proportion of women on the Executive Board as well as other diversity criteria. Taking into account the specific qualification requirements, the structure of the Executive Board (including the division of portfolios), and the aforementioned personnel criteria, the executive committee develops an ideal profile on the basis of which it draws up a shortlist of available candidates. Structured discussions are held with these candidates. A recommendation for a resolution is then submitted to the Supervisory Board.

Further information

Remuneration of the Executive Board and the Supervisory Board

The essential features of the remuneration system as well as the disclosures on the remuneration of the Executive Board and the Supervisory Board for the 2021 fiscal year can be found in the remuneration report. The remuneration report was subject to a formal and substantive audit by the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. The remuneration report is published as a separate document at www.fraport.com/publications.

Acquisition or disposal of company shares (directors' dealings)

Pursuant to Section 19 of the Market Abuse Regulation (MAR), board members and other managers (directors) and persons closely related thereto are legally obliged to disclose the acquisition or disposal of shares of Fraport AG or any financial instruments related thereto, if the value of the transactions undertaken exceeds the sum of €20,000 within one calendar year. The notifications in this respect are immediately disclosed by Fraport AG.

Shareholdings of the bodies

The total shareholdings of all members of the Executive Board and Supervisory Board are less than 1% of the total number of shares issued by Fraport AG.

Risk and opportunity management

For Fraport, corporate governance also means handling corporate risks and opportunities responsibly. For this reason, Fraport has introduced a comprehensive Group-wide risk and opportunity management system. The structure of the risk and opportunity management system and a report on key risks and corporate opportunities are presented in detail by the Executive Board in the combined management report for the fiscal year. Depending on their importance for the company, changes to key risks or significant opportunities opening up during the year are published either in an ad hoc disclosure or as part of the financial reporting during the year.

The early risk recognition system is also part of the annual audit by the auditor. The effectiveness of the internal control and risk management system, and of the internal auditing system as well as the audit of accounts is monitored by the Supervisory Board. At Fraport, the finance and audit committee of the Fraport AG Supervisory Board performs this task in accordance with Section 107 (3) of the AktG.

Accounting and audit of accounts

Fraport prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union, and the additional applicable requirements of German commercial law pursuant to Section 315e (1) of the HGB. A combined management report is prepared in accordance with Section 315 (5) of the HGB. The annual financial statements of Fraport AG are prepared in accordance with the provisions of the HGB. Further information on the accounting principles is available in the notes to the respective financial statements. The annual and consolidated financial statements are published within 90 days of the end of the fiscal year.

The annual and consolidated financial statements and the combined management report of Fraport are audited by an auditor in accordance with Section 316 of the HGB. On the basis of the AGM's resolution, in fiscal year 2020 this was PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (hereinafter referred to as PwC), which is thus auditing Fraport for the eighth consecutive year. Prior to the submission of the nomination, the Supervisory Board and its audit committee obtained a declaration of independence from PwC. The audit of the consolidated financial statements and the combined management report was carried out in accordance with Section 317 of the HGB and the EU Audit Regulation (No. 537/2014, hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). It was agreed with the auditor that it will immediately inform the Fraport AG Supervisory Board of possible grounds for disqualification or partiality if these are not remedied at once. The auditor shall also immediately report on all findings and incidents arising during the audit of the consolidated financial statements and the combined management report which are significant for the tasks of the Supervisory Board. In addition, the auditor must inform the Supervisory Board and record in the audit report if it finds facts that reveal an inaccuracy in the statement of compliance submitted by the Executive Board and Supervisory Board in accordance with Section 161 of the AktG while performing the audit of the consolidated financial statements and the combined management report.

During the year, the auditor also participated in discussions with the finance and audit committee regarding the Group interim financial statements and meetings with the Fraport AG Supervisory Board regarding the annual and consolidated financial statements.

Disclosure of the joint statement on corporate governance and corporate governance report

The Executive Board disclosed the joint statement on corporate governance on March 14, 2022, at www.fraport.com/en/investors/corporate-governance.html.

Combined Management Report for the 2021 Fiscal Year

Impact of the Coronavirus Pandemic on the Fraport Group

The Fraport Group's operating performance continued to be affected by the impact of the coronavirus pandemic in fiscal year 2021. Compared to the same period in the previous year, traffic in Frankfurt and at the Group's international airports benefited from the economic recovery, particularly in the third quarter. Passenger numbers in Frankfurt increased by 32.2% to 24.8 million passengers compared to the previous year, in which the first months of that year had not yet been fully burdened by the coronavirus pandemic. Compared to the pre-crisis level of 2019, however, passenger numbers remained significantly lower at –64.8%. The Group's international airports, in particular the tourist-oriented destinations in Turkey and Greece, predominantly showed clear passenger growth compared to the previous year. Compared to the pre-crisis level in 2019, the Group airports nevertheless recorded significant declines.

While passenger numbers throughout the Group continued to be strongly influenced by the coronavirus pandemic, freight volumes in Frankfurt reached a new high of around 2.3 million metric tons. The Frankfurt site thus continues to prove it is the leading freight hub in Europe.

In order to reduce costs at the Frankfurt site in the long term and continue to align Fraport with the changing market environment, the strategic program "Zukunft FRA – Relaunch 50" launched in 2020 was continued in 2021. As a result of the headcount reduction program initiated, the number of total employees in the Fraport Group at the Frankfurt site as at December 31, 2021 fell by 4,348 compared to December 31, 2019. In addition, the short-time work schedules that commenced in 2020 were extended for parts of the employees.

In view of the ongoing coronavirus pandemic, an emergency collective agreement was reached at the end of 2020 for the period 2021 to 2023 for the German airports bound by the Collective Agreement for the Public Service (TVÖD), which Fraport AG and the Group companies FraCares GmbH and FraGround GmbH have also joined. The emergency collective agreement is an important building block for further stabilizing the companies and reducing costs to the extent necessary. The agreement included postponing wage increases, the elimination of collectively agreed performance-based pay, an increased employee contribution to the company pension scheme, and the option of reducing working hours without wage compensation. For Fraport AG, taking into account the staff reductions implemented, it was decided to forego the reduction in working hours and instead implement a more flexible working time arrangement in the operational areas, in which work assignments can be canceled on low-traffic days and reclaimed on busy days.

In addition, strict cost management was continued in the 2021 fiscal year and material expenses strictly not operationally necessary were eliminated, while planned capital expenditure was reduced or temporarily postponed. Parts of the infrastructure remained closed, especially in the first half of the year. In total, operating expenses at the Frankfurt site in the 2021 fiscal year were thus reduced by around 30% compared to 2019. Savings in operating expenses and measures such as short-time work, reduced working hours, and company leave were also continued at the international Group companies in accordance with local legislation. Also, Group companies with seasonal traffic particularly benefited from flexible cost structures. This meant that fully consolidated international Group companies were able to realize savings on staff and non-staff costs of more than 38% compared to 2019.

The German Federal Government and the State of Hesse granted compensation for the holding costs at Frankfurt Airport incurred during the first lockdown in 2020 totaling €159.8 million, which had a positive effect on Group EBITDA and thus also on the liquidity situation and net financial debt.

In the past fiscal year, the Group companies also benefited from the negotiations started last year with the responsible authorities and government agencies regarding state aid for losses due to the coronavirus pandemic. The Greek government granted Fraport Greece compensation by waiving the fixed concession payments and granting a later start date for the variable concession fee, which is also to be paid, had a positive effect on other operating income in 2021 totaling €92.8 million. In addition, the waiver of fixed minimum lease payments at Fraport USA in the amount of €35.2 million, the compensation claims made by the two Brazilian Group companies in the amount of €26.5 million, as well as the compensation for the airport closure in 2020 and reimbursement of fixed costs at the Group company Fraport Slovenija in the amount of €6.6 million had a positive effect on other operating income. Discussions on further compensation measures at individual Group companies are currently ongoing.

In order to further expand the Group's liquidity and create additional financial flexibility, extensive financing measures were completed in fiscal year 2021. In total, Fraport raised around €3.1 billion in debt financing measures, taking into account both long-term and short-term financing instruments and secured credit lines.

Information about Reporting

This report summarizes the management reports of the Fraport Group and Fraport AG (Combined Management Report). The comments on the Fraport Group also apply to Fraport AG. Developments in the asset, financial, and earnings position of Fraport AG can be found in the "Supplementary Management Report on the Separate Financial Statements of Fraport AG" chapter.

The non-financial statement is an integral part of the Combined Management Report in accordance with Sections 315b and 315c in conjunction with the Sections 289b to 289e of the German Commercial Code (HGB) and has been extended to comply with the requirements of Regulation (EU) 2020/852 of the European Parliament and of the European Council of June 18, 2020 on the establishment of a framework for facilitating sustainable investment and amending the Regulation (EU) 2019/2088. This can be found in the "Combined non-financial statement" chapter.

Group accounting takes account of the International Financial Reporting Standards (IFRS) in force on the reporting date (December 31, 2021) and the interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted in the European Union (EU). In addition, Fraport reports the information pursuant to Section 315e (1) HGB.

In order to better represent the operating performance year-on-year, revenue is also reported in the Consolidated management report for order revenue from construction and expansion services in accordance with IFRIC 12 (referred to below as: Revenue adjusted for IFRIC 12). These relate to the capacitive capital expenditure in connection with service concession agreements at Group international airports (see also Group Notes, note 4 and note 49).

Reporting for 2020 was extended to include the key performance indicator "EBITDA before special items". EBITDA before special items is adjusted for personnel expenses from the creation of provisions for the "Zukunft FRA – Relaunch 50" program at Fraport AG as well as corresponding measures taken by individual Group companies at the Frankfurt site and amounts overall to €299.0 million. This key performance indicator provided transparency and allowed for a better assessment of the Fraport Group's operational performance in 2020. The table below shows a reconciliation of the key performance indicator as at December 31, 2020. The financial figures for fiscal year 2021 were not influenced by special items for the "Zukunft FRA – Relaunch 50" program.

Reconciliation EBITDA before special items

€ million	2020	Special items 2020
Revenue before special items	**1,677.0**	
Other internal work capitalized	37.9	
Other operating income	81.8	
Total revenue	**1,796.7**	
Cost of materials	–688.6	
Personnel expenses before special items	–913.1	–299.0
Other operating expenses	–146.6	
EBITDA before special items	**48.4**	
Total amount of reconciliation	–299.0	–299.0
EBITDA	**–250.6**	

An overview of the calculation of financial key figures and a description of specialist terms are presented in the "Glossary" chapter.

There were no substantial changes in the companies included in consolidation nor any other substantial increases or reductions in shareholdings in the reporting year. The companies included in consolidation and the disclosures of shareholding pursuant to Section 313 (2) of the HGB are to be found in the Group notes.

The Executive Board approved the combined management report and the consolidated financial statements report for publication on February 25, 2022 / March 14, 2022. The Supervisory Board gave its approval on March 14, 2022.

Overview of Business Development

Situation of the Group

- The targeted headcount reduction of 4,000 positions was reached under the strategic “Zukunft FRA - Relaunch 50” program. The program continues to focus on implementing a significant and sustainable cost reduction and the strategic alignment of the company to the changed market environment
- Material expenses strictly not operationally necessary are being eliminated in the Fraport Group and the planned capital expenditure reduced or temporarily postponed
- Measures such as short-time work schedules, reduced working hours and company leave were also introduced, in accordance with local legislation, including in foreign Group airports

Economic Report

1.9 bn €
Revenue adjusted for IFRIC 12
(2020: 1.5 bn €)

757.0 mn €
EBITDA
(2020 EBITDA before special items: 48.4 mn €)

313.7 mn €
EBIT
(2020: – 708.1 mn €)

91.8 mn €
Group result
(2020: – 690.4 mn €)

0.90 €
Earnings per share
(2020: – 7.12 €)

6.4 bn €
Net financial dept
(2020: 5.5 bn €)

23.1 %
Shareholder’s equity ratio
(2020: 25.7 %)

-772.3 mn €
Free cash flow
(2020: – 1.4 bn €)

3.4 %
ROFRA
(2020: – 8.3 %)

[1] EBITDA before special items adjusts for personnel expenses from the "Zukunft FRA - Relaunch 50" program at Fraport AG and expenses for personnel management measures at other Group companies at the Frankfurt site.

- Clear increase in passenger numbers in Frankfurt by 32.2%, to 24.8 million
- Freight volume in Frankfurt at a new record high of around 2.3 million metric tons
- The majority of the Group's international airports recorded passenger growth, ranging from 31.2% to over 100%
- Key financial figures improve significantly compared to the previous year's level, also due to one-off effects, but remain heavily influenced by the traffic slump caused by the coronavirus pandemic

Outlook Report

- Passenger development still dependent on the course of the coronavirus pandemic and new developments in the Ukraine war[2)]
- Passenger numbers in Frankfurt expected for the full year 2022 in the range of 55% to 65% of the figures from 2019; at the international Group airports more dynamic growth expected than in Frankfurt
- Positive effects on financial figures expected for 2022 in passenger development
- Free cash flow still in negative territory approximately at the previous year's level and clear increase in net financial debt
- ROFRA forecasted to be slightly below to slightly above 2021 level[2)]
- Existentially threatening developments highly unlikely

[2)] Added retrospectively on March 14, 2022.

Situation of the Group

Business Model

The following section provides an overview of the Fraport Group's business model and the economically most important Group sites as well as their competitive positions.

A leading international airport group

Fraport Group (hereinafter also referred to as: Fraport) is among the leading global airport groups with its international portfolio. Fraport provides all operational and administrative services for airport and terminal operation as well as other associated services. Planning and consulting services are also included in the range of services. Passenger traffic, which impacts on a majority of the services the Group provides, is key to the Group's revenue and earnings performance.

The Fraport Group is divided into four segments: Aviation, Retail & Real Estate, Ground Handling, and International Activities & Services. Its main site is the Frankfurt Airport, the largest airport in Germany and one of the most important passenger and freight airports in the world. Fraport AG Airport Services Worldwide (abbreviated Fraport AG) is the owner of Frankfurt Airport. Fraport's strength lies in integrated airport management, which guarantees comprehensive know-how in all airport services.

The **Aviation segment** covers the operation of landside and airside infrastructure at the Frankfurt site and thus covers the area of airport charges, which is legally regulated in Germany, and the relevant security services. Regulated airport charges consist of passenger, landing, and takeoff fees, security fees and parking fees. This segment is responsible for ensuring safe, efficient, and customer-oriented processes in the flight operating areas and terminals as well as the operational implementation of airport and air safety tasks in compliance with legal requirements. The close cooperation with authorities, including the Hessian air traffic authority and the German Federal Police, is of great importance to ensure smooth operation of the airside and landside processes.

The **Retail & Real Estate segment** is primarily responsible for the retail activities and the marketing of real estate and land at Frankfurt Airport. Its activities extend from the management of buildings and facilities through to the management and development of the parking and retail areas and the renting of advertising space. The focus is on greater use of online retail offers and sales channels and on further development of the freight infrastructure and areas.

The **Ground Handling segment** consists of loading, baggage, and passenger services, airmail and luggage transport, and freight handling at the Frankfurt Airport. The segment ensures the quality of Frankfurt Airport's role as a hub, characterized by complex transfer processes. The segment also includes the provision of corporate infrastructure, in particular the baggage transfer system. Usage fees for the corporate infrastructure are regulated.

The **International Activities & Services segment** includes the acquisition, operation, maintenance, development, and expansion of airports and infrastructure facilities abroad. This also includes consulting services, including in the "Operational Readiness and Airport Transfer" (ORAT) section. In addition, it covers the service areas segment for Fraport AG, which provides the central services for the Fraport Group.

Key sites

Fraport Group airports

Continent	Site	Airport	Company	Share in %	Term	
Europe	Germany	Frankfurt	Fraport AG Frankfurt Airport Services Worldwide	100	1924	no time limits
	Slovenia	Ljubljana	Fraport Slovenija, d.o.o.	100	2014	no time limits
	Greece	14 Airports	Fraport Regional Airports of Greece A S.A.	73.4	2017	2057
			Fraport Regional Airports of Greece B S.A. (below collectively referred to as Fraport Greece)	73.4	2017	2057
	Bulgaria	Varna	Fraport Twin Star Airport Management AD	60	2006	2041
		Burgas		60	2006	2041
	Russia	St. Petersburg	Northern Capital Gateway LLC/Thalita Trading Ltd.	25	2010	2040
South America	Brazil	Fortaleza	Fraport Brasil S.A. Aeroporto de Fortaleza	100	2017	2047
		Porto Alegre	Fraport Brasil S.A. Aeroporto de Porto Alegre	100	2017	2042
	Peru	Lima	Lima Airport Partners S.R.L.	80.01	2001	2041[1]
Asia	Turkey	Antalya	Fraport TAV Antalya Terminal İşletmeciliği A.Ş. (hereinafter: Group company Antalya)	50/51[2]	1999	2051
	China	Xi'an	Xi'an Xianyang International Airport Co., Ltd.	24.5	2008	no time limits
	India	Delhi	Delhi International Airport Private Ltd.	10	2006	2036[1]

[1] Extension option.
[2] Dividend share: 50%, share of voting rights: 51%; from 2027 Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş., dividend share: 50%, share of voting rights: 49%.

In addition to the aforementioned airports, Fraport operates retail areas through its Group company Fraport USA at the airports in Baltimore, Cleveland, Pittsburgh, Nashville, and at JetBlue Airways Terminal 5 at JFK Airport in New York, as well as the management of retail space in Terminal B at Newark Airport in New Jersey.

International business activities accounted for 81.6% of the Group result. Germany accounted for 18.4%

Split of the Group result

in %

External influences

The main external factors influencing Fraport's business model in Germany and abroad include disruptive events, such as extreme weather conditions or pandemics such as the ongoing coronavirus pandemic in 2021, in addition to economic, (socio-)political, and regulatory factors. These influencing factors can affect passenger and freight demand as well as the offer of aircraft movements and seats at the Group's airports. These external factors also influence the purchasing behavior of passengers at the airports and so directly affect the economic situation of the Fraport Group (see also the "Risk and Opportunities Report" chapter).

Economic growth fosters a demand for air travel and also promotes the prosperity of a society as a whole, which is a prerequisite for private and business travel. Currency rates are closely linked to economic development as well as to the interest rate policies of central banks and international currency trading. These also affect the appeal of tourist destinations, travel flows, and passengers' booking behavior as well as their buying behavior in the retail area. In addition, exchange rates play an important role in the financial contribution of individual foreign Group companies, for local currencies are converted into the currency of the Group, the euro.

Growing **inflation rates** across the globe due to high energy prices as well as supply bottlenecks and excess demand reduce purchasing power and can have a negative impact on demand for air transport services as prices for air travel and air freight rise. This remains true even if growth in air freight can temporarily benefit from rising tariffs due to scarce sea transport capacities. A key interest rate hike by central banks to combat inflation, in turn, may lead to an economic slowdown, which can have a dampening effect on air traffic demand.

Price fluctuations on the commodities market, in particular, the price of crude oil and thus the price of jet fuel, can influence the frequency of travel in the aviation sector. Depending on the market situation, increasing crude oil prices usually translate to a rise in ticket prices and can dampen demand in the aviation sector. This can result in payment difficulties for financially weaker airlines when faced with intense competition, and lead to a reduction in offers.

Politics affect Fraport's business at the regional, national, and international levels. Restrictions on operations, such as bans on night flights and anti-noise measures, as well as travel restrictions can have a negative impact on airline offerings, and so affect passenger numbers and cargo volume. **Environmental policy** in particular significantly affects air traffic. In this regard, introducing levies is essentially an implementation of environmental policy. Stronger targets and measures discussed within the framework of the Green Deal and the "Fit for 55" program along with the possible introduction of minimum ticket prices can lead to a significant increase in the price of air travel, which may have a correspondingly negative demand effect.

A further political influencing factor is the possible **liberalization of air traffic rights**. This may result in the opening of new markets for air traffic or the expansion of already existing markets. By contrast, sanctions or tightly specified air traffic agreements tend to seal off markets.

Disruptive events that could have a massive impact on passenger numbers include, among other things, terrorist attacks, epidemics, pandemics, strikes, and inclement weather conditions. Their occurrence and impact cannot be predicted, but are generally limited in time, and normally in terms of location as well.

As in 2020, air traffic was again affected by the **coronavirus pandemic** in fiscal year 2021. The effects of the pandemic will also be felt in the coming years. Due to the reduced demand, it must be expected that competition between airports and airlines will continue to increase in intensity. In addition, government support to mitigate the social and economic consequences of the coronavirus pandemic led to a significant increase in government debt worldwide. This development was countered with a significant increase in taxes and levies. It could also result in a further burden on private households with possible negative effects on planned travel budgets. It is to be assumed that given its central location and extensive intermodality as a hub, Frankfurt Airport will play a particularly important role in the expected rebound in air traffic after the coronavirus pandemic.

Fraport monitors various early warning indicators to identify trends in travel or freight flows at an early stage. At the economic level, this includes the development in gross domestic product and exports and imports (particularly in the European Union and the euro area), industrial production (purchasing manager indices in various markets and production indices for special commodity groups), logistics indicators, or private consumption as well as inflation rates in various economic areas. In addition, indicators specific to flight markets such as travel plans, booking forecasts, or the airlines' publications of flight plans are part of such regular monitoring activities.

Competitive position at the Frankfurt site

Frankfurt Airport is in a competitive position both domestically and internationally. Domestically, there is competition for originating passengers with airports with overlapping catchment areas. Internationally, Frankfurt Airport competes for transfer passengers on the basis of its function as an international transfer airport. The main customer at the Frankfurt site remains Deutsche Lufthansa, which accounted for more than 60% of passengers in Frankfurt in the 2021 fiscal year. The largest competitors for transfer passengers are primarily the hub airports London Heathrow, Paris Charles de Gaulle, Istanbul, Amsterdam Schiphol, and Munich, which are also influenced to varying degrees by their resident main customers British Airways, Air France-KLM, Turkish Airlines, and Deutsche Lufthansa. Due to the dynamic development of many airlines and airports from the Persian Gulf region in the past, the Frankfurt site is also in intercontinental competition with these airports. In particular, the expansion and modernization programs at the Frankfurt site contribute to maintaining and improving its international competitive position. The construction of Terminal 3 ensures long-term landside capacities to give the site a successful future-oriented competitive edge. On this basis, the Executive Board is proceeding with the construction of Terminal 3 despite the consequences of the coronavirus pandemic, although individual measures and placements have been stretched over a longer time horizon. The inauguration of Terminal 3 along with other piers is currently planned for 2026.

There was a shuffle in the top 10 European ranking due to the pandemic crisis; given its high domestic traffic share, the new Istanbul Airport (just under 37 million) was once again at the head of the list. Moscow airports also benefited again from the strong domestic traffic volume, so that two of them ranked second and fifth, respectively, in the top 10 European ranking this year. Frankfurt Airport this year once again came in behind Paris Charles de Gaulle (26.2 million), Amsterdam Schiphol (25.5 million), and before Madrid (17.1 million) and London Heathrow (19.4 million). In addition to Frankfurt Airport, the Group's Antalya Airport (21.9 million) reached ninth place. The Group's St. Petersburg Airport also benefited from the strong Russian domestic traffic, narrowly missing out on a ranking with 18.0 million passengers.

In Germany, Frankfurt Airport was by far the largest passenger airport, ahead of Munich with 12.5 million passengers in the 2021 fiscal year. Based on its air freight turnover of approximately 2.3 million metric tons, Frankfurt has remained Europe's largest airport in 2021, ahead of Paris Charles de Gaulle and Amsterdam Schiphol. In Germany, Leipzig/Halle Airport was the next largest competitor, with 1.6 million metric tons of cargo.

Compared internationally, Frankfurt Airport is among the largest passenger and cargo airports in Europe. Due to the crisis, comparisons of airport traffic are heavily influenced by the share of domestic traffic, the actions taken by the individual departure countries and the varying travel provisions of the destination countries. In 2021, this again resulted in the ranking shifting in favor of airports with traditionally low volume but with a high share of domestic passengers. Conclusions regarding general structural changes in the rankings cannot be drawn yet based on the data.

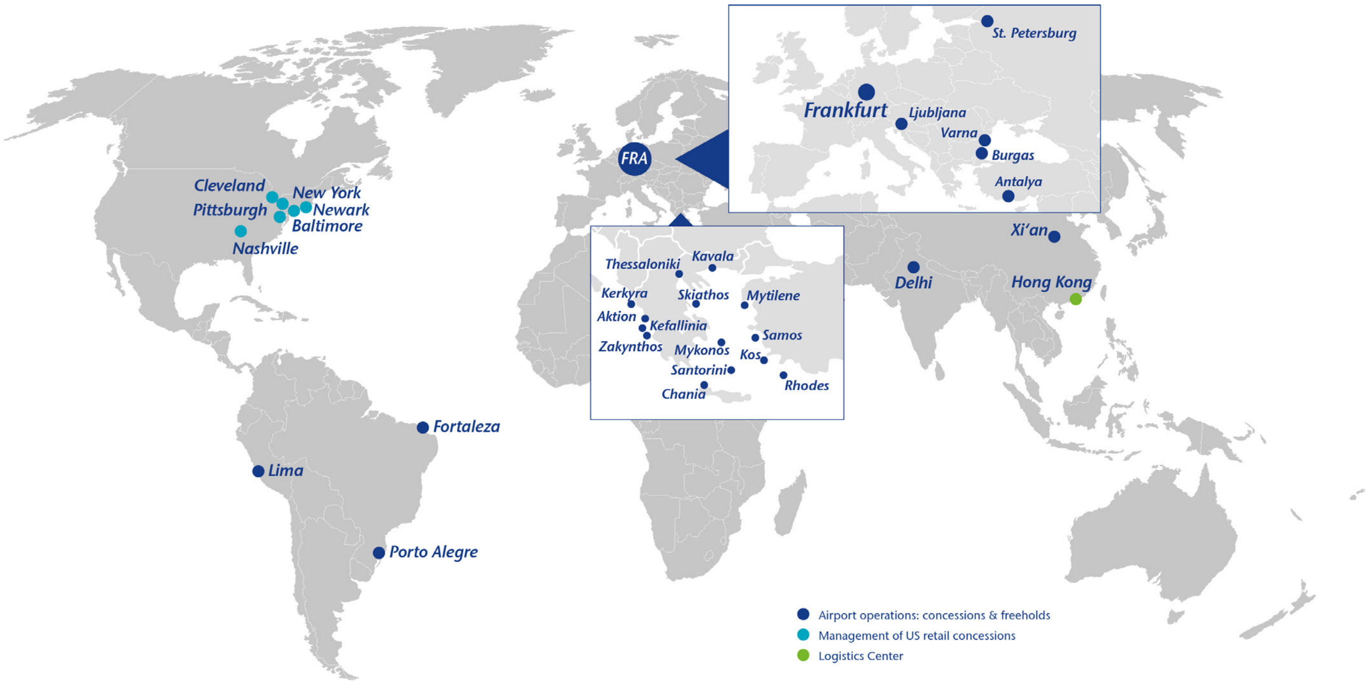
Competetive position in Europe

Rank	2021	2020	2019	Airport	Passengers	delta %	Rank	2021	2020	2019	Airport	Air freight	delta %
→	1.	1.	5.	IST - Istanbul	36,988,563	58.5	→	1.	1.	1.	FRA - Frankfurt	2,228,796	20.0
↑	2.	5.	8.	SVO - Moskau	30,943,456	56.4	→	2.	2.	2.	CDG - Paris	1,982,394	21.1
↓	3.	2.	2.	CDG - Paris	26,201,698	17.7	→	3.	3.	4.	AMS - Amsterdam	1,667,304	15.7
→	4.	4.	3.	AMS - Amsterdam	25,492,633	22.0	→	4.	4.	5.	IST - Istanbul	1,572,504	12.6
↑	5.	9.	24.	DME - Moskau	25,065,087	52.9	↑	5.	6.	6.	LGG - Liège	1,412,205	26.8
↑	6.	8.	13.	SAW - Istanbul	24,991,916	47.2	↓	6.	5.	3.	LHR - London	1,397,103	22.2
↓	7.	6.	4.	FRA - Frankfurt	24,812,849	32.2	→	7.	7.	7.	LUX - Luxembourg	1,088,441	20.2
↓	8.	7.	6.	MAD - Madrid	24,119,214	41.2	→	8.	8.	8.	CGN - Cologne	967,436	14.9
↑	9.	17.	12	AYT - Antalya	21,919,453	124.9	→	9.	9.	10.	MXP - Milan	741,775	45.1
↓	10.	3.	1.	LHR - London	19,395,354	-12.3	→	10.	10.	11.	BRU - Brussels	660,216	30.4

Ranking by ACI Europe (February 2022). The Leipzig/Halle Airport is not a member of the ACI Europe and so not reported in the ranking. Source: ADV (12.2021)

The **punctuality rate** at Frankfurt Airport was 74.2% in the 2021 fiscal year, which was 8.7 percentage points below the previous year's level. In particular, the changed traffic structure posed challenges for the handling activities. So-called "Prachter" (in Geriman, "Prachter" is a mixture of the words for passenger and freight aircraft), i.e., passenger aircraft on which the seats are removed to be able to transport even more freight, increased the handling effort. The unevenly distributed traffic peaks over the course of the day as well as an entire week made capacity and resource planning considerably more difficult to ensure smooth handling.

Competitive Position Outside the Frankfurt Site



Developments of the Group airports outside the Frankfurt site were characterized in the 2021 reporting year by the global coronavirus pandemic and the ensuing measures to limit the incidence of infection. Information on traffic development at individual sites can be found in the “Business Development” chapter. Within the strained market development, the competitive position of the Group airports has developed as follows:

As the airport of the country’s capital, the development of **Ljubljana** Airport is closely linked to the economic and tourism upturn of Slovenia. The destinations that emerged through the bankruptcy of Adria Airways in the fall of 2019 and which were temporarily unserved due to the coronavirus pandemic were gradually added in the course of the recovery in traffic numbers. Not just airlines previously active in Ljubljana such as Deutsche Lufthansa or Turkish Airlines increased their presence at the site last year, but also new airlines such as Flydubai now connect Ljubljana to a variety of destinations in Europe and the Middle East. This development enhances the appeal of the site and the airport. On July 1, 2021, a new passenger terminal with a surface area of around 10,000 square meters (nearly 108,000 sq ft) was inaugurated. This will increase the quality of service at the airport and improve operational processes, strengthening Ljubljana Airport’s competitive position.

The two Brazilian airports in **Porto Alegre** and **Fortaleza** served almost exclusively domestic originating traffic in 2021 (share of domestic passenger numbers: Fortaleza 98%, Porto Alegre 99%). The resumption of the LATAM hub in November 2021 strengthened Fortaleza Airport’s position in the market environment of northern Brazilian domestic airports. In addition, Fortaleza’s favorable geographical location for flights between Brazil and Europe or North America as well as the environment in a region with strong growth potential in northern Brazil offer opportunities to expand international passenger and freight traffic in the future. Porto Alegre also offers development opportunities, albeit to a lesser extent. LATAM Brazil, GOL, and Azul remain the dominant domestic airlines. In order to further exploit the growth opportunities in the Brazilian and South American freight market, a new international cargo center (TECA) was opened at Porto Alegre Airport. However, capital expenditure in the airport infrastructure of the two Group companies was also limited to necessary work due to the crisis. For example, the inauguration of the extended runway in Porto Alegre was postponed to 2022.

The Jorge Chávez Airport in **Lima** is Peru’s leading airport, and one of the largest airports in South America. The Lima site profits in particular from its geographical position, which makes the airport an attractive transfer point for traffic between South and North America. The largest airline at Lima Airport, LATAM Peru, which had fallen into financial difficulties due to the coronavirus pandemic, was preparing reorganization and restructuring proceedings under US law (known as Chapter 11) at the end of 2021. At the Lima site, LATAM Peru is maintaining its market presence and has already reestablished a large part of its fleet strength from the time before the coronavirus pandemic. It is therefore expected to continue to make a significant contribution to the expected passenger growth in 2022. Competing airlines such as SKY, Viva Air, and JetSmart are also pursuing a significant growth strategy. SKY itself exceeded its own fleet strength from the beginning of 2020 to the end of 2021 and thus is contributing significantly to the recovery and further growth of passenger volume in the low-cost segment in 2022. JetSmart also expanded its fleet in 2021. The on-going expansion project at Jorge Chávez Airport includes the construction of a new passenger terminal, a new runway, including aprons and taxiways, as well as other peripheral infrastructure, in order to provide sufficient capacity for further growth in the South American aviation market in the future. In this regard, 2021 saw significant progress in the construction of the new runway and air traffic control tower, which is scheduled to be completed by the end of 2022. For the new passenger terminal, the concession agreement provides for completion and inauguration in the first quarter of 2025.

The traffic and business developments at the strongly tourist-oriented Greek sites, at Varna and Burgas, as well as in Antalya are substantially affected by charter traffic of tourist carriers. There is generally no significant concentration of individual airlines. In addition to the economic development in each respective country where the traffic originates, the sites depend particularly on the appeal of the respective regions with regard to safety, quality, price level, and entry requirements.

Fraport Greece operates 14 Greek regional airports. These are the airports in Kerkyra (Corfu), Chania (Crete), Kefalonia, Kavala, Aktion/Preveza, Thessaloniki, Zakynthos, Mykonos, Skiathos, Santorini (Thira), Kos, Mytilene (Lesvos), Rhodes, and Samos. The coronavirus pandemic and the associated restrictions and the reluctance of passengers to travel, especially in the first half of the year, continued to have a noticeable impact on Fraport Greece. Traffic numbers then recovered massively in the summer and fall months. At a number of smaller airports, pre-crisis levels were even exceeded in some months. This development underlines the appeal of Greece as a tourist destination even with the coronavirus pandemic and also shows the potential for a significant increase in demand in the coming years. Following the completion of the construction work under the 40-year concession, the charges at the remaining three airports Kos, Santorini, and Thessaloniki were also increased in April 2021 to an average of €18.50 per departing passenger plus local inflation developments, as agreed in the concession agreement.

The Black Sea airports in **Burgas** and **Varna** were the second and third-largest passenger airports in Bulgaria after Sofia. In addition to charter services, low-cost transport promises further long-term growth potential. Domestic traffic accounted for around 10% of passenger traffic. Wizz Air provided the largest share of passengers by far. In addition to the two aircraft stationed in Varna with a total of 17 destinations, Wizz Air stationed another aircraft in Burgas in the summer of 2021 and will connect the site to 16 destinations during the summer season. Through gradual, modular expansion measures of the terminals, both tourist sites offer sufficient capacity to meet the growth expected for the regions in the medium term.

Antalya was the third-largest passenger airport in Turkey in the past fiscal year behind Istanbul Airport and Istanbul Sabiha Gökçen Airport, and is still one of the dominant tourist airports in the Mediterranean region. Along with political and economic stability for the country, the development of traffic in Antalya is heavily dependent on the further progress of the coronavirus pandemic and the demand for vacation travel in the region around Antalya. At the end of 2021, a consortium made up of Fraport and its Turkish partner TAV was awarded the tender for the new operating concession at Antalya Airport. This will start at the beginning of 2027 after the current concession expires and will run until the end of 2051. As part of the new concession, necessary expansion measures at the terminals and other areas at the airport will begin in the first quarter of 2022. This will ensure Antalya Airport will remain highly competitive in the segment of tourist airports in the Mediterranean region in the long term.

Pulkovo Airport in **St. Petersburg** is one of the largest airports in Russia. The development of traffic in 2021 was mainly characterized by extensive travel restrictions, which severely affected international traffic. National traffic to the Russian regions, on the other hand, increased significantly in conjunction with a greatly expanded range of low-cost connections and exceeded the pre-crisis level. Further capital expenditure, particularly in domestic traffic handling may become necessary, depending on how things develop. Along with changes to the current travel restrictions and the political stability of the country, development in passenger numbers also depends on the development of the ruble in comparison with the US dollar and the euro, which particularly influences the travel behavior of Russian passengers.

Xi'an Airport is one of the largest airports in central China. The site is largely characterized by originating passengers. The currently low share of transfer traffic offers the airport further long-term growth potential due to its geographic position.

Additional information about business development in the past fiscal year can be found in the "Economic Report" chapter.

Structure

Changes compared with the previous year

Compared with the previous year, no fundamental changes were made to the legal and organizational Group structure in the 2021 fiscal year.

The "Airside & Terminal Management, Corporate Safety & Security" strategic business unit was renamed "Aviation". Use of this common international term is intended to improve transparency, particularly for customers. Moreover, since April 2021 the "HR Top Executives" central unit have been reporting directly to the Executive Director Retail & Real Estate.

In addition, the Group company FraSec Fraport Security Services GmbH was reorganized in 2021. The existing operational areas of activity are being combined based on their specific purpose and split into three independent subsidiaries within FraSec Fraport Security Services GmbH. Since July 1, 2021, all control services in accordance with Section 5 of the German Aviation Security Act (LuftSiG) have been included in FraSec Luftsicherheit GmbH. The security checks according to Sections 8 and 9 of the LuftSiG as well as the classic security and guarding tasks are being combined and allocated to FraSec Flughafensicherheit GmbH. All activities in the service sector are the responsibility of FraSec Services GmbH. The main tasks and personnel of the central units remain in the holding company FraSec Fraport Security Services GmbH.

In November 2021, FraSec Luftsicherheit GmbH and the Munich-based Dr. Sasse Group entered into a strategic partnership in the area of aviation security. The common goal is to maintain the high level of quality in the aviation security sector and to continuously improve existing processes.

Legal structure of the Group

In contrast to time-limited airport operating models, the Fraport Group parent company, Fraport AG, wholly owns and operates Frankfurt Airport with no time limits. With just under 7,900 employees, Fraport AG, which has been stock exchange-listed since 2001, is also the biggest single company of the Group, which has more than 18,400 employees. It directly or indirectly holds the shares in the other Group companies and its head office is in Frankfurt/Main, Federal Republic of Germany.

Including the Frankfurt site, Fraport was active at 31 airports through Group companies at the time the consolidated financial statements were prepared (see also the "Key sites" chapter).

As at December 31, 2021 there were 59 consolidated companies excluding companies accounted for using the equity method, and 80 companies including companies accounted for using the equity method (in the previous year: 59 and 78 companies, respectively). For a detailed overview of the shareholdings within the Group, please see Group notes, note 57.

Organizational Group structure

As a management body, the Executive Board bears the strategic and operational responsibility for the Group. The Executive Board consisted at the time of preparing the consolidated financial statements of the five members Dr. Stefan Schulte (Chair), Anke Giesen (Executive Director Retail and Real Estate), Michael Müller (Executive Director Labor Relations), Dr. Pierre Dominique Prümm (Executive Director Aviation and Infrastructure), and Prof. Dr. Matthias Zieschang (Executive Director Controlling and Finance).

A detailed description of the structure and operation of the management and control body is presented in the “Joint Statement on Corporate Governance”. The annually updated Joint Statement on Corporate Governance does not form part of the annual audit of the consolidated accounts by the auditor and can be found in the “To Our Shareholders” chapter.

For the purpose of managing the Group, the Executive Board has divided the business activities into four segments: “Aviation”, “Retail & Real Estate”, “Ground Handling”, which are largely active at the Frankfurt site, as well as “International Activities & Services”, which primarily includes the Group companies outside of Frankfurt. The segments encompass the strategic business units and service units of Fraport AG and also include the Group companies involved in each of these business processes.

In addition to the aforementioned strategic business units and directly allocated service units, Fraport AG’s ten central units in Frankfurt provide, among other things, Group-wide services.

As at December 31, 2021, the segment structure of the Fraport Group was as follows:

Fraport Group structure

Segments[1]	**Aviation**	**Retail & Real Estate**	**Ground Handling**	**International Activities & Services**
Directly assigned strategic business and service units	Aviation	Retail and Properties	Ground Services	Global Investments and Management Information and Telecommunications Integrated Facility Management Corporate Infrastructure Mangement
Key Group companies	FraSec	Media Frankfurt	FraGround FraCareServices	Fraport USA Fraport Slovenija Fortaleza & Porto Alegre Lima Fraport Greece Twin Star Antalya Thalita / Northern Capital Gateway Xi'an

Central units
Finance and Investor Relations | Internal Auditing | Investment and Project Controlling | Cost and Profitability Management | Human Resources | Accounting | Legal Affairs and Compliance | Corporate Development, Environment and Sustainability | Corporate Communications | Central Purchasing, Construction Contracts

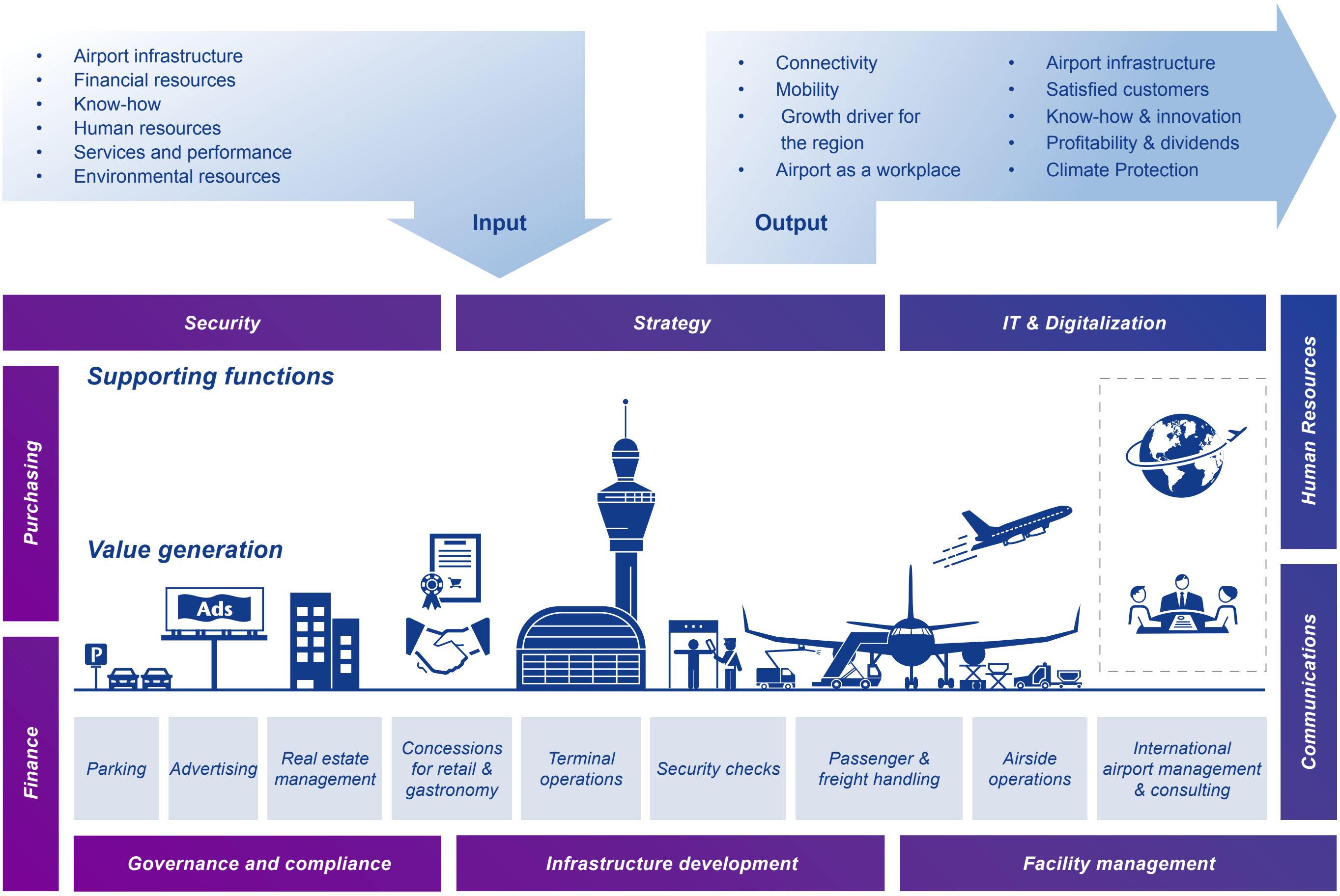
[1] Including assigned Group companies.

Strategy

The strategic “Zukunft FRA – Relaunch 50” program was launched in 2020 as a necessary response to the impact of the coronavirus pandemic and continued in 2021. Even before the coronavirus pandemic, weaker general economic development, changes in legal conditions and structural changes in aviation traffic had noticeably affected Fraport, and particularly the Frankfurt site. It was born out of the need to strengthen our competitiveness. The pressure increased exponentially once again in the wake of the effects of the coronavirus pandemic. The program addresses challenges that are structural, organizational, and cultural in nature. The required improvement in results has been drastically expanded both in terms of time and amount, and cost reductions brought more strongly into focus. A central objective of the program to reduce the headcount at the Frankfurt site by around 4,000 was achieved in 2021. As at December 31, 2021, there were around 4,348 fewer employees compared to December 31, 2019. In addition, far-reaching organizational adjustments were defined and implemented as far as possible effective from January 1, 2021. Due to the ongoing coronavirus pandemic and its recurring negative impact on global air traffic, the main focus is currently on securing liquidity in the long term and adapting resources and capacities to a scenario of around 50 million passengers, so that the company is still profitable with this reduced passenger volume compared to 2019. For this reason, the strategic “Zukunft FRA - Relaunch 50” program aims to reduce costs and increase revenue. In order to ensure the quality of the processes even with a reduced headcount for the long term, the focus is now on the following four program goals:

The reduced demand resulting from the coronavirus pandemic and its related overcapacities increase the already intense competition between airports and also increase the high cost and price pressure on airlines. In this scenario, the quality of services rendered and reliable, flexible processes are critical success factors. Fraport’s efforts in this regard are still directed at offering all customer groups an excellent product. The mission statement with the motto “Gute Reise! We make it happen” stands just as before for the necessary focus of the Fraport Group and the entire value chain on customers.

Value generation chain



Long-term market development as a framework

After the worldwide traffic collapse in 2020 and 2021 due to the coronavirus pandemic, traffic volume will recover by the middle of the decade, according to forecasts by associations and aircraft manufacturers. Subsequently, the aviation market is again expected to show stable growth in the long term. Fraport aligns its strategy to the long-term forecasted development of the global aviation market and its market trends. Worldwide economic growth and a globally growing and stronger consuming middle class will particularly have a positive influence on development. Further catch-up and growth effects will result from the global directing of business and education and the forecasted increasing traffic from migration and tourism. Disproportionate growth is still expected from and in the economic emerging markets.

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Source	Period	Reference	CAGR
Airbus	2021 – 2040	Revenue passenger kilometers	+3.9%
Boeing	2021 – 2040	Revenue passenger kilometers	+4.0%
Embraer	2021 – 2037	Revenue passenger kilometers	+3.3%
ACI	2021 – 2040	Number of passengers	+5.1%

Strategic objectives

With its five strategic objectives, the vision of the Fraport Group serves to implement the mission statement, and is more valid than ever based on the changed underlying conditions:

Growth in Frankfurt and internationally

The expected market development described above indicates that air traffic will remain a growth market over the long term. With the measures initiated under the “Zukunft FRA - Relaunch 50” program and in other areas, Fraport is redirecting the company to ensure competitiveness and to participate sustainably in this growth - both at the Frankfurt site and internationally.

Fraport wants to further strengthen the hub function of the Frankfurt site and enhance its appeal for network carriers, but also for the low-cost market in the medium term. This requires that sufficient capacity be available at Frankfurt Airport, both land and airside. In particular, the construction of Terminal 3 will secure the infrastructure required at the site in the long term, which is why Fraport is continuing with it despite the coronavirus pandemic.

Fraport is continuing the expansion measures required to meet capacity that it has begun at international sites. The modernization measures at the Greek airports were successfully completed in 2021. At Lima Airport, 2021 saw significant progress in the construction of the new runway and air traffic control tower, which is scheduled to be completed by the end of 2022. For the new passenger terminal, the concession agreement provides for completion and inauguration in the first quarter of 2025. On December 1, 2021, Fraport, together with its partner TAV Airports Holding, received the operating license for Antalya Airport until 2051. As part of the concession, infrastructure projects such as the expansion of Terminal 2 and the creation of new VIP areas are planned (see “Key sites” chapter).

The role of Frankfurt Airport as one of the leading cargo hubs in Europe will also be strengthened, and freight will be developed as a strategic mainstay. It was precisely in the coronavirus pandemic that Frankfurt Airport was able to demonstrate its systemic relevance for supplying Germany and the world with essential goods such as protective masks, medications, and medical equipment. To ensure long-term competitiveness and meet the needs of industry and consignors, Fraport, together with its site partners, makes sure that the airport meets all requirements for an efficient cargo hub. To this end, Fraport is continually investing in the physical and digital infrastructure of the airport. For example, in 2021 a data exchange platform was commissioned to digitally standardize customs and other import processes at the site. Frankfurt Airport was also selected as a project partner of the Air Cargo Digital Test Field, which is funded with around €7 million by the German Federal Ministry of Transport and Digital Infrastructure. The project will significantly contribute to making air freight more digital and efficient.

Fraport is maintaining its long-term growth goals, despite the midrange effects of the coronavirus pandemic on its business model. Traffic volume is expected to follow the general market trend; aviation revenue will increase and sustainable EBITDA growth will be maintained in the non-aviation segment. International business is also expected to grow, and its share of Group EBITDA and results will increase over the long-term.

Fraport particularly uses the passenger numbers at Frankfurt Airport as well as at the Group airports as an indicator for the Group-wide growth in traffic. The corresponding figures can be found in the “Business development” chapter.

Fraport measures Group-wide growth in the result and controls this, among other things, by monitoring the development of Group EBITDA and the Group result, the ROFRA, net financial debt to EBITDA ratio, and free cash flow. A description of the development of performance indicators during the past fiscal year can be found in the “The Group’s results of operations”, “Asset and financial position”, and “Value management” chapters. The associated forecasted figures for the 2022 fiscal year can be found in the “Business outlook” chapter.

The key risks and opportunities associated with the expansion of airport infrastructure in and outside of Frankfurt can be found in the “Risk and Opportunities Report“.

Service-oriented airport operator

The mission statement and the claim “Gute Reise! We make it happen” show the aspiration of having a strong customer and service orientation at all sites. Group airports will reach a leading position in their respective aviation market through motivated employees, efficient processes, and infrastructure that meets current needs.

In 2021, special emphasis was placed on the health of customers and the best possible reduction of infection risk due to the ongoing coronavirus pandemic, both in Frankfurt and at the international airports. All sites undertook extensive measures to guarantee safe airport operation at all sites. The measures in Frankfurt were also subjected to an audit by the TÜV Hesse and awarded the TÜV “Safe against Corona” seal. Frankfurt Airport and the Group airports in Greece and Bulgaria received the Airport Health Accreditation awarded by ACI for the successful implementation of organizational, infrastructural, and personnel measures to protect against the coronavirus.

Generally, passengers increasingly expect individual offers that make travel more convenient and intelligent. To create added value for travelers, Fraport offers its passengers these throughout the entire travel chain, from planning all the way through to the end of the journey. Fraport is increasingly relying on technological solutions for this. A particular focus is also placed on reliable loading of baggage on departures and fast baggage reclaim on arriving flights, as the baggage process has a major impact on customer satisfaction. The biometric baggage recognition solution developed by Fraport won the ACI Innovation Award last year and demonstrates Fraport’s intensive efforts to continuously improve its services to customers.

Fraport and the Federal Ministry reached an agreement for Fraport to take over responsibility for carrying out security checks at Frankfurt Airport from 2023. Fraport is thus pursuing the goal of better integrating control processes into existing procedures and so avoiding waiting times as much as possible. Such waiting times were often a point of criticism by passengers and airlines before the coronavirus pandemic.

With the relocation of the security checks in Terminal 1, Hall B to a northern section of the airport, Fraport is consistently continuing the further development of its existing terminal areas. Initially, the eastern part of the new security checkpoint will be built in Hall B, with implementation in the western section to follow. Overall, 16 security checkpoints with state-of-the-art technical installations will be created in Hall B. The conversion will increase the capacity of the security checkpoints, provide for a larger airside retail offer, and make transfers from Pier A to Pier B more efficient and comfortable. To prepare, the check-in counters in Halls A and B are currently being gradually upgraded to the latest technical state-of-the-art and equipped with modern check-in and baggage drop-off machines.

In addition to the passengers, airport business partners including airlines, retailers, and logistics specialists are of key importance to Fraport. Fraport provides its partners Group-wide with an optimum commercial basis, so that they can successfully compete. Technologically supported processes and interfaces are continuously improved and procedures simplified and accelerated. Fraport and Lufthansa have agreed to intensify their strategic and operational collaboration. The goal is to jointly improve passenger processes and experiences, exploit efficiency potential, and further expand the central role of the Frankfurt hub in international competition.

Customer and service orientation will be continually improved at all Group airports. Understanding customer needs and obtaining feedback is essential for this. This is why customer surveys are regularly conducted in Frankfurt and at the Group airports. However, these were suspended or conducted in abbreviated form in 2020/21 due to the coronavirus pandemic. Fraport is still continually engaged in direct exchange with its business partners.

Fraport uses, among other things, non-financial performance indicators to measure the objective of “Service-oriented airport operator”. The global passenger satisfaction in Frankfurt reflects the effectiveness and success of all passenger-oriented processes and service offers that aim to increase passenger satisfaction and loyalty at the site. Also, baggage connectivity is an essential measure for performance as a hub airport. The punctuality rate is another quality indicator for Frankfurt as a hub airport (see also the “Business model” chapter).

The most important performance indicators related to the Group objective “Service-oriented airport operator” can be found in the “Control” chapter. A description of their development during the past fiscal year can be found in the “Non-financial performance indicators” chapter; the associated measures and forecasted figures for the 2022 fiscal year can be found in the “Combined non- financial report” and “Business outlook” chapters.

Economically successful through optimal cooperation

All Group companies, business fields, and services within the Fraport Group provide their services under quality and cost structures that can keep pace with specialized air traffic service providers. Optimized collaboration within the Group enables the operating cost to be reduced further and made more flexible.

The initial challenge in fiscal years 2020 and 2021 was to ensure and further expand liquidity in the Fraport Group. For this reason, Fraport reacted early to the drop in traffic figures and immediately introduced cost reductions both at its home site in Frankfurt and in Group airports worldwide. This led to all material expenses that were not absolutely necessary being reduced as much as possible. All capital expenditure in the pipeline in Frankfurt was reduced or temporarily postponed. The headcount reduction under the strategic “Zukunft FRA - Relaunch 50” program was implemented, thereby also reducing personnel costs structurally. The model for short-time work schedules was also used and thus the work output was adapted to the reduced volume of work until the end of 2021. In order to counteract the expected economic consequences of the coronavirus pandemic, while at the same time ensuring the necessary personnel, including preserving qualified workers for the operational management of the rebounding air traffic, the possibilities of short-time work schedules were used and an emergency collective agreement was reached for German passenger airports, to which Fraport has also ascribed.

It is essential to sustainably adapt the processes, organization, and culture of the Fraport Group to ensure our long-term profitability and success as well as ensure they remain agile. And so employee pools are being created through the bundling of identical or similar areas of responsibility, such as in corporate infrastructure management, in order to manage and fully utilize resources more efficiently. Processes are also being consistently streamlined. For a structured, systematic approach, the Prozessoptimierung@FRA program was set up under the sponsorship of the Executive Board.

Not least of all, decision-making processes will be decidedly shorter, enhancing speed of implementation in the company. An important milestone along this path is the establishment and strengthening of a project organization in many sections, and so a clearly flatter management structure. Manager-to-staff ratios were expanded and management depth reduced by reclassifying management positions as specialist positions and the reintroduction of a specialist and project career path.

The most important financial performance indicators relating to the Group objective “Economically successful through optimal cooperation” can be found in the “Control” chapter. A description of the development of performance indicators during the past fiscal year can be found in the “The Group’s results of operations”, “Asset and financial position”, and “Value management” chapters. The associated forecasted figures for the 2022 fiscal year can be found in the “Business outlook” chapter.

Learning organization & digitalization

Flexible and fast response is part of everyday operations for Fraport as a service provider. Risks and opportunities are recognized at an early stage, and changes in the market are anticipated. Learning takes place every day and everywhere, both in terms of leadership and in the area of expertise. In this regard, Fraport provides continued training, interactive learning, modern agile project techniques, and active feedback.

Continuously developing the corporate culture is a clear focus. Collaboration between divisions will be strengthened by agile working methods, and the service management culture will be expanded. In order to fulfill the requirement of learning from each other, the regular exchange between technical experts from the Fraport Group on specific airport management issues was continued.

Economic development is characterized by its fast pace and uncertainty. The ability to adapt is a key factor here. In this sense and in order to take advantage of the opportunities offered by digitalization and innovation, the strategy on digitalization and innovation adopted in 2020 was implemented. Fraport sees digitalization and innovation as a lever in order to quickly improve the financial earnings position; they are used to open up earnings potential, reduce costs, and thus increase competitiveness. Fraport also wants to create competitive cost structures through standardization and automation. In this context, repetitive processes are identified and the possible replacement of certain manual tasks by robotic process automation is explored. The first pilot projects for this purpose in 2021 were conducted in the area of accounting. A roll-out will also take place in other areas. Other projects initiated by the Digital Factory are pursuing the digitalization of analog and manual processes. As a result, 14 projects in cooperation with external partners successfully led to the development of Minimum Viable Products within three months over the course of the past fiscal year. For example, automatic license plate recognition has improved the access process for our customers in CargoCity Süd, and a yield management was introduced for our parking space management. In 2022, the focus of the digitalization and innovation strategy will be on expanding the Digital Factory within the entire Fraport Group.

More innovations and ideas in the Fraport Group can be found in the “Research and development” chapter.

Fairness and recognition for partners and neighbors

Fraport aims to be respectful and appreciative of its partners and neighbors Group-wide.

Fraport takes its corporate responsibility seriously as an attractive and responsible employer for its employees. Fraport retains qualified and motivated employees through long-term, systematic opportunities for further development, attractive employee offers, and talent management programs, and so ensures its own competitiveness. Fraport wants to continue to offer many of these services and programs, even as the coronavirus pandemic unavoidably mandated the introduction of short-time work and material cost reductions. In this regard, apprentices that are completing their training in 2022 will be offered a temporary position so that they can obtain initial professional experience directly after their training.

As a responsible employer, Fraport also respects and promotes personal diversity and attaches great importance to ensuring that this is reflected in the way employees interact with each other. The Group agreement “Conduct of Partnership, Diversity, and Equality in the Workplace” formed the platform for principles such as freedom from discrimination and equal opportunities. Fraport particularly focuses on developmental measures that increase the share of women in management positions in the first and second levels directly below the Executive Board and at the respective management levels at the German Group companies.

Comprehensive, integrated occupational health and safety is also an important component of overall corporate responsibility in the Fraport Group. Occupational health and safety was again particularly emphasized in fiscal year 2021 due to the coronavirus pandemic. Extensive protective measures were undertaken both at the Frankfurt site and internationally, such as the implementation of constantly changing occupational safety rules, the requirement to wear nose and mouth coverings, distance markings, the use of hygienic safety screens or dividers, and the installation of disinfectant dispensers. Work processes were also adapted to make everyday operations as safe as possible for employees in observance of legally prescribed coronavirus protective measures. Employees were continuously informed and made aware of applicable hygiene and behavioral regulations through information materials and instructions.

Being a good neighbor also means communal, cultural, and social engagement in the respective regions. The “Active for the Region” support concept primarily serves to boost clubs and support volunteer work in the region around Frankfurt Airport. The company also supports both popular and professional sports and maintains long-term partnerships with cultural institutions in Frankfurt. Even at the sites of the international Group companies, regions close to the airport also benefit from the economic performance, such as through donations or sponsorship activities undertaken by each Group company independently. However, in 2021 and presumably in the years to come, due to the effects of the coronavirus pandemic the company has been forced to reduce expenses Group-wide.

Fraport is committed to fulfilling the environmental requirements associated with airport operations. In the area of climate protection, Fraport has set the goal of reducing Group-wide CO_2 emissions to a total of 120,000 metric tons by 2030 and to be completely CO_2 neutral by 2045. In 2021, CO_2 emissions were 163,520 metric tons (see also the “Control” and “Non-financial performance indicators” chapters). No emissions will be compensated. In order to cover the electricity demand from renewable energies, Fraport AG has been purchasing electricity from existing onshore wind turbines since July 2021. In addition, a Corporate Power Purchase Agreement on the purchase of wind energy was concluded to begin in mid-2026. The company is also committed to generating its own electricity at the airport and so is pursuing the expansion of photovoltaic systems on site (see also the “Combined non-financial statement” chapter).

In addition to Frankfurt, the international Group airports are also increasingly participating in the Airport Carbon Accreditation of the Airports Council International (ACI) (see also the “Combined non-financial statement” chapter).

Active and passive noise abatement also serves to limit the negative effects of aviation traffic on its environment. Emission-related airport charges at the Frankfurt site provide financial incentives for airlines to use aircraft with low pollutant and noise emissions. Noise protection measures in accordance with national and local noise protection regulations have been applied and monitoring systems implemented at Group airports as well.

Fraport uses employee satisfaction, the ratio of women in management positions, as well as the sickness rate to verify its objective of being an attractive and responsible employer. In addition to CO_2 emissions, the Executive Board has defined these indicators as the most important non-financial performance indicators for the “Fairness and recognition for partners and neighbors” objective (see also the “Control” chapter). A description of its development during the past fiscal year can be found in the “Non-financial performance indicators” chapter; the associated measures and forecasted figures for the 2022 fiscal year can be found in the “Combined non-financial report” and “Business outlook” chapters.

Control

The Control chapter explains the most important key figures used by the Executive Board to make the corporate measures taken as part of the Group strategy measurable and to evaluate them. Here, the Executive Board differentiates between financial and non-financial performance indicators.

Changes compared with the previous year

Despite the restrictions imposed by the impact of the coronavirus pandemic, the measurement of the non-financial performance indicators of global satisfaction, baggage connectivity, and CO_2 emissions has resumed, albeit to a different degree. Employee satisfaction was surveyed in the 2021 fiscal year as part of pulse checks at Fraport AG. Employee satisfaction in the Group was not surveyed.

Beginning with the reporting for the 2021 fiscal year, the Executive Board will focus on the following key financial and non-financial performance indicators, the developments of which are presented in the “Results of operations”, “Asset and financial position”, “Value management”, and “Non-financial performance indicators” chapters, and for which corresponding forecasts have been formulated in the “Business outlook” chapter.

Overview financial and non-financial key performance indicators

Topic	Target	Key figure	Target level	Term	Scope	Value 2021
Earnings position	We want to generate earnings growth in the long term and maintain our financial strenght at a high level, despite future capital expenditure.	Revenue adjusted for IFRIC 12 (€ million)	Around €2,6 billion	2022	Group	1,901.6
		EBITDA (€ million)	Between roughly €760 million and around €880 million	2022	Group	757.0
		EBIT (€ million)	Between €320 million and around €440 million	2022	Group	313.7
		Group result (€ million)	Between roughly €50 million and around €150 million	2022	Group	91.8
		Liqudity	Disproportionate liquidity coverage	Over the entire period of the coronavirus pandemic	Group	3,564.3
		Shareholders´ equity ratio (%)	>30 %	Continuous	Group	23.1
		Net financial debt to EBITDA	Max. 5x	Continuous	Group	8.4
		Free Cash Flow (€ million)	Roughly at the 2021 level	2021	Group	–772.3
		ROFRA (%)	>WACC (2021: 7.3 %)	Continuous	Group	3.4
Customer satisfaction and product quality	We want to maintain and improve our customer satisfaction.	Global satisfaction of passengers (%)	$\geq$80 %[1)]	2026	Fraport AG[2)]	91/83[3)]
		Baggage connectivity (%)	>98.5 %	2026	Fraport AG	98.3
Attractive and responsible employer	We want to create good working conditions and increase employee satisfaction.	Employee satisfaction	–[4)]	–	Group	–
			Better than the previous year's figure[4)]	2021	Fraport AG	82.5[5)]
	We want to increase the share of women in management positions.	Women in management positions (first and second level below the Executive Board) (%)	30 %	2021	Group (Germany)[6)]	27.1
			30 %	2021	Fraport AG	26.4
Occupational health and safety	We want to stabilize the sickness rate in the medium term and reduce it in the long term.	Sickness rate (%)	$\leq$7,2%	2025	Group (Germany)[6)]	6.7
			$\leq$7,2%	2025	Fraport AG	5.9
Climate protection	We want to reduce the CO_2 emissions.	CO_2 emissions (total of scope 1 and 2) (t)	120.000 m. t.[7)]	2030	Group[8)]	163,520[9)]
			75.000 m. t.[7)]	2030	Fraport AG	114,015[9)]

1) For Frankfurt Airport, starting from the opening year of Terminal 3: $\geq$85%.
2) The target value will apply to the Fraport Group once regular passenger surveys are resumed.
3) Due to a change in methodology, the results will be reported separately for the first and second half of 2021.
4) Long-term objectives will be defined after the resumption of the Group-wide and methodically adapted employee survey.
5) 2021 value based on pulse checks collected in percentage.
6) This includes Fraport AG as well as all Group companies in Germany.
7) Target for 2045: 0 t CO_2 ("Net Zero Carbon" according to the Intergovernmental Panel on Climate Change).
8) This includes Fraport AG and Fraport Greece as well as the Group companies GCS, FraGround, Fraport Slovenija, Lima, Fortaleza, Porto Alegre, and Twin Star.
9) Subsequent verifications may result in changes to the figures.

Financial performance indicators

For Fraport, the growth-oriented development of financial performance indicators is critical for the long-term success of the company. The overriding importance of these indicators is reflected in the Group strategy as a set of criteria for the Group objectives "Growth in Frankfurt and internationally" and "Economically successful through optimal cooperation". Control, derived from the Group strategy, is carried out primarily at the Group level, and segment-specific key figures are used to aid the process.

Fraport mainly uses key figures relating to the consolidated results of operations and to the Group asset and financial position, as well as key figures that link the results of operations with the asset and financial position, as key financial performance indicators (value management). In accordance with the long-term oriented Group strategy, the Executive Board manages and evaluates the development of financial performance indicators while also taking account of long-term forecasted market developments. In this context, strategic measures – such as the implementation of larger capital expenditure projects or the expansion of international business – can also lead to a short- to medium-term burden on the financial performance indicators.

The key financial performance indicators and their significance for Fraport are described in the following. The description of their development during the past fiscal year can be found in the “The Group’s results of operations”, “Asset and financial position”, and “Value management” chapters. The associated forecasted figures for the 2022 fiscal year can be found in the “Business outlook” chapter. Definitions for calculating the financial key figures can be found in the “Glossary” chapter.

Results of operations key figures

The results of operations include the presentation and explanation of significant earnings components and key figures. While the results of operations in the context of regular reporting provide information about the past business development and are forecasted in the business outlook, earnings forecasts are also regularly drawn up over long-term periods for internal planning purposes. The information resulting from this is essential for the Executive Board in relation to the company’s long-term management.

The key financial performance indicators for Fraport are **revenue adjusted for IFRIC 12**, **EBITDA**, **EBIT**, and the **Group result**.

EBITDA and, indirectly, the Group result through the earnings per share (EPS) are part of the Executive Board remuneration and underline the relevance of these financial key figures as a control element (see also the “Remuneration report” at www.fraport.com/publications).

Asset and financial position key figures

As well as in the results of operations, the result of the strategically adopted measures and operating activities of Fraport is also reflected in the Group’s asset and financial position. Regardless of the negative effects of the coronavirus pandemic on the key performance indicators, the development of the shareholders’ equity ratio, the net financial debt to EBITDA ratio and free cash flow are of particular significance for Fraport. Also, the Group’s liquidity under the influence of the coronavirus pandemic was introduced as a control parameter.

The level of the **shareholders’ equity ratio** represents the basis for the current and future operating activities for Fraport. A solid base of shareholders’ equity is, for example, essential for the financing of large strategic projects, such as the expansion of the Frankfurt Airport Expansion South project at Frankfurt Airport, and it is also a benchmark for creditworthiness of the company. The aim is to achieve a shareholders’ equity ratio of at least 30%.

Furthermore, the net financial debt to EBITDA ratio and the free cash flow in particular serve as key financial indicators to the Executive Board to assess financial strength. The **net financial debt to EBITDA** ratio provides information on the financial stability of the company and how many years are required to repay the net financial debt via EBITDA, if consistent figures are assumed for both indicators. The Executive Board has decided on a ratio of a maximum of five for this performance indicator and is resolved to reach this target value again in the medium term after the effects of the coronavirus pandemic are overcome.

The **free cash flow** provides information about the financial resources available to the Group from the operating activities of a period after deducting operating capital expenditure activities. These free funds can be retained in order to increase the company’s liquidity and to be available as a financial reserve for future capital expenditure or to reduce the leverage (the gearing ratio) and/or can be distributed among shareholders as dividends. Based on the impact of the coronavirus pandemic on Fraport’s operational business activity and due to the ongoing capital expenditure activity in Frankfurt and internationally, the Executive Board is assuming a negative free cash flow over the medium term.

The **Group’s liquidity** provides information on the financial stability of the Fraport Group, even over a long period of time. The Executive Board strives to ensure above-average liquidity coverage throughout the entire period of the coronavirus pandemic.

Links between the results of operations and the asset and financial position (value management)

To increase the Group's value in the long term, the Executive Board specifically draws parallels between the development of the results of operations and the asset and financial position. In this context, the Executive Board plans and manages the Group's development according to the principles of value management.

At Fraport, the most important measurement and steering figure of this approach is the **"Return on Fraport assets"**, in short: **ROFRA**, which makes the different-sized segments of the Fraport Group comparable in terms of economic enhancement. Compared to the current WACC, the ROFRA shows whether the business units created value (ROFRA > WACC) or not (ROFRA < WACC). The coronavirus pandemic has had a decidedly negative effect on the economic enhancement of the segments. The calculation of the WACC is shown in the "Value added" chapter.

ROFRA

Adjusted EBIT

EBIT
\+ Pre-tax result of the Group companies accounted for using the equity method

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Fraport-Assets

Goodwill
\+ Other intangible assets at cost/2
\+ Investments in airport operating projects at cost/2
\+ Construction in progress and lands at cost
\+ Other property, plant, and equipment at cost/2
\+ Carrying amounts of the Group companies accounted for using the equity method and other investments
\+ Inventories
\+ Trade accounts receivable
– Current trade accounts payable

The ROFRA is calculated on the basis of the EBIT extended by the results before taxes of the Group companies accounted for using the equity method divided by the Fraport assets. The Fraport assets are defined as the average of the Group's or segments' fixed interest-bearing capital required for operations including the carrying amounts of the Group companies accounted for using the equity method. To avoid economic enhancement coming solely from depreciation and amortization of assets, the Executive Board recognizes regularly depreciable or amortizable assets within Fraport assets at half of their historical acquisition/manufacturing costs (at cost/2), and not at residual carrying amounts. Goodwill and investments in Group companies accounted for using the equity method and other assets not included in depreciation and amortization, in particular assets in construction, are recognized in full at cost because they are not subject to regular depreciation and amortization. Within the scope of the initial implementation of IFRS 16, other property, plant, and equipment also includes the rights to use resulting from leasing contracts. They are included in the calculation as half at cost.

ROFRA is also an element of the Executive Board remuneration and underlines the long-term goal of Group-wide business activities that create value (see also the "Remuneration report" at www.fraport.com/publications).

Non-financial performance indicators

In addition to the key figures for its financial development, Fraport measures the development of "non-financial performance indicators", which are also essential for the long-term success of the company and result primarily from the Group objectives "Service-oriented airport operator" and "Fairness and recognition for partners and neighbors".

The description of the development of the most important non-financial performance indicators during the past fiscal year as well as the implemented measures are presented in the "Non-financial performance indicators" and "Combined non-financial report" chapters. The associated forecasted figures for the 2022 fiscal year can be found in the "Business outlook" chapter. More information on the topic of "Corporate Social Responsibility" can be found on the company website at www.fraport.com/responsibility. This reporting is not a part of the Combined Management Report nor the audit of consolidated financial statements by the auditor.

Customer satisfaction and product quality

For Fraport, the quality of performed services and the associated customer satisfaction are decisive competitive factors and of key significance for the long-term success of the business. The clear objective is to raise its own quality and a high level of customer satisfaction. Fraport uses a number of performance indicators for the purposes of measurement and control. The key indicators include the **global satisfaction** of passengers and **baggage connectivity**.

Global satisfaction describes passengers' satisfaction with the services and processes offered and the overall service at Frankfurt Airport. As in 2020, the past reporting year 2021 was once again marked by the impact of the coronavirus pandemic.

Data on the global satisfaction of passengers was collected in the first half of 2021 in a further abbreviated permanent passenger survey (Fraport MONITOR) compared to the previous year. The shortened questionnaire was largely retained, and 900 interviews were conducted per month. Along with the regular long-term passenger survey, Fraport continued a method test, which was launched in 2020. In this test, at least 400 passengers per month filled out the questionnaire of the Fraport MONITOR themselves in the first half of 2021 instead of being asked questions directly by interviewers. Passengers were able to do this on their own mobile device (smartphone, tablet, laptop) or on a tablet provided by the interviewers on site. This digital self-administered survey completely replaced the previous face-to-face survey effective July 1, 2021. In order to take into account valuation differences due to the new format of the survey, customer satisfaction for 2021 is reported separately for the first and second half of the year.

The Fraport MONITOR will be continued in a reduced scope in 2022. The basic questionnaire and the number of satisfaction criteria to be queried remain largely unchanged. The sample size will be increased in stages depending on the forecasted passenger numbers.

Due to the ongoing coronavirus pandemic, the originally planned number of passenger satisfaction surveys could not be performed at the fully consolidated international Group airports. The data collected in 2021 are therefore not adequate for determining a valid figure for global satisfaction in the foreign portfolio for the reporting period. This consequently also applies for Group global satisfaction in the Group, which could not be determined for 2021 due to a lack of complete data. As a result, the Executive Board has resolved to not use global satisfaction as a control value in 2021 for the Fraport Group. For Fraport AG, the key figure is still relevant for control.

The target value for global satisfaction of 80% for Frankfurt Airport remained unchanged throughout the 2021 reporting year despite the change in the format of the survey. This target value is to be maintained until the inauguration of Terminal 3. Fraport has set a goal of at least 85% commencing from the year that Terminal 3 opens.

The target value of Group global satisfaction, which is a weighted average of global satisfaction in Frankfurt and at the fully consolidated international airports, also remained unchanged at 80%. The recording of global satisfaction in the Group will be implemented as soon as the regular passenger surveys at all fully consolidated international airports are resumed in full.

Baggage connectivity provides information about the percentage of baggage at Frankfurt Airport that is loaded on time in relation to the total departing baggage. Baggage connectivity measures, among other things, the performance of the airport in its role as a hub with a transfer share of about 50%, and thus a high proportion of transfer baggage. A high and stable connectivity proves the good quality of baggage processes. The objective also remains the achievement of a long-term baggage connectivity of more than 98.5%.

Attractive and responsible employer

For Fraport, appeal and responsibility as an employer is, like customer satisfaction and product quality, a key factor to ensure the long-term success of the business. Fraport AG understands appeal to mean the creation of good working conditions in order to gain and retain committed and qualified employees. In order to measure and control its appeal and responsibility as an employer, Fraport uses various performance indicators, such as **employee satisfaction** and the ratio of **women in management positions**.

Employee satisfaction is a central instrument for measuring employee mood. Fraport is convinced that satisfied employees achieve better customer loyalty and improved performance. This key figure is calculated annually by surveying employees of Fraport AG and the Group companies. All labor-intensive Group companies in Frankfurt and in Greece, Slovenia, Bulgaria, and Brazil last took part in the survey in 2019.

Due to the impact of the coronavirus pandemic on operations at all locations of the Fraport Group, in 2020 and 2021 measurement of employee satisfaction using the normal instrument of the Fraport Barometer was waived. Given the significant changes in the content and framework conditions of all employees' tasks due to the pandemic and its impact on operations, a true assessment of satisfaction values and a meaningful comparison with the previous year's figures is not possible.

Instead of the methodically sound but complex instrument that is the Group-wide employee survey, so-called pulse checks were initially introduced at Fraport AG. The short, compact online surveys measure the "pulse" of the company over a longer period and provides a view of the mood and satisfaction of the staff. In addition, general questions provide a rough guide for Fraport's handling of the crisis.

The pulse checks instrument will be used until the resumption of the employee survey. In doing so, the Executive Board aims to maintain at least the same level of satisfaction at Fraport AG as the previous year.

As a responsible employer, Fraport AG respects and promotes personal diversity and attaches great importance to ensuring that this is reflected in the way employees interact with each other. Diversity is a key goal for Fraport AG, which the Group systematically addresses as part of its diversity management. Fraport places particular focus on promoting **women in management positions** at the two levels directly below the Executive Board as well as at the respective management levels at the German Group companies. This corresponds to the objectives in the "Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector". For reporting purposes, executives who report directly to the Executive Board are categorized as level 1. Executives who report to this first level of management are categorized as level 2. Regarding the Group companies in Germany, the levels of management are categorized based on comparable positions at Fraport AG. In the reporting up to 2021, the targets for the two reporting levels have been summarized. In accordance with the "Act to Supplement and Amend the Regulations for the Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector", the development of the proportion of women in management positions from 2022 onwards will be shown separately for each reporting level. The goal is to increase the proportion of women in management positions in the Group in Germany, at the first management level below the Executive Board to 30.8% and at the lower management level to 30.2% by the end of 2026. For Fraport AG, the proportion of women in management positions is to be increased accordingly to 31.8% at the first management level and 30.9% at the lower management level. Fraport respects local circumstances and therefore does not impose any quotas based on German law on the foreign Group companies.

Occupational health and safety

As a responsible employer, Fraport contributes to increasing and maintaining employees' performance and preventing work-related health hazards through preventive health management. Fraport evaluates the effectiveness of the measures for health management by, among other things, continuously analyzing the **sickness rate**. The calculation excluding illness-related absences beyond sick pay (extended sick leave) primarily reflects the development of short- and medium-term illnesses. The effects of demographic change in the Group and the corresponding increase in the average age of employees contribute, among other things, to a linear increase in the number of long-term illnesses. The focus is basically on limiting or reversing the sickness rate, which is increasing due to seasonal and age-related absences, among other things. Beginning with the reporting for 2019, the Executive Board has limited the Group sickness rate to the German Group companies. Due to different regional legal regulations, but also due to the personnel structures that differ in the German Group companies, the sick leave rate in the international Group companies plays a subordinate role for local management. The objective, for both the Fraport Group in Germany as well as for Fraport AG, is a maximum rate of 7.2% by 2025. Moreover, the focus for occupational health and safety in the Group currently continues to be on measures to cope with the coronavirus pandemic.

Climate protection

The operation of an airport and air traffic have various effects on the environment. Fraport is committed to the due and proper consideration of the environmental requirements associated with this. Fraport's environmental policy places importance on the sustainable and careful use of natural resources. As part of this effort, environmental management systems have been introduced and implemented at Fraport AG as well as in all fully consolidated Group companies that are classified as "fundamentally environmentally relevant" based on their business activities. The Executive Board has determined **CO_2 emissions** as the most important key figure for measuring environmental impact. In 2021, Fraport adjusted its Group-wide targets and terms for CO_2 emissions in order to make an active contribution to climate neutrality. The objective is to reduce CO_2 emissions that are directly or indirectly attributable to Fraport AG and the fully consolidated Group airports to 120,000 metric tons by 2030. If necessary, the objective will be adjusted to any changes in Fraport's airport portfolio. Fraport AG seeks to reduce CO_2 emissions at Frankfurt Airport to 75,000 metric tons by 2030. This is also an important step toward climate neutrality, which is to be achieved in 2045. By this time, Fraport wants to be completely CO_2-free. Along the way, Fraport has set interim goals for itself. By 2040, CO_2 emissions are to be reduced to 40,000 metric tons in the Group and to 25,000 metric tons at Fraport AG. Compensation is excluded when targets are achieved ("Net Zero Carbon" according to the Intergovernmental Panel on Climate Change).

Finance Management

The core objectives of finance management of Fraport AG are **securing liquidity**, **limiting financial risks**, achieving an appropriate level of **profitability**, and ensuring **flexibility**. The highest priority is to secure liquidity. Based on the Group's solid shareholders' equity base, this is generally secured through both internal financing via operating cash flow and external financing in the form of debt. Simple and transparent financing concepts are being pursued in connection with how financing is structured at Fraport AG as well as in the international business activities. Financial risks caused, among other things, by foreign currencies are met first and foremost by financing in the respective currency to the extent possible (natural hedging). The following section shows how finance management is implemented at Fraport AG.

To secure liquidity within the scope of its finance management, Fraport AG aims to achieve balanced financing composed of bilateral loans, private placements/bonds (capital market), loan financing from public loan institutions, and promissory note loans. The significant financing measures at Fraport AG are related mainly to ensuring operational liquidity, refinancing existing financial maturities, and to the capital requirement, particularly for capital expenditure in Terminal 3 at the Frankfurt site. In addition, the negative free cash flow in fiscal year 2021 had to be offset by various financing measures. This negative free cash flow resulted, on the one hand, from the capital expenditure on expansion projects, but, on the other hand, it was increased further by the continued low passenger numbers as a result of the coronavirus pandemic. Despite the demanding financing environment, Fraport AG succeeded not only in obtaining the required funds on the capital market, but also in substantially increasing its liquidity reserve. Among the financing instruments used, the issuance of a bond in the first quarter in the amount of €1.1 billion is particularly noteworthy. Appropriate financing instruments are selected based on the situation, i.e., depending on how attractive the price is, the respective availability of the volume of the financing, and complying with a balanced financing mix. In keeping with the long-term nature of capital expenditure, the financing of these projects is mostly long term as well. In line with the finance policy, loans can be borrowed both at a fixed and at a floating interest rate. To reduce interest rate risks from borrowing with floating interest rates, interest rate hedging transactions can be concluded as a rule. In addition, Fraport AG has a strategic liquidity reserve to ensure its independence from financing sources. To cover payments expected in the short term, Fraport AG holds time deposits and liquid securities with a short remaining term. Fraport AG limits default risks in its liquidity reserves with broadly diversified investment. Within Asset Management, investment primarily takes place in corporate bonds with an investment grade rating. The majority of the investments concern listed corporate bonds and promissory note loans, commercial paper, and time deposits at banks. All the investments are fungible or can be liquidated at any time on short notice.

The majority of the fully consolidated Group companies in Germany are integrated into the Fraport AG cash pool. The liquidity in these Group companies is permanently guaranteed – via access to their own liquidity at any time as well as, within the scope of the agreements also concluded in some cases, to the financial resources of Fraport AG – so that external financing is not necessary. At the same time, the close connection of these companies to Fraport AG also ensures that attention is paid to other strategic objectives of financial management within these Group companies.

For the fully consolidated foreign Group companies and the Group companies included using the equity method, liquidity is secured depending on the relevant company shareholding, either by concluding project financing, bilateral loans, or by internal provision of funding via a Group loan or shareholders' equity. Taking into account the specific characteristics of a project as well as the local conditions, a decision is reached on how the necessary financing is provided to the fully consolidated Group companies. As a rule, Group companies included using the equity method are used in classic project financing structures in which the risk for Fraport AG is generally limited to the transferred capital and, where applicable, additionally necessary assumption of liability.

The substantial strategic financing measures in the foreign Group companies relate, in particular, to the expansion commitments within the framework of the concession agreements for Lima and Antalya.

Regarding the financing of capital expenditure in Brazil, further drawdowns from the loan agreements concluded in 2018 in the local currency were made in fiscal year 2021. Since the capital expenditure measures have essentially been completed, only a few withdrawals for the remaining projects will be made in the coming months. It is planned to finance the existing expansion commitments in Lima with a financing mix consisting of shareholders´ equity to be additionally contributed, the operating cash flow, and external financing. Over US$450 million in financing was obtained in 2020 as an initial step in procuring external capital.

Due to the effects on the consolidated statement of financial position as at December 31, 2021, the financing and liquidity analysis in the "Asset and financial position" chapter relates to Fraport AG and the fully consolidated Group companies in Germany and abroad. Further substantial financial risks and opportunities are indicated in the risk and opportunities report.

Value added

In addition to the ROFRA, Fraport uses the value added as a measure of economic enhancement. The value added is annually consolidated and recorded at Group and at segment level. It is calculated from the "adjusted" EBIT, which also includes the results before taxes of the Group companies accounted for using the equity method, minus the Fraport assets multiplied by the WACC. The calculation of the Fraport assets is shown in the "Control" chapter.

Calculation of the value added

Adjusted EBIT	–	Fraport-Assets	x	WACC

The goal is to generate value added of zero for the regulated Aviation segment, and generate clearly positive values added for the other segments.

Fraport calculates the weighted average cost of capital (WACC) using the capital asset pricing model and uses this regulatory specific WACC to calculate its airport charges. Given the continuously changing economic environment, interest rate levels, and/or Fraport's risk and financing structure, Fraport regularly reviews, and, if needed, adjusts its WACC. The WACC is also used for the value management of the Fraport Group. The WACC for the fiscal year declined compared to the previous year to 6.1% (before taxes, 2020: 6.4%). For details on the use and calculation of the cost of capital in the context of impairment tests, please refer to note 4 in the Notes to the Consolidated Financial Statements.

The WACC is comprised as follows:

Calculation of the WACC

Cost of equity	Cost of debt
Equity cost rate before taxes 10.1%	Debt cost rate before taxes 2.4%
Shareholders' equity ratio 53% (based on market value)	Debt ratio 47% (interest-bearing 34% / non interest-bearing 13%)
WACC before taxes 6.1%	

Legal Disclosures

As a listed corporation headquartered in Germany, Fraport AG is subject to a number of statutory disclosure requirements. Important reporting obligations that apply to this combined management report as a result of these requirements are shown in the following.

Takeover-related disclosures

The capital stock of Fraport AG is €924,687,040. It is divided into 92,468,704 no-par-value bearer shares. The company holds treasury shares (77,365 shares), which are offset from capital stock on the balance sheet. The issued capital stated in the commercial balance sheet as at December 31, 2021 and reduced by treasury shares is €923,913,390 (92,391,339 no-par-value bearer shares). There are no differing classes of shares. Additional information regarding treasury shares in accordance with Section 160 (1) no. 2 of the AktG can be found in the Group notes, note 31, and Fraport AG's Notes, note 27.

On the basis of the consortium agreement concluded between the State of Hesse and Stadtwerke Frankfurt am Main Holding GmbH dated April 18/23, 2001 with a supplement as at December 2, 2014, the total voting rights in Fraport AG held by both shareholders, calculated in accordance with Section 34 (2) of the German Securities Trading Act (WpHG), amounted to 52.02% as at December 31, 2021. They were attributed as follows: State of Hesse 31.31% and Stadtwerke Frankfurt am Main Holding GmbH 20.71%. The voting rights in Fraport AG owned by the City of Frankfurt/Main are held indirectly via the Stadtwerke Frankfurt am Main Holding GmbH subsidiary. According to the last official reports in accordance with the WpHG or disclosures by individual shareholders, other voting rights in Fraport AG were attributable as follows (as at December 31, 2021): Deutsche Lufthansa AG 8.44% and British Columbia Investment Management Corporation 3.05%. The relative ownership interests were adjusted to the current total number of shares as at the balance sheet date, and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosures.

The appointment and dismissal of Executive Board members is carried out in compliance with the relevant provisions of AktG (Sections 84 and 85). Pursuant to Section 179 (1) sentence 2 AktG in conjunction with Section 11 (3) of the company statutes, the Supervisory Board is entitled to amend the company statutes only with respect to the wording. Other amendments to the company statutes require a resolution of the AGM, which, according to Section 18 (1) of the company statutes, must be passed in general by a simple majority of the votes cast and, provided that a capital majority is required, by a simple majority of the capital stock represented at the time of the resolution. If, by way of exception, the law requires a higher capital majority (e.g., when changing the purpose of the company as stated in the company statutes, Section 179 (2) sentence 1 AktG; or when creating contingent capital, Section 193 (1) sentence 1 AktG), the resolution of the AGM has to be passed by a three-quarter majority of the represented capital stock.

At the AGM of May 23, 2017, the existing authorized capital was canceled and new authorized capital of €3.5 million was approved, which can be used for issuing shares to employees of Fraport AG and companies controlled by Fraport AG (see also Group notes, note 31, and Fraport AG's Notes, note 27). The Executive Board is entitled, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions by up to a total of €3.5 million until May 22, 2022 by issuing new shares in return for cash. The statutory subscription rights of the shareholders may be excluded. In the 2021 fiscal year, Fraport AG acquired treasury shares for issue within the scope of the employee share program on the stock market (stock buyback as pursuant to Section 71 (1) no. 2 AktG). The option adopted at the AGM on May 23, 2017, to increase the share capital by issuing new shares in return for cash for use within the scope of the employee share program was therefore not utilized.

At the Annual General Meeting on June 1, 2021, new authorized capital ("Authorized Capital II") of €458.8 million was approved. The Executive Board is entitled, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions by up to a total of €458.8 million until May 31, 2026 by issuing up to 45,884,352 new no-par value bearer shares in return for cash. When making use of the Authorized Capital II, shareholders have a subscription right.

In addition, the 2021 Annual General Meeting also approved an increase in the share capital by up to €120.2 million ("Conditional Capital"). The Conditional Capital is used to grant shares to the holders or creditors of convertibles bonds and/or bonds with warrants issued by the company up to May 31, 2026.

Report on the relationships with affiliated companies

Due to the shares of 31.31% (previous year: 31.31%) held by the State of Hesse and 20.71% (previous year: 20.48%) held by Stadtwerke Frankfurt am Main Holding GmbH, as well as the consortium agreement concluded between these shareholders on April 18/23, 2001 with a supplement as at December 2, 2014, Fraport AG is a publicly controlled enterprise. There are no control or profit transfer agreements.

The Executive Board of Fraport AG therefore compiles a report on the relationships with affiliated companies in accordance with Section 312 of the AktG. At the end of the report, the Executive Board made the following statement: "The Executive Board declares that under the circumstances known to us at the time, Fraport AG received fair and adequate compensation for each and every legal transaction conducted. During the reporting year, measures were neither taken nor omitted at the request of or in the interests of the State of Hesse and the City of Frankfurt am Main and their affiliated companies."

Joint Statement on Corporate Governance

The Fraport AG Executive Board reports – in the name of the Supervisory Board as well – on the contents subject to the reporting requirements pursuant to Section 289f of the German Commercial Code (HGB) for Fraport AG as well as for the Fraport Group as part of a joint statement on corporate governance pursuant to Sections 289f and 315d of the HGB in conjunction with Section 289f of the HGB, in order to enable a general statement on the Group's corporate governance principles. The Joint Statement on Corporate Governance is published in the "To Our Shareholders" chapter and on the corporate website at https://www.fraport.com/en/investors/corporate-governance.html.

Information in accordance with the German Energy Economics Act (EnWG)

Fraport AG operates its own energy supply network and in mid-2011 applied for the status of "closed distribution network", which is associated with considerable benefits compared to general supply networks. In accordance with the requirements of Section 6b of the EnWG, Fraport AG is obliged to prepare separate business statements. The regulations were applied in accordance with the requirements of the Federal Network Agency in the 2021 annual financial statements.

Economic Report

General Statement of the Executive Board

In the past fiscal year, most of the Group airports recorded an increase in passenger numbers.

Compared to the previous year, Group revenue increased by €466.3 million to €2,143.3 million (+27.8%). Adjusted for revenue from construction and expansion services based on the application of IFRIC 12, revenue increased by €449.1 million to €1,901.6 million (+30.9%). The positive development is primarily attributable to the Group-wide traffic recovery in fiscal year 2021.

Other operating income in the reporting period increased to €354.6 million, up €272.8 million on the previous year. This is mainly a result of the compensation of €159.8 million granted by both the German Federal Government and the State of Hesse for the holding costs incurred in the first lockdown in 2020. In addition, other operating income was positively impacted by the agreement reached by Fraport Greece to offset the effects of the coronavirus pandemic of €92.8 million and the compensation claims made by the two Brazilian Group companies in the amount of €26.5 million. The waiver of further short-term minimum lease payments at the Group company Fraport USA in the amount of €35.2 million also had a positive effect.

Non-staff costs (cost of materials and other operating expenses) increased compared to the previous year by €59.4 million to €894.6 million (+7.1%). Adjusted for expenses related to the application of IFRIC 12, expenses increased by €42.2 million (+6.9%). Personnel expenses decreased significantly compared to personnel expenses before special items in the previous year (-€28.8 million or 3.2%), due to the headcount reduction. Group EBITDA came to €757.0 million (+€1,007.6 million). Slightly lower depreciation and amortization (–€14.2 million) and an improved financial result of –€197.3 million led to a positive Group result of €91.8 million (previous year: –€690.4 million).

The free cash flow improved noticeably to –€772.3 million (previous year: –€1,400.0 million). This was mainly due to the positive Group result, which was influenced, among other things, by the non-recurring cash effects in connection with reimbursed holding costs and security services in previous years. Net financial debt increased by €836.2 million to €6,369.7 million in connection with the negative free cash flow and the correspondingly extensive financing measures. The gearing ratio reached a level of 169.7% (value as at December 31, 2020: 152.9%).

Overall, the Executive Board continues to describe the operational and, in turn, financial development in the reporting period as positive yet difficult, given the ongoing effects of the coronavirus pandemic.

Macroeconomic, legal, and industry-specific conditions

Development of the macroeconomic conditions

The **global economy** continued to recover in 2021, even though it was still affected by the coronavirus pandemic. While the economy recovered significantly in spring/summer due to the progress with vaccinations and declining infection numbers in many countries, at the end of the reporting year it was once again burdened by the increasing number of infections, first with the Delta variant of the coronavirus and most recently with the significantly more infectious Omicron virus variant. Global supply bottlenecks for important raw materials and intermediate goods also led to production restrictions in the industry. Measures to combat the pandemic had a negative impact on the service sector. In the course of the second half of the year, many countries in the world saw inflationary strains, mainly due to significantly higher energy prices and the aforementioned supply bottlenecks in many countries.

Economic development in the **euro area** was strong in the second and third quarters, but slowed down again in the fourth quarter due to the pandemic. France and Italy, in particular, contributed to the economic recovery of the euro area. However, both countries recorded comparatively sharp slumps in the previous year. In **Germany**, private consumption proved to be an economic driving force in the summer, while the continuing shortage of intermediate goods slowed down the industry. Overall, economic development in Germany was weaker than the European average.

In the **United States**, gross domestic product was again above the pre-crisis level thanks to an increase in consumption until just before the end of the year. In Japan, the development of gross domestic product suffered from the sharp increase in coronavirus infections due to the spread of the Delta variant in the summer months, which significantly weakened consumption. The **emerging markets** had already exceeded the pre-crisis level of gross domestic product in 2020, mainly due to China's rapid and sustained recovery – even if local coronavirus outbreaks repeatedly led to noticeable restrictions there. Overall, economic development in emerging markets has been mixed. While the economy in Peru expanded strongly, the Brazilian economy suffered from the slump in agricultural production due to drought. In Russia, the restrictions in connection with the pandemic were low by international standards, so that the coronavirus pandemic played a subordinate role in the economic development despite the comparatively low vaccination rate.

Global trade initially recovered significantly in the reporting year 2021 after the slump in the previous year. However, global supply bottlenecks dampened momentum over the course of the year.

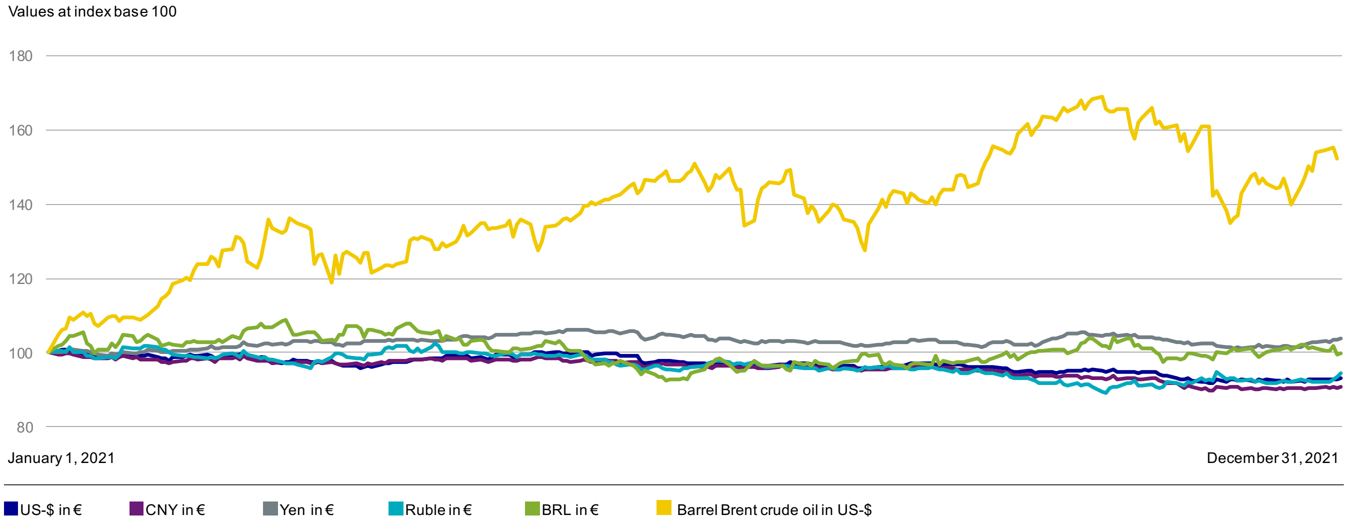
Gross domestic product (GDP)/world trade[1)]

Real changes compared to the previous year in %	2021	2020
World	+5.9	−3.5
Eurozone	+5.2	−7.2
Germany	+2.7	−5.0
USA	+5.0	−3.4
Latin America	+6.8	−6.9
China	+8.1	−2.3
Japan	+1.6	−5.1
World trade	**+9.3**	**−9.6**

[1)] 2020 and 2021 figures: Data and estimates based on International Monetary Fund (IMF, January 2022);
German GDP: The Federal Statistical Office, Press release (February 14, 2022).

The price of crude oil and the exchange rates for the Fraport Group developed as follows in 2021:

Crude oil price and significant exchange rates for Fraport 2021



Source: Bloomberg

Development of the legal conditions

During the past fiscal year, there were no changes to the legal conditions that had a significant influence on the business development of the Fraport Group.

Development of industry-specific conditions

According to the preliminary figures from Airports Council International (ACI), global passenger traffic increased by 30.1% in the period from January to November 2021 compared to the same period the previous year. Air freight volume rose by 16.6%. European airports also recorded a jump in passenger numbers of 31.2%. In terms of air freight, European airports posted an increase of 21.4%. The passenger numbers at German airports recovered slightly by 14.3% Cargo tonnage increased by 18.2%.

Passenger and cargo development by region 2021

Changes compared to the previous year in %	Passengers 2021 January until November	Air freight 2021 January until November
Germany	14.3	18.2
Europe	31.2	21.4
North America	66.1	11.7
Latin America	54.2	24.7
Middle East	20.5	17.0
Asia-Pacific	–11.2	18.1
Africa	45.4	8.9
World	**30.1**	**16.6**

Source: ACI Pax Flash and Freight Flash (ACI 11/2021, January 27, 2022), ADV for Germany; cargo instead of air freight (ADV 11/2021, as on December 22, 2021).

Business Development

Development at the Frankfurt site

The 2021 fiscal year was marked by the coronavirus pandemic right from the start. Compared to the previous year, in which the early months were not yet fully impacted by the pandemic, passenger numbers increased by 32.2% to 24.8 million passengers. Compared to the pre-crisis level of 2019, however, passenger numbers remained significantly lower at –64.8%.

In **domestic traffic** (+8.9%), the primary connections with Berlin, Hamburg, Munich, and Düsseldorf stood out in particular. Due to the combining of intercontinental services in Frankfurt, feeder traffic from Munich and Hamburg performed above average year-on-year. While **European traffic** (+43.4%) initially started weaker at the beginning of the year, the return of holiday travelers led to a significant increase in traffic with classic holiday destinations in southern and southeastern Europe. The Canary Islands, Greece, and Cyprus were very close to the passenger volumes from 2019. **Intercontinental traffic** (+20.5%) remained far from normal until the North American market opened in the fourth quarter. The opening then ensured a rapid increase in demand in traffic with North America. By contrast, the Far East remained significantly below the previous year’s level due to strict travel restrictions and a noticeable reluctance to travel.

Cargo volume grew by 18.7% to around 2.3 million metric tons. This was the best annual result in the history of Frankfurt Airport. The driver for this growth was air freight, which more than compensated for the decline in airmail traffic. Cargo traffic as a whole benefited from the recovery of the global economy. In particular, Far East traffic, especially Japan but also India and South Korea, contributed to the growth.

Compared to the previous year, **aircraft movements** rose by 23.4% to 261,927 takeoffs and landings. Passenger flights increased by 25.9% and freight traffic by 9.9% compared to the previous year’s figures. And compared to the pre-crisis year of 2019, aircraft movements were at a level of 51.0%. At 64.1%, the passenger flight seat loads, which fell significantly in 2020 as a result of the coronavirus pandemic, were around 6 percentage points above the previous year’s figure. Nevertheless, it fell short of the pre-crisis figure of 2019 by 16 percentage points. The passengers per passenger movement figure developed in a similar manner compared to the previous year, rising by around 5% to 114.0.

Maximum take-off weights also increased by 18.9% to 17.7 million metric tons, accounting for 55.5% of the total volume in 2019.

Development outside the Frankfurt site

Also in 2021, the development of passenger traffic at **Ljubljana** Airport continued to be influenced by the effects of the coronavirus pandemic. At approximately 0.4 million, passenger numbers increased by 46.4% compared to the previous year. The persistently tense situation regarding infection levels slowed down the traffic recovery and led to a significantly reduced flight offer in the first half of the year. With the partial lifting of restrictions, increasing immunization rates and the start of the holiday season, traffic volumes rebounded in the second half of the year.

The two Brazilian airports, **Fortaleza** and **Porto Alegre**, were again severely affected by the coronavirus pandemic in 2021. Particularly toward the end of the first and second quarters, a second wave of the pandemic in Brazil with high numbers of infections had a negative impact on passenger numbers. Domestic air traffic gradually recovered in the second half of the year and, in the absence of international tourist destinations, also benefited from increased interest in domestic holiday destinations such as Fortaleza and Porto Alegre. High seat load factors confirmed this growing demand. Overall, a total of 8.8 million passengers used the two airports. This corresponds to growth of +31.2% compared to 2020. International connections remained temporarily suspended in 2021 due to quarantine and entry restrictions as well as a lack of demand. In the second half of the year, the routes to Panama City from Porto Alegre and to Lisbon from Fortaleza were again regularly served, and the Fortaleza – Paris connection was also resumed in October. Fortaleza welcomed 3.9 million domestic (+29.3%) and around 0.1 million international passengers (–49.7%) for the full year; Porto Alegre recorded 4.8 million domestic passengers (+38.9%) and around 0.05 million international passengers (–56.3%).

Over the course of 2021, the volume of traffic at **Lima** Airport recovered significantly compared to the previous year. After the second wave of the pandemic in January and February, the rest of the year was marked by a gradual resumption of destinations depending on the lifting of the respective travel and entry restrictions. A total of 10.8 million passengers were counted at Lima Airport in 2021, an increase of +53.6% compared to 2020. Overall, domestic passenger operations were less affected by restrictions, which led to an above-average increase with around 7.7 million passengers (+66.1%). International traffic, on the other hand, recorded a below-average increase and contributed to growth with 3.1 million passengers (+29.7%).

At around 17.4 million passengers, **Fraport Greece** recorded an increase of over 100% in the 2021 reporting period compared to the previous year. After the first half of the year was marked by travel restrictions and great restraint on the part of passengers, passenger numbers recovered massively in the summer months from July onwards. This trend continued until late fall. Overall, domestic traffic was 53.6% above the previous year's level, while international traffic grew by more than 100%. The largest number of foreign passengers in the reporting year 2021 came from Germany (around 19%), followed by Great Britain (just under 11%), and Italy (around 6%).

At **Varna** and **Burgas** airports in Bulgaria, the number of passengers in 2021 was approximately 2.0 million passengers, +87.8% above the previous year's figure. After a weak start, marked by continued travel warnings and bans at the beginning of the year, passenger numbers increased by more than 100% at both airports. The reasons for this were increasing demand for travel to the Bulgarian Black Sea coast in the important summer months as well as relaxed international travel restrictions due to declining infection rates. For the year as a whole, this led to a strong increase in both domestic (+49.8%) and international passenger volumes (+93.2%). Most of the passengers came from Germany (around 23%), Poland (around 17%), and the Czech Republic (just under 10%).

Passenger numbers at **Antalya** Airport in the 2021 fiscal year were around 21.9 million (previous year: 9.7 million). The main reason for this is the significantly higher demand for holiday travel to Turkey compared to the previous year, which was particularly evident in the main season. In addition, the existing restrictions on international air traffic had less of an impact on Antalya Airport in 2021 than in 2020. While Turkish domestic traffic showed a growth rate of +48.2%, the number of international passengers rose very strongly by over 100%. The largest passenger groups were travelers from Russia (around 40%), Germany (approximately 18%), and Ukraine (approximately 14%).

St. Petersburg Airport recorded an increase of 64.8% to 18.0 million passengers in 2021. While international traffic continued to be affected by restrictions as a result of the coronavirus pandemic, domestic traffic recovered mainly due to strong demand for connections to Russia's holiday regions, which exceeded the pre-crisis level in 2019. Domestic traffic increased by 63.4% year-on-year to 15.5 million passengers, while international traffic increased by 73.9% to 2.5 million passengers.

The number of passengers at **Xi'an** Airport was around 30.2 million in the past fiscal year and thus slightly below the previous year (–2.9%). Mainly dominated by domestic traffic, the airport's traffic figures were particularly influenced by the constantly changing travel restrictions in response to the coronavirus pandemic. In the second and third quarters in particular, passenger numbers were clearly above the previous year's level, but clearly lower in the fourth quarter due to stronger local restrictions. International traffic remained at a notably reduced level over the entire year of 2021 due to existing travel restrictions.

Traffic development at the Group sites

Airport	Share in %	Passengers[1]		Cargo (air freight + air mail in m. t.)		Movements	
		2021	Change in %[2]	2021	Change in %[2]	2021	Change in %[2]
Frankfurt	100	24,812,849	+32.2	2,274,970	+18.8	261,927	+23.4
Ljubljana	100	421,934	+46.4	11,401	+8.0	17,461	+34.5
Fortaleza	100	3,974,759	+25.9	32,725	+11.5	41,343	+25.7
Porto Alegre	100	4,839,594	+35.9	30,337	+36.8	49,278	+30.0
Lima	80.01	10,819,010	+53.6	219,203	+15.1	102,005	+39.2
Fraport Greece	73.4	17,428,536	> 100	5,630	+5.6	183,218	+81.4
Twin Star	60	1,964,896	+87.8	4,703	+19.6	17,534	+60.0
Burgas	60	954,402	> 100	4,669	+20.1	8,295	> 100
Varna	60	1,010,494	+62.4	34	–23.9	9,239	+34.3
Antalya	51/50[3]	21,919,453	> 100	n.a.	n.a.	133,800	> 100
St. Petersburg	25	18,034,415	+64.8	n.a.	n.a.	153,539	+46.2
Xi'an	24.5	30,173,312	– 2.9	395,604	+5.1	255,873	+0.5

[1] Commercial traffic only, in + out + transit.
[2] As a result of late submissions, there may be changes to the figures reported for the previous year.
[3] Share of voting rights: 51 %, dividend share: 50 %.

Comparison with the forecasted development

Airport	2021	Adjustments during the year [Interim Report Q2/6M 2021] Interim Release Q3/9M 2021	Forecast 2020	2020	2019[1]
Frankfurt	24,812,849	Upper end of the forecasted range of less than 20 million to 25 million passengers	Under 20 million up to 25 million	18,768,601	70,556,072
Ljubljana	421,934	[Due to ongoing or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report]. There may be deviations from the forecast given.	Approximately 40% of the passenger volume of 2019	288,235	1,721,355
Fortaleza	3,974,759	[Due to ongoing or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report].	More than half of the passengers from 2019	3,156,418	7,218,697
Porto Alegre	4,839,594	[Due to ongoing or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report].	More than half of the passengers from 2019	3,561,630	8,298,205
Lima	10,819,010	[Due to ongoing or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report].	Less than 50% compared to 2019	7,043,602	23,578,600
Fraport Greece	17,428,536	[Due to ongoing or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report].	Slightly more than half of the passenger volume of 2019	8,611,780	30,152,728
Twin Star	1,964,896	[Due to ongoing or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report]. There may be deviations from the forecast given.	Slightly more than half of the passenger volume of 2019	1,046,467	4,970,095
Antalya	21,919,453	[Due to ongoing or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report].	Approximately 60% of the volume from 2019	9,713,650	35,483,190
St. Petersburg	18,034,415	[Due to ongoing or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report].	70% of the pre-crisis level from 2019	10,944,421	19,581,262
Xi'an	30,173,312	[Due to ongoing or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report].	Stronger recovery than 70% of the pre-crisis level from 2019	31,083,681	47,220,745

[1] As a result of late submissions, there may be changes to the figures reported for the previous year.

At the Group airports in **Ljubljana** and the two Bulgarian airports in **Varna** and **Burgas** as well as the Group airport **Xi'an**, there were deviations from the forecast 2020 as a result of the pandemic-related travel restrictions. Passenger numbers in **St. Petersburg** developed better than forecasted in 2020 due to stronger demand for Russian domestic air travel.

The Group's Results of Operations

Compared to the previous year, **Group revenue** increased by €466.3 million to €2,143.3 million. Adjusted for revenue from construction and expansion services based on the application of IFRIC 12, revenue increased by €449.1 million to €1,901.6 million (+30.9%). The positive development is due, in particular, to the Group-wide recovery in traffic in the 2021 fiscal year, which led to a clear increase in revenue from airport charges (+€73.1 million) and ground services (+43.3 million) at the Frankfurt site. In addition, the agreement reached with the German Federal Police concerning billed aviation security services in recent years had a positive effect of €57.8 million on revenue. Outside of Frankfurt, contributions to adjusted revenue growth came from Fraport Greece (+€120.0 million) and the Group company Lima (+€36.3 million).

Other operating income in fiscal year 2021 increased to €354.6 million, up €272.8 million on the previous year. This is mainly a result of the compensation of €159.8 million granted by both the German Federal Government and the State of Hesse for the holding costs incurred in the first lockdown in 2020. In addition, other operating income was positively impacted by the agreement reached by Fraport Greece to offset the effects of the coronavirus pandemic of €92.8 million and the compensation claims made by the two Brazilian Group companies in the amount of €26.5 million. The waiver of further short-term minimum lease payments at the Group company Fraport USA in the amount of €35.2 million also had a positive effect.

Non-staff costs (cost of materials and other operating expenses) increased compared to the previous year by €59.4 million to €894.6 million (+7.1%). Adjusted for expenses related to the application of IFRIC 12, expenses increased by €42.2 million (+6.9%). This increase resulted primarily from higher concession charges at the Group's international airports compared to the previous year due to the positive traffic development.

Personnel expenses decreased by €28.8 million to €884.3 million (–3.2%) compared to personnel expenses before special items in the previous year, due to the headcount reduction and other countermeasures in personnel management. Taking into account the expenses incurred in the previous year for the "Zukunft FRA – Relaunch 50" program at the Frankfurt site as well as expenses from personnel management measures at the other Group companies in the amount of €299.0 million, Group personnel expenses decreased by €327.8 million (–27.0%) in the reporting period.

At €757.0 million, **Group EBITDA** was €1,007.6 million higher than in the previous year (previous year: –€250.6 million). The year-on-year increase in **Group EBITDA before special items** amounted to €708.6 million. The EBITDA margin was thus 35.3% (EBITDA margin before special items in the previous year: 2.9%). In terms of Group revenue adjusted for contract revenue in connection with IFRIC 12, the EBITDA margin amounted to 39.8% (EBITDA margin before special items in the previous year: 3.3%).

Lower **depreciation and amortization** (–€14.2 million), in particular due to adjustments in the context of the useful life assessment, resulted in **Group EBIT** of €313.7 million (previous year: –€708.1 million).

The **financial result** increased by €27.8 million to –€197.3 million (previous year: –€225.1 million). This was mainly due to the result from companies accounted for using the equity method which improved by €73.8 million, which was significantly influenced by the positive development at the Group company Antalya. In addition, interest income increased by €16.4 million as a result of the agreement with the German Federal Police in the amount of €17.5 million. The other financial result of €8.8 million (previous year: –€4.3 million) mainly included positive valuation effects from the Greece share option and other derivatives. This was offset by higher interest expenses (+€75.5 million) due to further extensive financing measures in fiscal year 2021.

Group EBT amounted to €116.4 million in the reporting period (previous year: –€933.2 million). With income tax expenses of €24.6 million (previous year: income tax relief of €242.8 million), the **Group result** was €91.8 million (previous year: –€690.4 million) and resulted in **basic earnings per share** of €0.90 (previous year: –€7.12).

Development of the Group's financial figures

€ million	2021	2020	Change	Change in %
Revenue	2,143.3	1,677.0	+466.3	+27.8
Revenue adjusted for IFRIC 12	1,901.6	1,452.5	+449.1	+30.9
Personnel expenses before special items	884.3	913.1	–28.8	–3.2
Personnel expenses	884.3	1,212.1	–327.8	–27.0
Cost of materials	750.7	688.6	+62.1	+9.0
EBITDA before special items	757.0	48.4	+708.6	> 100
EBITDA	757.0	–250.6	+1,007.6	–
Depreciation and amortization	443.3	457.5	–14.2	–3.1
EBIT	313.7	–708.1	+1,021.8	–
Number of employees as of December 31	17,781	19,884	–2,103	–10.6
Average number of employees	18,419	21,164	–2,745	–13.0

Comparison with the forecasted development

€ million	2019	Adjustments during the year [Interim Report Q2/6M 2021] Interim Release Q3/9M 2021	Forecast 2020	2020	Change	Change in %
Revenue	2,143.3	[Slightly above €2.0 billion]	Around €2.0 billion	1,677.0	+466.3	+27.8
EBITDA	757.0	[Approximately €460 million to €610 million] Between €650 million and up to slightly above €700 million	Approximately €300 million to €450 million	–250.6	+1,007.6	> 100
EBIT	313.7	[In positive area] Between €200 million and up to slightly above €250 million	Slightly negative	–708.1	+1,021.8	> 100
Group result	91.8	[Slightly negative to slightly positive] Positive	Negative	–690.4	+782.2	> 100
Dividend per share in €	0.00	No distribution	No distribution	0.00	0.0	-

Given the impact of the coronavirus pandemic, adjustments to the forecast were made during the 2021 fiscal year. The one-off effects recognized in the fourth quarter of 2021 in connection with the compensation claims made by the two Brazilian Group companies and at the Group company Fraport USA also had a positive impact on earnings. As a result, there were deviations in the given forecasts with regard to EBITDA, EBIT, and the Group result.

Results of Operations for Segments

Revenue in the **Aviation** segment increased by 33.3% to €587.5 million, clearly higher than the previous year's figure of €440.9 million. This was due to increased revenue from security services (+€73.9 million), which was positively influenced by an agreement reached with the German Federal Police concerning billed aviation security services in recent years in the amount of €57.8 million, as well as higher revenue from airport charges, which rose clearly from €288.6 million to €361.7 million (+€73.1 million) due to the higher traffic volume compared to the previous year. Other income in the segment was €187.9 million and consisted mainly of the compensation payment of €159.8 million granted by the German Federal Government and the State of Hesse to cover the holding costs incurred during the first lockdown in 2020.

Personnel expenses in the amount of €284.4 million decreased by €21.8 million compared to personnel expenses before special items from the previous year. Overall, operating expenses fell by 16.7% to €695.0 million.

EBITDA increased massively by €344.5 million compared to EBITDA before special items in the previous year to €160.2 million. Virtually unchanged depreciation and amortization (-3.9%) led to segment EBIT of €25.8 million (previous year: -€420.6 million).

Aviation

€ million	2021	2020	Change	Change in %
Revenue	587.5	440.9	+146.6	+33.3
Personnel expenses before special items	284.4	306.2	–21.8	–7.1
Personnel expenses	284.4	402.6	–118.2	–29.4
Cost of materials	60.1	73.3	–13.2	–18.0
EBITDA before special items	160.2	–184.3	+344.5	–
EBITDA	160.2	–280.7	+440.9	–
Depreciation and amortization	134.4	139.9	–5.5	–3.9
EBIT	25.8	–420.6	+446.4	–
Number of employees as of December 31	5,220	6,136	–916	–14.9
Average number of employees	5,476	6,365	–889	–14.0

Revenue in the **Retail & Real Estate** segment in fiscal year 2021 increased by €294.6 million to €319.1 million (+8.3%). The main drivers were higher parking revenue in the amount of €51.4 million (+18.2%) due to traffic volumes and higher real estate revenue amounting to €168.8 million (+3.6%). The key figure for net retail revenue per passenger fell to €3.30 in the reporting period (previous year: €4.73).

Personnel expenses increased slightly compared to personnel expenses before special items in the same period in the previous year by 3.3% to €43.9 million. With higher non-staff expenses (+6.1%), EBITDA amounted to €250.8 million. Compared to EBITDA before special items in the previous year, this represented an increase of €20.1 million (+8.7%). A slight decrease in depreciation and amortization (-7.0%) resulted in segment EBIT of €165.6 million (+34.7%).

Retail & Real Estate

€ million	2021	2020	Change	Change in %
Revenue	319.1	294.6	+24.5	+8.3
Personnel expenses before special items	43.9	42.5	+1.4	+3.3
Personnel expenses	43.9	58.7	–14.8	–25.2
Cost of materials	107.9	100.7	+7.2	+7.1
EBITDA before special items	250.8	230.7	+20.1	+8.7
EBITDA	250.8	214.5	+36.3	+16.9
Depreciation and amortization	85.2	91.6	–6.4	–7.0
EBIT	165.6	122.9	+42.7	+34.7
Number of employees as of December 31	574	595	–21	–3.5
Average number of employees	608	614	–6	–1.0

In the 2021 fiscal year, revenue in the **Ground Handling** segment stood at €386.4 million and was thus €67.2 million higher than in the previous year (+21.1%). This was mainly due to increased revenue from ground services (+24.3%) and higher infrastructure charges (+18.4%) based on the increase in traffic volume.

Compared to personnel expenses before special items in the previous year, personnel expenses remained roughly at the previous year’s level (+0.1%). Compared to the same period of the previous year, lower personnel expenses due to the headcount reduction as part of the strategic program “Zukunft FRA – Relaunch 50” were offset by fewer short-time work schedules in connection with the recovery in traffic. Non-staff costs (cost of materials and other operating expenses) increased slightly to €52.2 million (+8.8%).

Segment EBITDA increased by €53.4 million year-on-year compared to EBITDA before special items but remained in negative territory at -€72.2 million. With lower depreciation and amortization of €37.3 million (-5.6%), segment EBIT amounted to -€109.5 million (+€195.4 million).

Ground Handling

€ million	2021	2020	Change	Change in %
Revenue	386.4	319.2	+67.2	+21.1
Personnel expenses before special items	313.3	313.1	+0.2	+0.1
Personnel expenses	313.3	452.9	–139.6	–30.8
Cost of materials	33.8	31.0	+2.8	+9.0
EBITDA before special items	–72.2	–125.6	+53.4	+42.5
EBITDA	–72.2	–265.4	+193.2	+72.8
Depreciation and amortization	37.3	39.5	–2.2	–5.6
EBIT	–109.5	–304.9	+195.4	+64.1
Number of employees as of December 31	6,816	7,714	–898	–11.6
Average number of employees	6,937	8,457	–1,520	–18.0

In the year under review, revenue from the **International Activities & Services** segment rose by €228.0 million to €850.3 million (+36.6%). Adjusted for the revenue relating to capacitive capital expenditure based on the application of IFRIC 12, revenue was €608.6 million (+53.0%). The adjusted increase in revenue was primarily attributable at all Group airports to the higher volume of traffic compared to the same period in the previous year. The holiday destinations in Greece, in particular, benefited from the recovery in traffic in the summer months, and Fraport Greece thus recorded revenue growth adjusted for IFRIC 12 of €120.0 million.

There was a positive effect on other operating income of €174.7 million in the reporting period due to the waiver of the fixed concession payments of €92.8 million for the years 2019 to 2022 at Fraport Greece and the waiver of fixed minimum lease payments at Fraport USA in the amount of €35.2 million. In addition, the compensation claims made by the two Brazilian Group companies in the amount of €26.5 million as well as the compensation for the airport closure in 2020 and the reimbursement of fixed costs at the Group company Fraport Slovenija in the amount of €6.6 million had a positive effect on the segment’s other operating income.

The cost of materials in the segment amounted to €548.8 million, 13.5% higher than in the previous year (+€65.2 million). Adjusted for expenses relating to the application of IFRIC 12, the cost of materials increased by 18.5% to €307.1 million (+€48.0 million). This was due to higher concession charges based on traffic volumes, particularly at the Group companies Lima (+€17.1 million), Fraport USA (+€9.6 million), and Fraport Greece (+€5.8 million). Compared to personnel expenses adjusted for special items in the previous year, personnel expenses decreased by €8.6 million to €242.7 million.

EBITDA increased massively by €290.6 million to €418.2 million compared to EBITDA before special items in the same period the previous year. With depreciation and amortization virtually unchanged (-€0.1 million), segment EBIT was up €337.3 million year on year, at €231.8 million.

International Activities & Services

€ million	2021	2020	Change	Change in %
Revenue	850.3	622.3	+228.0	+36.6
Revenue adjusted for IFRIC 12	608.6	397.8	+210.8	+53.0
Personnel expenses before special items	242.7	251.3	–8.6	–3.4
Personnel expenses	242.7	297.9	–55.2	–18.5
Cost of materials	548.8	483.6	+65.2	+13.5
Cost of materials adjusted for IFRIC 12	307.1	259.1	+48.0	+18.5
EBITDA before special items	418.2	127.6	+290.6	> 100
EBITDA	418.2	81.0	+337.2	> 100
Depreciation and amortization	186.4	186.5	–0.1	–0.1
EBIT	231.8	–105.5	+337.3	–
Number of employees as of December 31	5,171	5,439	–268	–4.9
Average number of employees	5,398	5,728	–330	–5.8

Development of the key Group companies outside of Frankfurt (IFRS values before consolidation)

Fully consolidated Group companies

€ million	Share in %	Revenue[1]			EBITDA			EBIT			Result		
		2021	2020	Δ %	2021	2020	Δ %	2021	2020	Δ %	2021	2020	Δ %
Fraport USA	100	67.9	39.1	+73.7	57.3	8.5	> 100	20.7	–35.1	–	8.5	–29.9	–
Fraport Slovenija	100	21.7	16.8	+29.2	7.7	–2.1	–	–3.0	–13.8	+78.3	–2.6	–11.3	+77.0
Fortaleza + Porto Alegre[2]	100	68.3	88.3	–22.7	40.1	37.0	+8.4	17.6	17.6	0.0	–16.5	–16.9	+2.4
Lima	80.01	345.2	214.3	+61.1	54.7	38.5	+42.1	39.8	23.7	+67.9	11.2	5.0	> 100
Fraport Greece[3]	73.4	255.4	185.0	+38.1	206.4	12.9	> 100	144.0	–40.9	–	24.7	–108.3	–
Twin Star	60	29.3	15.3	+91.5	15.1	1.4	> 100	3.8	–10.2	–	0.9	–12.5	–

Group companies accounted for using the equity method

€ million	Share in %	Revenue[1]			EBITDA			EBIT			Result		
		2021	2020	Δ %	2021	2020	Δ %	2021	2020	Δ %	2021	2020	Δ %
Antalya	51/50[4]	266.6	109.6	> 100	202.7	76.2	> 100	92.1	–34.7	–	33.4	–64.5	–
Thalita/Northern Capital Gateway	25	192.5	127.0	+51.6	99.7	52.7	+89.2	68.2	20.8	> 100	–13.3	–116.6	+88.6
Xi'an	24.5	187.1	174.5	+7.2	–6.8	–4.9	–38.8	–52.6	–51.8	–1.5	–49.0	–46.6	–5.2

[1] Revenue adjusted for IFRIC 12: Lima 2021: €154.9 million (2020: €118.6 million); Fraport Greece 2021: €225.5 million (2020: €105.5 million); Fortaleza + Porto Alegre: 2021: €46.8 million (2020: €39.0 million); Antalya 2021: €247.7 million (2020: €109.6 million); Thalita/Northern Capital Gateway 2021: €188.2 million (2020: €123.9 million).
[2] Sum of the Group companies Fortaleza and Porto Alegre.
[3] The Group companies Fraport Regional Airports of Greece A and Fraport Regional Airports of Greece B are collectively referred to as "Fraport Greece".
[4] Share of voting rights: 51%, dividend share: 50 %.

Revenue at the Group company **Fraport USA** increased by €28.8 million to €67.9 million in fiscal 2021 based on the recovery in traffic. Other income was positively impacted by the waiver of fixed minimum lease payments of €35.2 million. The cost of materials increased by €17.2 million to €32.5 million due to higher concession charges (+€9.6 million) in connection with the positive traffic development. As a result, operating expenses increased by €4.8 million to €46.4 million (+11.6%). EBITDA rose to €57.3 million (+€48.8 million). EBIT amounted to €20.7 million (previous year: -€35.1 million).

Despite the continued impact of the coronavirus pandemic, passenger numbers at the Group company **Fraport Slovenija** developed positively, resulting in revenue of €21.7 million (+€4.9 million). The compensation for the airport closure in 2020 and reimbursement of fixed costs in the amount of €6.6 million had a positive effect on other operating income. With a slight increase in operating expenses to €21.1 million (+€1.0 million), EBITDA amounted to €7.7 million (previous year: -€2.1 million). EBIT improved to -€3.0 million (previous year: -€13.8 million).

At €68.3 million, revenue at the Brazilian Group airports **Fortaleza** and **Porto Alegre** declined by €20.0 million. Adjusted for revenue from construction and expansion services relating to the application of IFRIC 12, however, revenue increased by €7.8 million. Other operating income was impacted by the compensation claims in the amount of €26.5 million. Cost of materials declined by €27.1 million to €38.9 million. Adjusted for expenses relating to the application of IFRIC 12, the cost of materials was roughly at the same level as the previous year at €17.4 million (+€0.7 million). Personnel expenses increased to €10.4 million (+€0.7 million). EBITDA was €40.1 million (previous year: €37.0 million); EBIT remained unchanged at €17.6 million.

Revenue at the Group company **Lima** increased by €130.9 million in the reporting period to €345.2 million. Adjusted for revenue from construction and expansion services relating to the application of IFRIC 12, revenue totaled €154.9 million (+36.3%). The main reason for this was the recovery in traffic over the course of the year. The cost of materials increased to €272.6 million (+€113.2 million). Adjusted for expenses relating to capacitive capital expenditure based on the application of IFRIC 12, the cost of materials rose to €82.3 million (+€18.6 million), mainly due to higher concession charges (+€17.1 million) based on traffic volume. With a slight increase in personnel expenses (+€1.8 million), EBITDA amounted to €54.7 million (previous year: €38.5 million). EBIT reached a value of €39.8 million (previous year: €23.7 million).

Fraport Greece benefited from the recovery in traffic, especially in the summer months, and generated revenue of €255.4 million (+€70.4 million) in fiscal 2021. Adjusted for revenue from construction and expansion services relating to the application of IFRIC 12, the revenue increased by €120.0 million to €225.5 million. There was a positive effect on other operating income of €92.8 million due to the waiver of the fixed concession payments for the years 2019 to 2022 at Fraport Greece. The cost of materials fell clearly in the reporting period from €133.5 million to €93.8 million following completion of expansion measures. Adjusted for expenses relating to the application of IFRIC 12, the cost of materials increased by €10.0 million to €64.0 million, mainly due to increases in concession charges due to traffic volume. EBITDA was €206.4 million (previous year: €12.9 million), and EBIT was €144.0 million (previous year: -€40.9 million).

At the Group company **Twin Star**, revenue of €29.3 million (+€14.0 million) also reflects the positive traffic development. Slight increases in cost of materials and personnel expenses (+€0.7 million and €+0.2 million, respectively) were offset by lower other operating expenses (-€0.6 million). The led to EBITDA of €15.1 million (previous year: €1.4 million) and EBIT of €3.8 million (previous year: -€10.2 million).

Group company **Antalya**, which is accounted for using the equity method, benefited from recovery in traffic, generating revenue of €266.6 million in fiscal 2021, up €157.0 million year on year. EBITDA amounted to €202.7 million (previous year: €76.2 million), and EBIT was €92.1 million (previous year: -€34.7 million).

The increase in revenue at the Group company **Thalita/Northern Capital Gateway** of €65.5 million to €192.5 million was a result of the positive passenger development in the year under review. EBITDA was €99.7 million (previous year: €52.7 million), and EBIT was €68.2 million (previous year: €20.8 million).

Revenue at the Group company **Xi'an** increased in the reporting period by €12.6 million to €187.1 million (+7.2%). EBITDA and EBIT amounted to -€6.8 million (previous year: -€4.9 million) and -€52.6 million (previous year: -€51.8 million), respectively.

Comparison with the forecasted development

Aviation in € million	2021	Forecast 2020 [Adjustments during the year 2021]	2020	Change	Change in %
Revenue	587.5	Positive trend	440.9	+146.6	+33.3
EBITDA	160.2	Negative [Interim Report Q2/6M 2021: Positive]	–280.7	+440.9	–
EBIT	25.8	Positive trend	–420.6	+446.4	–

Retail & Real Estate in € million	2021	Forecast 2020	2020	Change	Change in %
Revenue	319.1	Positive trend	294.6	+24.5	+8.3
EBITDA	250.8	Noticeably positive	214.5	+36.3	+16.9
EBIT	165.6	Noticeably positive	122.9	+42.7	+34.7

Ground Handling in € million	2021	Forecast 2020	2020	Change	Change in %
Revenue	386.4	Positive trend	319.2	+67.2	+21.1
EBITDA	–72.2	Negative	–265.4	+193.2	+72.8
EBIT	–109.5	Positive trend	–304.9	+195.4	+64.1

International Activities & Services in € million	2021	Forecast 2020	2020	Change	Change in %
Revenue adjusted for IFRIC 12	608.6	Clear uptick	397.8	+210.8	+53.0
EBITDA	418.2	Clear uptick	81.0	+337.2	> 100
EBIT	231.8	Clear uptick	–105.5	+337.3	–

The key figures developed in line with the original forecasts or those adjusted during the year.

Asset and Financial Position

Asset and capital structure

At €16,240.0 million, **total assets** as at December 31, 2021 were €2,158.8 million (+15.3%) above the previous year.

Non-current assets increased by €1,253.3 million to €12,991.3 million. This is primarily attributable to the increase in other financial assets (+€582.0 million) due to the acquisition of securities and higher property, plant, and equipment (+€568.1 million), in particular in connection with the ongoing capital expenditure on the Expansion South project at Frankfurt Airport. In addition, investments in airport operating projects increased by €195.2 million primarily due to ongoing expansion projects at the Group company Lima. In contrast, shares in companies accounted for using the equity method decreased (-€94.2 million) mainly as a result of reclassification of the shares in the Group company Xi'an to non-current assets held for sale. At €3,129.0 million, **current assets** were up €785.8 million compared to December 31, 2020, mainly due to an increase in cash and cash equivalents (+€798.4 million) as a result of the extensive financing measures.

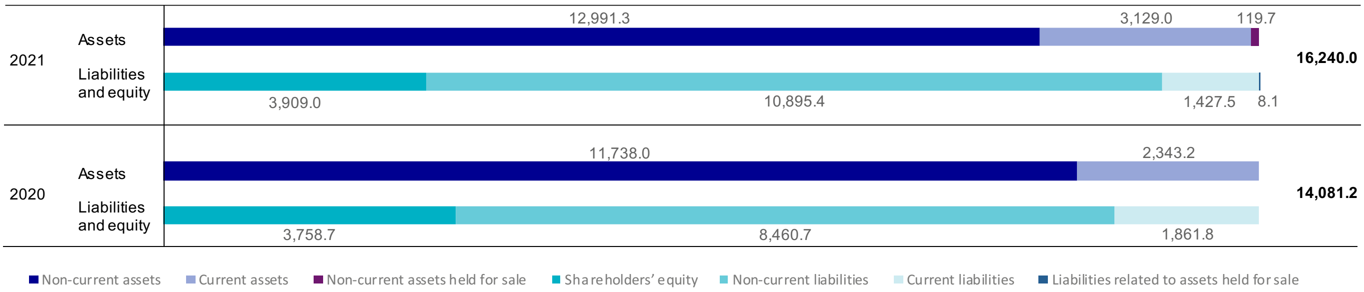
Shareholders' equity increased by €150.3 million to €3,909.0 million as at the 2021 balance sheet date (December 31, 2020: €3,758.7 million). The increase resulted, in particular, from the positive Group result of €91.8 million as well as the change in the currency reserve. Despite this improved result, the **equity ratio** fell from 25.7% as at December 31, 2020, to 23.1% due to increased debt.

Non-current liabilities increased by €2,434.7 million to €10,895.4 million (+28.8%), in particular due to long-term borrowings to secure liquidity. On the other hand, **current liabilities** declined in the reporting period by €434.3 million to €1,427.5 million (- 23.3%). This development was particularly due to the decrease in other provisions following utilization of a large part of the provision in connection with the "Zukunft FRA – Relaunch 50" program. In addition, short-term financial liabilities decreased due to loan repayments as well as reduced commercial papers and call and time deposits. This decrease was offset by maturity-related reclassifications of previous non-current financial liabilities.

At €9,934.0 million, **gross debt** as at December 31, 2021 was clearly above the comparable value as at December 31, 2020 of €7,747.2 million due to the extensive financing measures. **Liquidity** also increased, by €1,350.6 million to €3,564.3 million. Correspondingly, **net financial debt** increased by €836.2 million to €6,369.7 million (December 31, 2020: €5,533.5 million). The **gearing ratio** reached a level of 169.7% (value as at December 31, 2020: 152.9%). The **net financial debt to EBITDA** ratio reached a level of -8.4 (previous year: -22.1).

Structure of the consolidated financial position as at December 31

€ million



Additions to non-current assets

In the 2021 fiscal year, the additions to non-current assets of the Fraport Group totaled €1,112.6 million, €47.0 million lower than the previous year (previous year: €1,159.6 million). The decrease was mainly due to lower additions to "Property, plant, and equipment" (-€29.9 million) at Fraport AG.

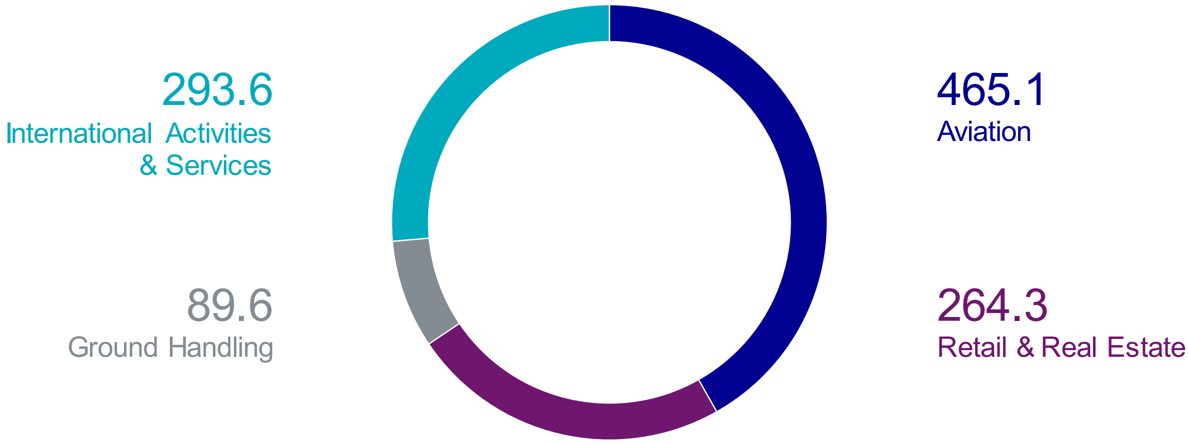
Additions to non-current assets of €847.0 million in the 2021 fiscal year were attributable to "property, plant, and equipment" (previous year: €876.9 million). Capital expenditure on "Airport operating projects" amounted to €251.7 million (previous year: €242.0 million). "Investment property" accounted for €9.5 million (previous year: €26.6 million); and "other intangible assets" for €4.4 million (previous year: €14.1 million). The capitalization of interest expenses relating to construction work amounted to €40.6 million (previous year: €35.7 million).

At Fraport AG, the additions to non-current assets amounted to €833.5 million (previous year: €881.2 million). Capital expenditure was mostly attributed to the Expansion South project at Frankfurt airport – mainly relating to Terminal 3 and the passenger transport system – as well as modernization and maintenance measures for existing infrastructure.

The additions to non-current assets are attributed to the individual segments as follows:

Additions per segment

€ million



Capital expenditure in the **Aviation** segment amounting to €465.1 million (previous year: €504.1 million) primarily concerned the ongoing construction work in connection with the Frankfurt Airport Expansion South project. Most of this amount related to Terminal 3 and the passenger transport system.

In fiscal 2021, the **Retail & Real Estate** segment recorded additions to assets in the amount of €264.3 million (previous year: €247.8 million). The measures also concerned, in particular, the Expansion South project.

The **Ground Handling** segment recorded additions amounting to €89.6 million (previous year: €103.9 million). These mainly included the modernization measures for existing facilities as well as capital expenditure in connection with the Expansion South project.

In the **International Activities & Services** segment, additions to non-current assets amounted to €293.6 million (last year: €303.8 million). The additions related mainly to the Group company Lima in connection with obligations to expand the infrastructure.

Fair values

Differences between the carrying amounts and fair values may arise for assets and liabilities that are not measured at fair value in the Fraport consolidated financial statements. For an overview of the valuation methods used for significant balance sheet items, see note 4 in the Notes to the Consolidated Financial Statements.

Investments in airport operating projects make up approximately 96% of the intangible assets in non-current assets. While their carrying amount results from amortized acquisition costs and primarily depends on the amount of the determined acquisition costs and term of the respective concession agreements as the basis of the regular depreciation and amortization, the fair value of the investments in airport operating projects is primarily driven by the development of traffic volume and passenger numbers at the concession airports and the resulting cash flows.

Property, plant, and equipment of the Fraport Group is mainly made up of land/buildings (approximately 41%) and technical equipment and machinery (approximately 20%) belonging to Fraport AG. While the fair value of land is derived from standard land values (see also note 20 in the Notes to the Consolidated Financial Statements), the fair value of airport infrastructure (buildings, technical equipment, and machinery) is determined in reference to the corresponding replacement costs.

The fair value of investment property (see also note 21 in the Notes to the Consolidated Financial Statements) is based on the standard land value (land) or capitalized income value (buildings). The fair value of land designated as land for sale in the inventories (see also note 28 in the Notes to the Consolidated Financial Statements) is also based on standard land values.

For information on the fair values of derivative and non-derivative financial instruments see note 41 in the Notes to the Consolidated Financial Statements.

Statement of cash flows

Due to the positive result in fiscal 2021, which was influenced, among other things, by the non-recurring cash effects in connection with compensation received for holding costs and the security services offset in previous years as well as the severance payments in connection with the program “Zukunft FRA - Relaunch 50,” the **cash inflow from operating activities (operating cash flow)** was €392.6 million (previous year: cash outflow of €236.2 million).

At €1,133.2 million, the **cash flow used in investing activities excluding investments in cash deposits and securities** in the fiscal year under review was only slightly below the previous year’s level (previous year: cash outflow of €1,141.4 million). Increased cash outflows for expansion and extension measures at the Frankfurt site and capital expenditure on airport operating projects were offset by higher cash inflows from dividends from companies accounted for using the equity method.

Taking into account investments in and revenue from securities and promissory note loans as well as capital expenditure on time deposits, the overall **cash flow used in investing activities** was €2,304.2 million (previous year: cash outflow of €2,528.2 million).

Cash flow from financing activities decreased by €375.6 million to €2,095.4 million (previous year: €2,471.0 million). Increased cash inflow from long-term borrowings of €2,798.4 million (previous year: €2,692.3 million) was offset by higher repayments of non-current liabilities (+€241.2 million) and other changes in current financial liabilities (+€241.1 million). Taking into account exchange rate fluctuations and other changes, the Fraport Group reported cash and cash equivalents based on the statement of cash flows of €431.2 million as at December 31, 2021 (previous year: €216.4 million).

Free cash flow amounted to -€772.3 million (previous year: -€1,400.0 million).

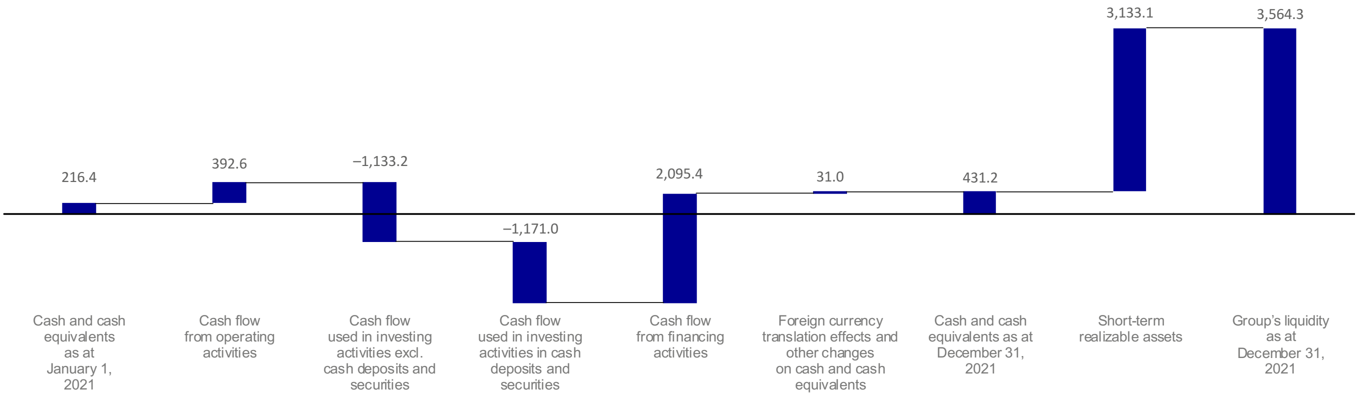
The following table shows a reconciliation to cash and cash equivalents as shown in the consolidated statement of financial position.

Reconciliation to the cash and cash equivalents as at the consolidated statement of financial position

in € million	December 31, 2021	December 31, 2020
Bank and cash balances	220.4	161.9
Time deposits with a remaining term of less than three months	210.8	54.5
Cash and cash equivalents as at the consolidated statement of cash flows	**431.2**	**216.4**
Time deposits with a remaining term of more than three months	2,156.9	1,549.9
Restricted cash	74.7	98.1
Cash and cash equivalents as at the consolidated statement of financial position	**2,662.8**	**1,864.4**

Summary of the statement of cash flows and reconciliation to the Group's liquidity

in € million



Financing analysis

In 2021, the finance management of the Fraport Group continued to pursue balanced funding via a diversified debt financing base with a balanced maturity profile. As at the balance sheet date, there was a balanced mix of financing, consisting of promissory note loans (23.0%), corporate bonds (21.2%), bilateral loans (41.4%), and project financing (14.4%).

To reduce interest rate risks from borrowing with floating interest rates, in the past interest rate hedging transactions were concluded in some cases. The corresponding nominal volume amounted to €130.7 million at the end of the year and thus remained roughly at the previous year's level (-2.8%). Overall, the financial liabilities had an average remaining term of 6.4 years with an average interest maturity of approximately 5.8 years after hedging measures. Taking into account interest rate hedging transactions, the floating rate portion of the gross debt of the Fraport Group was approximately 12%, and the fixed portion approximately 88%. The cost of debt after hedging measures was 2.1%.

Fully consolidated Group companies in Germany are usually integrated into the Fraport AG cash pool, so that acquiring separate external funding was not necessary. Funding for fully consolidated foreign Group companies was primarily obtained through previously concluded project financing agreements in the 2021 fiscal year. No analysis or calculation of the financial debt structure and liquidity at segment level is carried out.

The key features of the Group financing instruments with regard to type, maturity, and interest rate structures are presented in the following table:

Financial debt structure

Financing type	Year of origin	Nominal volume in € million	Maturity	Repayment structure	Interest	Interest rate
Promissory note loans	2012	180.5	2022	End of term	Fixed	2,900 % p.a.
			2030			4,000 % p.a.
		35	2022	End of term	Fixed	3,060 % p.a.
	2013	50	2028	End of term	Fixed	4,000 % p.a.
	2017	135	2025	End of term	Fixed	1,395 % p.a.
			2027			1,810 % p. a.
		150	2024	End of term	Fixed	1,086 % p.a.
			2027			1,609 % p.a.
	2019	92.5	2024	End of term	Fixed	0,548 % p.a.
		250	2025			0,500 % p.a.
		110	2027			0,600 % p.a.
		137.5	2029			1,336 % p.a.
		50	2029			0,700 % p.a.
		20	2031			0,833 % p.a.
		20	2034			1,073 % p.a.
		20	2034			1,000 % p.a.
	2020	51	2025	End of term	Fixed	0,850 % p.a.
		17	2027			0,950 % p.a.
		7	2030			1,154 % p.a.
		86	2023	End of term	Fixed	1,250 % p.a.
		40	2026		Floating	6M-Euribor + Margin
		43	2026		Fixed	1,600 % p.a.
		16.5	2028			1,800 % p.a.
		19.5	2030			2,000 % p.a.
		45	2032			2,125 % p.a.
	2021	175.5	2026	End of term	Fixed	1,000 % p.a.
		164.5	2026		Floating	6M-Euribor + Margin
		23.5	2029			6M-Euribor + Margin
		136.5	2029		Fixed	1,360 % p.a.
		10	2031	End of term	Fixed	1,870 % p.a.
		30	2031			1,900 % p.a.
		168	2033			2,100 % p.a.
Corporate bond	2009	150	2029	End of term	Fixed	5,875 % p.a.
	2020	300	2024	End of term	Fixed	1,727 % p.a.
		500	2027			2,217 % p.a.
	2021	350	2024	End of term	Fixed	1,034 % p.a.
		800	2028			1,925 % p.a.
Bilateral loans	1999 – 2021	4,099.1	2022 – 2031	Mainly end of term	Mainly fixed	-0,10 % – 3,00 % p.a.
Project financing (fully consolidated foreign Group companies)	2017 – 2021	1,428.46	2022 – 2044	Ongoing repayments during the term	Mainly fixed	1,70 % – 16,07 % p.a.

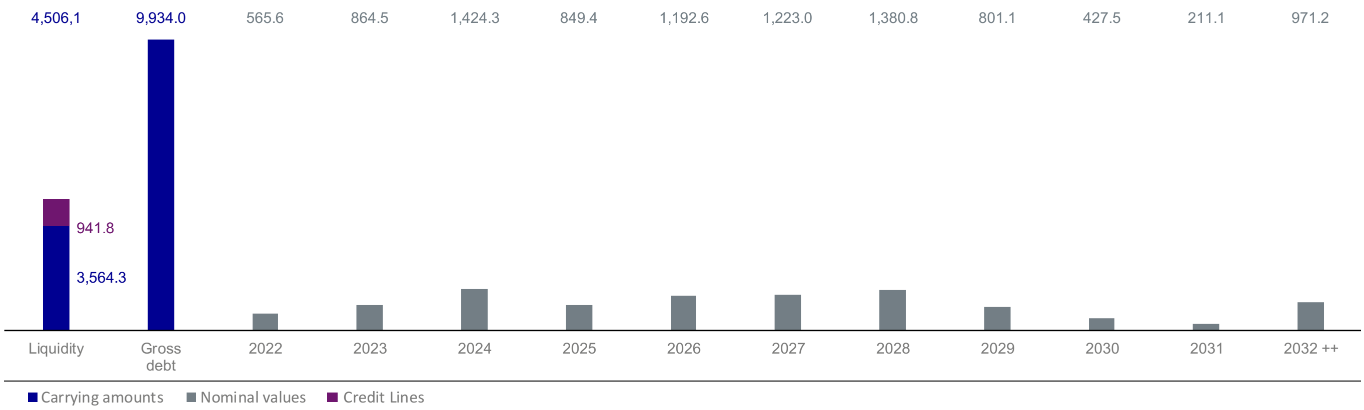
The contractual agreements for the financial liabilities of Fraport AG include two customary non-financial covenants consisting of a negative pledge and a pari passu clause. Only the special-purpose loans of Fraport AG contained in bilateral loans include, among other things, commonly accepted credit clauses regarding changes in shareholder structure and in the control of the company (so-called change-of-control clause). If these have a proven negative effect on the creditworthiness of Fraport AG, the creditors have the right to call the loans due ahead of time above a certain threshold.

Independent project financing agreements of fully consolidated foreign Group companies, in particular in Greece and Brazil, contain a series of credit clauses typical for this type of financing. These clauses include regulations under which certain debt service coverage ratios and control indicators for leverage and credit terms must be complied with. Failure to comply with the agreed credit clauses may lead to restrictions on the distribution of dividends and/or to the early redemption of loans or to the additional payment of shareholders' equity. The coronavirus pandemic and the resulting slump in traffic in part presented an obstacle to technically fulfilling the financial key figures for respective project financing. Agreements were reached with the financing banks effective December 31, 2021, which were in line with the arrangements laid down for this purpose in the respective financing contracts.

The maturity profile of the Fraport Group's financial debt showed a largely balanced repayment structure as at the balance sheet date (financial debt in foreign currencies translated as at the balance sheet date rate).

Maturity profile as at 31 December 2021

in € million



Liquidity in the fully consolidated foreign Group companies was €509.5 million (previous year: €492.4 million). As it is partly subject to drawing restrictions arising from the conditions stipulated in the project financing agreements, it is not part of the asset management at Fraport AG.

Liquidity analysis

The strategy of broad diversification of investments in corporate bonds was continued in the 2021 fiscal year. The key characteristics of Fraport AG's investment instruments in terms of type, remaining term, and interest rate structure are presented in the following table:

Asset structure of Fraport AG

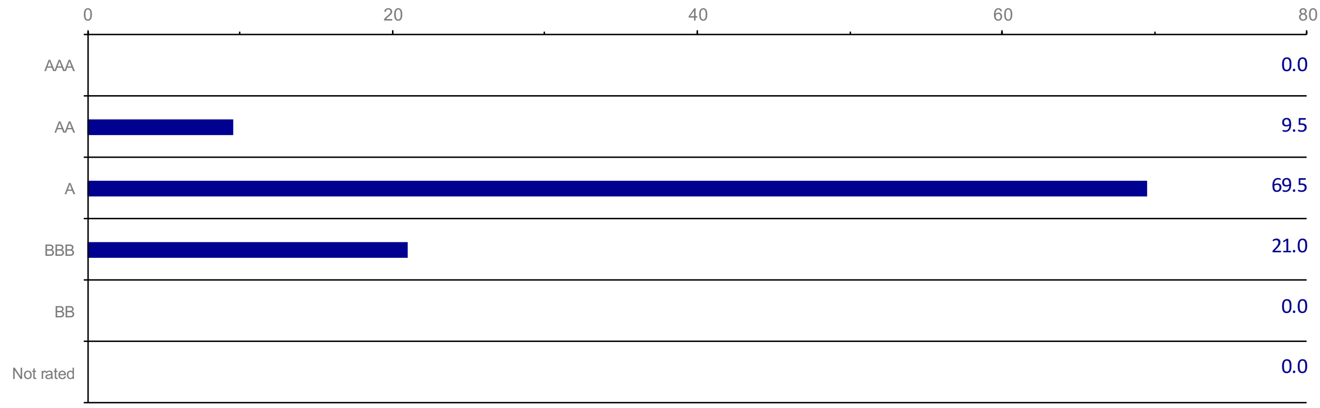
Investment type	Market value [1)]in € million	Average remaining term in years	Interest
Promissory note loans	0.0	0.0	Floating
	55.1	2.8	Fixed
Overnight funds	0.0	0.0	Fixed
Time deposits	2,148.7	0.3	Fixed
	0.0	0.0	Floating
Bonds	36.7	1.7	Floating
	714.6	2.8	Fixed
thereof governmental	0.0	0.0	Fixed
thereof financials	6.0	2.3	Floating
	126.7	2.6	Fixed
thereof insurances	5.1	0.8	Floating
	6.0	4.9	Fixed
thereof industrials	25.5	0.8	Floating
	582.0	2.7	Fixed
Commercial papers	95.1	0.2	Fixed

[1)] As a result of rounding, there may be discrepancies when summing up.

The ratings of all investments used in asset management are presented in the following diagram.

Rating structure of assets

in %



As at the balance sheet date, there were only rated assets in the portfolio.

The cost of carry, which is calculated using a (tiered statement) maturity-matching principle, was 1.5% (€44.4 million) as at December 31, 2021.

As at the 2021 balance sheet date, the Fraport Group had credit lines amounting to €941.8 million (previous year: €895.9 million) available, of which €387.6 million has, however, been earmarked for future capital expenditure on infrastructure. As at the balance sheet date, Fraport AG had unused credit lines amounting to €554.2 million (previous year: €490.3 million).

Significance of off-balance-sheet financial instruments for the financial position

Fraport focuses on the products presented in the "Financing analysis" section for financing its activities. Off-balance-sheet financial instruments are of no material significance in the financing mix of Fraport.

Rating

In light of Fraport's unrestricted access to the capital market at attractive prices, very healthy liquidity supply combined with its comfortable portfolio of free, approved credit lines, there has not been a need for an external rating so far.

Comparison with the forecasted development

€ million	2021	Forecast 2020 [Adjustments during the year 2021]	2020	Change	Change in %
Free cash flow	–772.3	Improvement	–1,400.0	+627.7	+44.8
Net financial debt to EBITDA	8.4	Positive, in a low double-digit range [Q3/9M Interim Release 2021: In the positive high single-digit range]	–22.1	+30.5	–
Liquidity	3,564.3	Slightly lower than 2020 level [Q2/6M Interim Report 2021: Clearly higher than in 2020]	2,213.7	+1,350.6	+61.0
Shareholders' equity ratio (%)	23.1	Slightly lower than 2020	25.7	–2.6 PP	–

The key asset and financial figures were in line with the 2020 forecast.

Value management

Development of the value added

€ million	Fraport Group		Aviation		Retail & Real Estate		Ground Handling		International Activities & Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Adjusted EBIT[1)]	343.1	–763.6	25.8	–420.6	176.7	113.3	–107.0	–305.6	247.6	–150.7
Fraport assets	10,208.6	9,249.3	3,881.1	3,482.4	2,464.1	2,217.3	770.1	708.3	3,093.3	2,841.3
Costs of capital before taxes	622.7	592.0	236.7	222.9	150.3	141.9	47.0	45.3	188.7	181.8
Value added before taxes	–279.6	–1,355.6	–211.0	–643.5	26.4	–28.6	–154.0	–350.9	58.9	–332.5
ROFRA in %	3.4	–8.3	0.7	–12.1	7.2	5.1	–13.9	–43.1	8.0	–5.3

[1)] Adjusted EBIT = EBIT + earnings before taxes of the Group companies accounted for using the equity method.

In fiscal year 2021, the value added of the **Fraport Group** was €1,076.0 million higher than in the previous year, but remained in negative territory at -€279.6 million. The improved operating performance of the Group companies as a result of higher traffic volume as well as one-off effects from the compensation payment granted by the German Federal Government and the State of Hesse for the holding costs of €159.8 million incurred in the first lockdown in 2020 as well as the agreement with the German Federal Police in connection with aviation security services offset in recent years in the amount of €57.8 million were behind the adjusted EBIT of €343.1 million (previous year: -€763.6 million). Increased capital expenditure, especially on the expansion projects in Frankfurt and Lima, increased the cost of capital. The ROFRA of the Fraport Group increased by 11.7 percentage points to 3.4% (previous year: -8.3%).

The value added of the **Aviation** segment improved from -€643.5 million to -€211.0 million (+€432.5 million) based on the operating performance and the aforementioned one-off effects. On the other hand, the cost of capital for the ongoing construction activities in Frankfurt increased. Segment ROFRA improved accordingly from -12.1% in the previous year to 0.7%. In the **Retail & Real Estate** segment, despite higher Fraport assets in the course of the expansion project in Frankfurt, the increase in segment EBIT led to a massive increase in the value added from -€28.6 million to €26.4 million (+€55.0 million) and of ROFRA to 7.2% (previous year: 5.1%). The value added of the **Ground Handling** segment increased by €196.9 million to -€154.0 million, primarily based on traffic volumes. The segment's ROFRA improved accordingly, coming in at -13.9% in the 2021 fiscal year (previous year: -43.1%). The value added of the **International Activities & Services** segment increased from -€332.5 million to €58.9 million (+€391.4 million). The fully consolidated Group companies in Greece and the USA as well as the Group company Antalya, which is accounted for using the equity method, contributed in particular to the improved operating result. The increase in Fraport assets in the segment is mainly attributable to the expansion at Lima Airport. In line with the value added, segment ROFRA improved from -5.3% to 8.0%.

Comparison with the forecasted development

	2021	Forecast 2020	2020	Change	Change in %
Group ROFRA (%)	3.4	Clear improve	–8.3	+11.7 PP	–

Group ROFRA was positive again in the 2021 fiscal year at 3.4%. Based on the Group-wide traffic recovery, the improvement in ROFRA was stronger than forecast in 2020.

Employees

Development of employees

Average number of employees	2021	2020	Change	Change in %
Fraport Group	18,419	21,164	−2,745	−13.0
thereof Fraport AG	7,893	9,344	−1,451	−15.5
thereof Group companies	10,526	11,820	−1,294	−10.9
thereof in Germany	15,599	18,364	−2,765	−15.1
thereof abroad	2,820	2,801	+19	+0.7

The average number of employees in the Fraport Group (excluding apprentices and employees on leave) decreased by 2,745 to 18,419 in the 2021 fiscal year (previous year: 21,164). This was due to employees leaving from Fraport AG (-1,451 employees) and FraSec (-423 employees), especially in connection with the volunteer programs at the Frankfurt site. Due to the expiration of temporary contracts, the Group companies FraGround and FraCareS, in particular, had fewer employees (-721 employees and - 94, respectively).

Outside Germany, the total headcount increased slightly to 2,820 (+0.7%), but developed differently in the various Group companies. While the headcount increased in particular in the Group companies in Bulgaria (+68 employees), Lima (+19 employees) and Greece (+13 employees), the number of employees decreased in the Group companies in Slovenia (-71 employees) and Brazil (-13 employees).

Development of employees in the segments

Average number of employees	2021	2020	Change	Change in %
Aviation	5,476	6,365	−889	−14.0
Retail & Real Estate	608	614	−6	−1.0
Ground Handling	6,937	8,457	−1,520	−18.0
International Activities & Services	5,398	5,728	−330	−5.8

The personnel leaving in connection with the volunteer programs at the Frankfurt site are distributed to varying degrees across the four segments. The disparate changes in the Group companies outside Germany also had an impact on the development of employee numbers in the International Activities & Services segment.

Development of employees as at the balance sheet date

Number of employees as at the balance sheet date	December 31, 2021	December 31, 2020	Change	Change in %
Fraport Group	17,781	19,884	−2,103	−10.6
thereof Fraport AG	7,450	9,099	−1,649	−18.1
thereof Group companies	10,331	10,785	−454	−4.2
thereof in Germany	15,113	17,247	−2,134	−12.4
thereof abroad	2,668	2,637	+31	+1.2

Compared with the previous year’s reporting date, the number of employees in the Fraport Group (excluding apprentices and employees on leave) fell by 10.6% from 19,884 to 17,781 (-2,103 employees) as at December 31, 2021. In Germany, the decline is due in particular to Fraport AG (-1,649 employees). Internationally, the slight increase in the number of employees resulted in particular from the Group companies in Lima (+58 employees).

Development in personnel structure

Fraport values the diversity of its employees. This diversity helps the Group to better understand the concerns of its customers, develop innovative solutions, and remain competitive in a globalized economy. Diversity management is therefore a central component of its human resources strategy. It is based on a Group agreement that includes the establishment of principles of anti-discrimination, advancement of women into management positions, and diversity. These principles form part of recruitment decisions and training measures.

At 27.8%, the Group turnover rate - based on permanent employees excluding seasonal staff at the balance sheet date - was clearly higher in the year under review than in the previous year (13.7%). The change is mainly due to the decline in traffic caused by the coronavirus pandemic and the corresponding headcount reduction.

The Group's percentage of women, in relation to the total number of employees (including temporary staff, apprentices, and employees on leave) as at December 31, 2021, remained at the previous year's level of 26.3%. The average age of the Group's workforce rose only slightly to 45.5 years (previous year: 45.3 years). The ratio of foreign workers in Germany (this excludes German nationals with an immigrant background) was 24.1% (previous year: 23.7%). The percentage of persons with major disabilities relative to the total number of employees excluding apprentices and temporary staff dropped to 5.9% on a Group-wide basis (previous year: 6.6%).

In fiscal year 2021, the proportion of female employees at Fraport AG remained unchanged at 19.2% as at the balance sheet date (previous year: 19.2%). The proportion of workers with severe disability or equivalent circumstance was 7.9% (previous year: 9.0%). The ratio of foreign workers (this excludes German nationals with an immigrant background) was 13.9% (previous year: 14.8%). The average number of apprentices decreased to 286 (previous year: 318). The staff turnover rate at Fraport AG reached 16.7% (previous year: 3.4%).

Non-financial Performance Indicators

Customer satisfaction and product quality

Global satisfaction of passengers

In the 2021 reporting year, the customer satisfaction survey was changed to a digital self-administered survey. In order to take into account valuation differences due to the new format of the survey, customer satisfaction for 2021 is reported separately for the first and second half of the year. In the first half of 2021, global passenger satisfaction at the Frankfurt site rose to 91%, an increase of 4 percentage points compared to the previous year's figure of 87%. In the first quarter, the figure was 92% (Q1 2020: 86%) and 89% in the second quarter of 2021 (Q2 2020: 90%). Health and infection protection at Frankfurt Airport, the hospitality of the airport staff as well as the surveyed waiting time and cleanliness criteria contributed to the result.

Global passenger satisfaction was 83% in the second half of 2021. The decrease compared to the first half of 2021 is due to, among other things, the conversion of the format on July 1, 2021 to a digital self-administered survey. The increased number of passengers at the beginning of the summer holidays, with a few peaks in traffic, combined with operational and staff shortages, led to overall longer waiting times and flight delays, especially in July and August. As a result, numerous top box values fell more sharply than expected based on the results of the previous method test, especially in the third quarter of 2021. Global passenger satisfaction was 85% in the third quarter and 81% in the fourth quarter of 2021. While satisfaction with the hospitality of the airport staff and the friendliness of the mobile terminal staff continued to score highly in the second half of the year (91% and 92%, respectively), satisfaction with the security checks and cleanliness was below the respective targets.

Despite the impairments associated with operational bottlenecks and the change to a new format, global passenger satisfaction at Frankfurt Airport exceeded the target value of at least 80% in both the first and second half of 2021.

Baggage connectivity

Baggage connectivity at Frankfurt Airport came to 98.3% in the last fiscal year, or 0.4 percentage points below the previous year and 0.2 percentage points below the target. While baggage connectivity decreased year on year to 98.3% in Q1 2021, it rose to 98.5% in Q2 2021. This is mainly attributable to modifications to the baggage transfer system and its security technology in the previous year, which adversely impacted connectivity. Traffic skyrocketed beginning in June 2021, and baggage connectivity fell below the previous year's level to 98.4% in the third quarter of 2021 due to traffic volume. In the fourth quarter of 2021, the figure was 98.1%, 0.4 percentage points below the target. Here, too, the cause lay in the short-term traffic peaks in the fall holidays and the sharp increase in traffic when the North American market re-opened in November 2021. For these reasons, the fiscal 2021 target of 98.5% was missed.

Attractive and responsible employer

Employee satisfaction

Fraport AG employee satisfaction with the handling of the coronavirus pandemic by Fraport remained roughly constant in the reporting period at around 82.5%. This satisfaction value was 83% in the first pulse check of the year and 82% in the second. Once again, it was confirmed that confidence in Fraport's ability to cope with the crisis from an economic standpoint is very high. This opinion was voiced by 93 percent of the employees in each of the two previous pulse checks. An average of around 1,000 employees from all areas of the company took part in the pulse checks, which are activated for a few days on internal online media. Due to the effects of the coronavirus pandemic, it was decided to forego a Group-wide employee survey in 2020 and 2021. Therefore, there is no data on which to base a statement regarding target achievement. In 2022, a new instrument for measuring employee satisfaction will be designed and thus a new target with a corresponding term will be set (see "Business Outlook").

Women in management positions

In the 2021 fiscal year, the proportion of women in management positions in Germany at the first and second level directly below Fraport's Executive Board increased to 27.1% (previous year: 25.6%). At Fraport AG, the proportion increased slightly to 26.4% (previous year: 25.9%). In connection with the volunteer program initiated in 2020 and subsequent reorganization measures, five female executives left the company. One vacant position was filled by a woman, while four positions were not filled. In addition, 13 management positions were eliminated, four of which had been held by women. At the Group companies, two out of three vacant managing director positions were filled by women. Due to the reorganization completed on June 30, 2021 and the low number of open positions to be filled, the target of 30% set for the 2021 fiscal year was not achieved.

Occupational health and safety

Sickness rate

In the 2021 fiscal year, the Group sickness rate in Germany increased by 0.3 percentage points to 6.7% (previous year: 6.4%). The development is attributable to the recovery in traffic at Frankfurt Airport and the associated increase in the number of operational personnel. The sickness rate of Fraport AG fell by 0.2 percentage points to 5.9% (previous year: 6.1%). This was due to the reduced number of employees and, presumably, more employees working from home.

Climate protection

CO_2 emissions

In the past fiscal year, Group-wide CO_2 emissions amounted to approximately 163,520 metric tons of CO_2, and were thus down 3.6% year on year. The emission reduction is mainly attributable to Fraport AG, which reduced its CO_2 emissions by 11.8% year on year, to 114,015 metric tons of CO_2 (previous year: 129,263 t CO_2). This decrease partially stems from the impact of the coronavirus pandemic, but also from the results of ongoing energy savings programs to boost energy efficiency.

Comparison with the forecasted development

Indicators	2021	Forecast 2020 [adjustment during the year Q2 / 6M Interim Report]	2020	Change
Global satisfaction of passengers (Frankfurt) in %	91/83[1]	At least 80 %	91	–
Baggage connectivity (Frankfurt) in %	98.3	Better than 98.5 %	98.7	–0.4 PP
Employee satisfaction (Group) [2]	–	Better than 3.0 [No measurement]	–	–
Employee satisfaction (Fraport AG) [3]	82.5	Improvement	81.5	–1.00
Women in management positions (Germany) in %	27.1	Slight increase	25.6	+1.5 PP
Women in management positions (Fraport AG) in %	26.4	Increase	25.9	+0.5 PP
Sickness rate (Germany) in %	6.7	Stabilization at least at the previous year's level	6.4	+0.3 PP
Sickness rate (Fraport AG) in %	5.9	Stabilization at least at the previous year's level	6.1	–0.2 PP
CO2-Emissions (Group) in t [4]	163,520	Slight increase	169,598[5]	–6,078
CO2-Emissions (Fraport AG) in t	114,015	Slight increase	129,263[5]	–15,248

[1] Due to a change in methodology, the results are reported separately for the first and second half of 2021.
[2] Due to the impact of the coronavirus pandemic, this statistic was not collected in 2021.
[3] 2020 value determined as a percentage in the pulse check.
[4] This includes Fraport AG and Fraport Greece as well as the Group companies GCS, FraGround, Fraport Slovenija, Lima, Fortaleza, Porto Alegre and Twin Star.
[5] Subsequent verifications resulted in some updates for 2020.

The "Non-financial performance indicators" chapter above provides explanatory notes on deviations from the 2020 forecast.

Combined non-financial Statement

About this combined statement

The combined non-financial statement complies with the requirements of Sections 315b and 315c in conjunction with the Sections 289b to 289e of the German Commercial Code (HGB) and the requirements of Regulation (EU) 2020/852 of the European Parliament and of the European Council of June 18, 2020 on the establishment of a framework for facilitating sustainable investment and amending the Regulation (EU) 2019/2088 (EU Taxonomy Regulation). This combined non-financial statement has been audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft according to ISAE 3000 (revised) with limited assurance. The unqualified auditor’s opinion can be found at the end of the Annual Report.

The “Control” and “Non-financial Performance Indicators” chapters describe the most important non-financial performance indicators and their development. Their concepts and measures are used as the basis for this combined non-financial statement. The target values set for the Fraport Group and Fraport AG can also be found in these two chapters. The forecast figures for the 2022 fiscal year are specified in the “Business Outlook” chapter. The Fraport business model, competitive position, and the Group structure can be found in the “Situation of the Group” chapter. Fraport takes risks related to the non-financial aspects into account in the Group-wide risk management system (see “Risk and Opportunities Report” chapter).

A significant proportion of the events described in this statement was affected by the coronavirus pandemic in the 2021 fiscal year. The statement addresses the impact on the Fraport Group and its concrete measures for operational protection against infection in the affected aspects (see also the “Impact of the Coronavirus Pandemic on the Fraport Group” chapter).

Use of frameworks

For a structured presentation of the contents in accordance with Section 289c of the HGB in the combined non-financial statement, Fraport applies the standards of the Global Reporting Initiative 2016 (GRI). The concepts for the aspects are based on the structure of the GRI management approaches. This refers to the materiality matrix (GRI 101 - Management Approach) and the explanations relating to “Anti-corruption and bribery matters”, “Respect for human rights”, “Customer satisfaction and security”, “Employee-related matters”, “Social matters” and “Environmental matters” (GRI 103 - Management Approach). In addition, the ESG Factbook, available at www.fraport.com/publications from March 2022, provides a detailed overview of the relevant GRI indicators in the Fraport Group. References to information beyond the scope of the Combined Management Report and Consolidated financial Statements are additional information and do not form part of this Combined non-financial Statement.

Correlations with the financial statements

The reportable correlations with the Combined Management Report, the Consolidated financial Statements, and the Fraport AG annual financial statements are explained at the end of each respective non-financial aspect.

Derivation of materiality

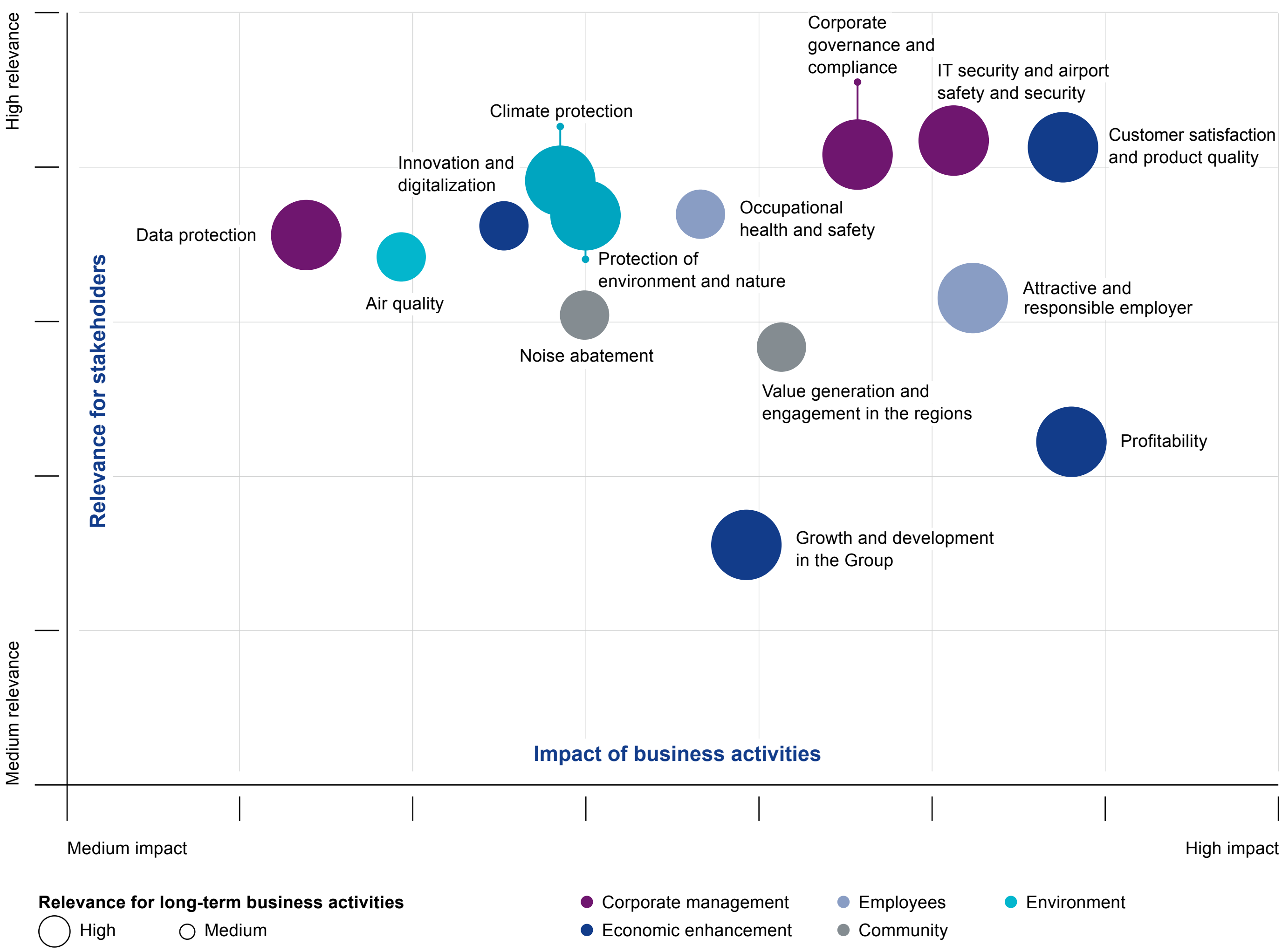
The Fraport mission statement continues to form the basis of the Group’s strategy. It encompasses the Group goals “Growth in Frankfurt and internationally”, “Service-oriented airport provider”, “Economically successful through optimal cooperation”, “Learning organization and digitalization”, and “Fairness and recognition for partners and neighbors”. The vision of establishing Fraport as Europe’s top airport operator and at the same time to set global standards forms the basis of the mission statement.

Based on these Group goals, the Executive Board has defined six key non-financial performance indicators in accordance with Section 315 (3) of the HGB in conjunction with Section 289 (3) of the HGB. Global passenger satisfaction and baggage connectivity, employee satisfaction, women in management positions, sickness rate, and CO_2 emissions. Due to the continuing impact of the coronavirus pandemic on the Fraport Group, the non-financial performance indicators of global passenger satisfaction in the Group and employee satisfaction in the Group were not used for the Group management control (see “Control” and “Non-financial performance indicators” chapters).

The basis for the aspects reported in this Combined non-financial Statement is the materiality matrix. Material aspects are those that, according to Section 289c (3) of the HGB, are relevant to the business development, business result, as well as the effects of the business activities of Fraport on non-financial aspects. The materiality matrix is the result of a systematic exchange with internal and external stakeholders. Fraport management and representatives of the most important stakeholders (analysts, shareholders, employee representatives, banks, employees, airlines, local residents living near airports, business partners, investors, media, NGOs, passengers, politicians and authorities, economic associations, and science) confirm the relevance of the given topics. Both groups also prioritize the topics. The materiality matrix shows the impact of direct and indirect business activities on the corresponding aspect, its relevance for stakeholders and for the long-term business activities of Fraport.

In a structured process, the Executive Board decided to make adjustments to the materiality matrix for 2021 based on overall developments in society. The updated materiality matrix is shown below. The topics of “Climate protection” as well as “Protection of environment and nature” have been given greater relevance for the long-term business activities and the stakeholders. This is derived both from the public debate and the focus of the coalition agreement by the new German government. As a result of the coronavirus pandemic, business activities have a greater impact on the topic of “Occupational health and safety” and also hold increased relevance for stakeholders. The topic of “Customer satisfaction and product quality” has also become more relevant for stakeholders, as travel restrictions and special requirements for civil aviation caused by the coronavirus pandemic affect travel for customers to a greater extent. In addition, business activities have a higher impact on the topics “Profitability” and “Attractive and responsible employer”. This is due to a higher level of debt to ensure the long-term liquidity as a result of the coronavirus pandemic, as well as the challenge that, despite extensive personnel management measures within the scope of the strategic “Zukunft FRA – Relaunch 50” program, a sufficient number of qualified and motivated personnel must be ensured. A comprehensive materiality analysis with the participation of internal and external stakeholders will be carried out as soon as the framework conditions allow for this again.

Materiality matrix



The key topics identified have been attributed to the non-financial aspects in accordance with Section 289c (2) of the HGB- Beyond these reportable non-financial aspects, Fraport has also identified “Customer satisfaction and security” as an additional aspect. The distribution of the topics among the non-financial aspects can be found in the table below. The crossover aspect “Supply and subcontracting chain” is not an individual aspect but deals with all reportable information in connection with the non-financial aspects in a separate chapter.

Allocation of material topics to non-financial aspects

Non-financial aspect	Topics		
Corporate Governance and Compliance	Respect for human rights	Anti-corruption and bribery matters	
Environmental matters	Climate protection	Protection of environment and nature	Air quality
Customer satisfaction and security	Customer satisfaction and product quality	IT security and airport safety and security	Data protection
Employee-related matters	Attractive and responsible employer	Occupational health and safety	
Social matters	Community	Noise abatement	Engagement in the regions

On May 26, 2020, the Annual General Meeting approved the Supervisory Board's proposal to adapt the remuneration system for the Executive Board in connection with the transposition of the Second Shareholders' Rights Directive into the German Stock Corporation Act (AktG). As a result, the remuneration system includes non-financial elements in addition to the financial objectives for the long-term variable remuneration. For the 2021 fiscal year, the reduction of the CO_2 footprint at the Frankfurt site in the form of a Power Purchase Agreement (PPA) for energy purchases from wind turbines and the completion of Pier G by the end of January 2022 were defined as non-financial components (see also compensation report under www.fraport.com/publications).

Identification of risks

Fraport defines risks as future developments or events that may negatively affect non-financial aspects. The risk evaluation is conservative, i.e., the most unfavorable impact for Fraport is assessed. A distinction is made between a gross risk and net risk. The gross risk is the greatest possible negative impact of the risk prior to countermeasures. The net risk includes the remaining expected impact after countermeasures have been initiated or implemented. The risk assessment in this non-financial statement reflects the net risk.

The risk management system described in the “Risk and Opportunities Report” chapter in the Combined Management Report contains the analysis of the risks that may have potential negative effects on the non-financial aspects.

For fiscal year 2021, there were no additional reportable risks for the Fraport Group and Fraport AG of their activities on the non-financial aspects, beyond the material risks already listed in the Risk and Opportunities Report.

Consideration of the supply and subcontracting chain specific to the business model

The crossover “Supply and subcontracting chain” topic is not an individual aspect but deals with all reportable information in connection with the non-financial aspects in this separate chapter. Unlike manufacturing companies, Fraport management does not focus on the supply chain. Instead, the focus is placed on the quality of the services offered and the functionality of the infrastructure required for this purpose. It is crucial, however, that business partners and suppliers are selected carefully.

Fraport compels business partners and suppliers to comply with its **Supplier Code of Conduct** as part of its General Terms and Conditions (GTC), depending on the local conditions. The code details the correct treatment of employees, respecting human rights as well as environmental and climate protection, integrity in the course of business, and the prohibition of corruption and bribery. A violation of this code may result in the termination of the business relationship. A contractual penalty may be imposed and a claim for lump-sum damages may be raised in the event of antitrust violations and serious misconduct. Business partners and suppliers must also undertake to require and ensure these principles are adhered to when dealing with their own suppliers.

Fraport AG undertakes to generally focus on sustainability criteria when purchasing products and services and has signed a target agreement initiated by the Hessian Ministry for the Environment, Climate Protection, Agriculture and Consumer Protection. The “Environmental Management” department of Fraport AG receives an annual evaluation of which framework contracts will be tendered in the following year. Within the scope of a declaration of understanding between the “Central Purchasing, Construction

Contracts” and “Corporate Development, Environment and Sustainability” central units, the “Environmental Management” department informs the relevant stakeholders about possible ecological procurement criteria and certificates (e.g., the OEKO-TEX 100 standard for pollutant-free textiles).

Fraport has a heterogeneous demand structure. It ranges from architectural services to the maintenance and expansion of airport infrastructure, from office materials to IT services and aircraft tugs. At Fraport AG (including the Airport Expansion South project), more than 41% of total order volume went to companies in the Rhine-Main region. Around 99% of Fraport AG’s order volume, amounting to approximately €792 million, was awarded to suppliers and service providers based in Germany, approximately 0.5% to those based in the EU, and about 0.4% to those based in the United States, the United Kingdom, Switzerland, and Canada. As there are comparable legal standards in these countries, in particular regarding anti-corruption and bribery matters and respect for human rights, the first level of the supply chain is not deemed critical. Due to the coronavirus pandemic, the volume of orders with third parties fell clearly from 2019 to 2020. Key figures stabilized at this low level in 2021. The five largest suppliers for Fraport AG (including the Airport Expansion South project) are Calvias Gebäudetechnik GmbH, Caverion Deutschland GmbH, Prinzing Elektrotechnik GmbH, Lindner SE, and Sauter-Cumulus GmbH. Fraport Ausbau Süd GmbH carried out extensive business partner screenings for these companies before awarding the contracts.

If Fraport AG tenders and awards contracts for product groups that include suppliers or service providers from risk countries as pertains to labor and social standards, the contractors are reviewed depending on the order value. This also applies to orders for work clothes, for example. Fraport regularly checks in which countries production sites are located. Irrespective of this, all suppliers and service providers of Fraport AG are audited on a daily basis regarding the relevant sanction lists of the EU and the United States. Sanction lists are official lists of people, groups, or organizations subject to economic or legal restrictions. If there are irregularities, further checks are planned which may result in the withdrawal of an order. An examination of the first level of the supply chain by contractors’ country of origin is an essential part of regular reporting for the “Central Purchasing, Construction Contracts” central unit.

Fraport AG has fulfilled the legally compliant assignment of external personnel based on independent service and work contracts, as opposed to temporary work. An external staff compliance has been implemented as part of a policy to hire external staff. The policy includes a mandatory audit process and reduces the risk of false service or work contracts, or covert contracts for temporary work. External staff assignments provided by Group companies to Fraport AG are also subject to this audit process. The Group companies independently ensure the legally compliant assignment and deployment of external personnel by implementing suitable processes.

The fully consolidated Group companies each have their own procurement management and are required to comply with the Group Compliance Management System (CMS). An important part of the Group policy is the Code of Conduct for Employees, which is obligatory in the Fraport Group. The policy also includes instructions to make the Supplier Code of Conduct part of the General Terms and Conditions insofar as this is possible for the Group companies pursuant to national applicable law. This is particularly relevant for major construction projects such as the new terminal at Lima Airport. For these projects, compliance with the Fraport Supplier Code of Conduct is agreed. If such inclusion in the General Terms and Conditions is not possible, or is only possible if the Supplier Code of Conduct is modified, local management informs the department dealing with compliance at Fraport AG. For the majority of Group airports, procurement was allocated within their own country.

The Group company Fraport Ausbau Süd defined a separate procurement process for the Expansion South project, in particular for Terminal 3 at Frankfurt Airport, due to the size and complexity of the project. When submitting an offer in this procurement process, construction companies are obliged to comply with all requirements in the German Posted Workers Act (AEntG) and the German Minimum Wage Act (MiLoG). In addition, they must make contributions to the collective bargaining parties’ joint facilities (e.g., wage compensation and vacation pay), and also only engage subcontractors or other third parties that meet these requirements. The Fraport Supplier Code of Conduct also forms part of any agreement. A due diligence review process was defined for the construction of Terminal 3, which has since been carried out depending on the order value. In addition to mandatory checking of sanction lists and company information, this includes extensive research online on potential business partners before new business relationships are initiated.

Anti-corruption and bribery matters and respect for human rights

Anti-corruption and bribery matters

Objective – Fraport pursues the goal of managing responsibly and transparently. Fraport does not tolerate any form of corruption or other unfair business practices. In addition, the Fraport Group is committed to internationally recognized standards, guidelines, and principles, in particular the principles of the UN Global Compact, the Universal Declaration of Human Rights, the United Nations (UN) conventions, and the Core Labour Standards of the International Labour Organization, and the OECD Guidelines for Multinational Enterprises.

Concepts, measures, and results – Within the scope of its management responsibilities, the Executive Board determines the values and codes of conduct of the Fraport Group and draws up the framework conditions for legally compliant and ethical behavior of its executives and employees. The anti-corruption and bribery matters are therefore an essential part of the Fraport **Code of Conduct for Employees**, which applies worldwide. The Executive Board is expressly committed to the fundamental values set out in the Code of Conduct for Employees and takes a clear stand against corruption with a “zero tolerance principle”.

The individual measures to combat corruption and bribery are based on the **Group-wide Compliance Management System (CMS)**, according to which the Group companies develop their own specific CMS based on certain minimum requirements. The responsibility for the CMS of each respective Group company lies with its local management. The CMS of Fraport AG sets the relevant standards for the Group companies.

The Group-wide minimum requirements for local CMS were fundamentally revised and extended in 2021: the minimum requirements now require comprehensive regulations for the handling of gifts and invitations, conflicts of interest, and the compliance audit of business partners. In addition, uniform specifications for the processing of notices of compliance violations (internal investigations) were provided. The revision serves to increase the level of protection within the Group and makes an important contribution to the standardization of compliance processes. The fully consolidated Group companies largely implemented the amended Group policy in the 2021 fiscal year. Fraport Greece also developed an electronic platform to provide all employees with access to current policies and process instructions, while Fraport USA created the role of Compliance Director. The Group company Lima organized a training course on sustainability and corruption prevention together with suppliers.

In the role of Chief Compliance Officer, the head of the “Legal Affairs and Compliance” central unit is responsible for the content, organization, upkeep, and further development of the CMS of Fraport AG. This officer answers directly to the Executive Director of Retail and Real Estate.

The CMS of Fraport AG is based on and starts with a **compliance risk analysis**, which is carried out regularly and whose main areas of focus include among other things the fight against corruption. With its Compliance Helpdesk, the Compliance department of Fraport AG supports and advises employees of all positions and hierarchy levels.

The Compliance department informs the Executive Board in a semi-annual **report** on the status of the anti-corruption measures. The Executive Board receives information on material compliance violations immediately after they become known.

The **Compliance Board** of Fraport AG supports and promotes the cooperation of the Compliance Management (CMS), Risk Management (RMS), and Internal Control System (ICS) subsystems. It is the central body that brings together topics specific to the departments as well as generally applicable issues with a view to further developing the CMS consistently.

Guidelines on receiving invitations and gifts have been defined for the employees of Fraport AG in a separate **policy**. This regulates, among other things, the electronic documentation of the approval of received gifts and invitations. An internal policy on how to deal with conflicts of interest also exists. The employees of Fraport AG are obliged to report any events in which they find themselves in situations where personal interests do not coincide with Fraport’s business interests. This allows reportable facts to be disclosed electronically, and countermeasures can be initiated. The policy supports employees in complying with existing laws and internal regulations.

Adherence to the compliance principles of Fraport is examined as part of the internal auditing. This department provides independent and objective audit and consulting services in all major business units of Fraport AG, its subsidiaries and joint ventures, and affiliated companies and carries out **compliance audits**. A standardized and risk-oriented planning process is the foundation for the focus points of the audit.

Measures to combat corruption and bribery, along with information and instructions on how individual employees can contribute to this, are regularly communicated to the employees of the Fraport Group. Employees must complete **training** on anti-corruption matters.

Fraport has set up a **whistleblowing system** that is available to all Group companies. The whistleblowing system is an essential tool for preventing and detecting potential compliance violations and thus combating corruption and bribery. In addition, Fraport AG has an ombudswoman, an external, independent lawyer, at its disposal. Employees at the Frankfurt site can also contact an internal representative.

A risk-based **compliance due diligence** conducted by the “Global Investments and Management” strategic business unit is in place to examine the integrity of Fraport AG business partners’ activities in foreign-related investment projects – material compliance risks of potential business partners are taken into account as part of standard processes.

As part of their CMS, the **Group companies** implement their own measures to combat corruption and bribery. Particularly with regards to financing projects, additional measures against corruption and bribery are implemented, in part also as stipulated by external lenders. Within the context of the tender offer for the expansion of the airport, the Group company Lima has obliged all bidders to sign an anti-corruption agreement.

The Group companies partially have their own guidelines regarding bribery and corruption. Fraport USA, for example, has established guidelines that set out rules on compliance, legally compliant business practices, and safeguarding corporate interests. The Group companies Fortaleza and Porto Alegre have their own anti-corruption guidelines. Within the Group company Fraport Slovenija compliance issues and information received on violations of the Code of Conduct for Employees are handled by the Ethical and Compliance Committee.

In 2021, the Fraport Code of Conduct was extensively revised. The changes aim to improve understanding and facilitate contact with the workforce as well as other stakeholders in order to better anchor compliance principles in Fraport’s working environment. The anti-corruption and bribery matters therefore remain an essential part of the Fraport Code of Conduct for Employees.

Performance indicator – No performance indicator, target value, or term has been defined within the scope of the Sustainability Program.

Respect for human rights

Objective – Fraport is focused on complying with the internationally recognized codes of conduct it has committed to, in particular the principles of the UN Global Compact, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the Core Labour Standards of the International Labour Organization.

Concepts, measures, and results – The “Legal Affairs and Compliance” central unit of Fraport AG deals with, among other things, Group-wide adherence to human rights. Employees can use the **whistleblower system**, which is implemented across the globe and readily available on the Internet, to report violations. In addition, employees in Germany can also contact an external ombudsperson contracted by Fraport AG or their internal representative, as needed. This ensures that violations are identified, reported, and documented and that the Executive Board gains direct knowledge of any cases of human rights violations or any other relevant information in that regard.

Respect for human rights is enshrined in the Group-wide binding Fraport **Code of Conduct for Employees**: Fraport undertakes to respect the fundamental right to freedom of association and the right to collective bargaining that governs the general working conditions within the Group. Fraport rejects any form of forced or child labor and advocates for the rights of children and adolescents.

As an international company, Fraport encourages **diversity in its workforce** and pursues the objective of rejecting any form of discrimination. Fraport undertakes not to distinguish, exclude, or favor people on the basis of their ethnic, national and social origin, race, color, gender, age, religion, or belief. Fraport also prohibits any discrimination based on political activity, membership in a union organization, disability, or sexual orientation. The principle of mutual appreciation and respect is an essential part of the Fraport value culture: Fraport stands for fair, respectful, and cooperative relationships.

Fraport has the same expectations regarding respect for human rights towards its business partners; these requirements are set out in the **Supplier Code of Conduct**. In this code, Fraport business partners are obliged to work towards ensuring that all other companies, like subcontractors, involved in the provision of services, consistently comply with these standards.

The **Group companies** implement their own specific measures to ensure respect for human rights. Regulations on working hours and complaints mechanisms, for example, are implemented as part of large financing projects, some of which are also demanded by external lenders. The planning and construction contract for the construction project at the 14 Greek regional airports, for example, obliges the general contractor to fully protect human rights. Violations of these provisions constitute a breach of contract and may result in termination of the contract.

Performance indicators – No performance indicator, target value, or term has been defined within the scope of the Sustainability Program.

Customer satisfaction and security

Customer satisfaction and product quality

Objective – The customer comes first at Fraport, both in Frankfurt as well as at all international Group airports. The objective is therefore to continuously improve the focus on customers and service at Group airports. **Global passenger satisfaction** and **baggage connectivity** are considered the most important criteria for measuring service quality (see the “Control” and “Non-financial Performance Indicators” chapters). Protecting the health of employees, passengers, and customers is a top priority. In 2021, in particular the risk of infection at Group airports had to be reduced given the extent of the coronavirus pandemic.

Concepts, measures, and results **–** With the reopening of Terminal 2 on June 1, 2021, after having been closed for over 400 days, the infection control measures implemented since the outbreak of the coronavirus pandemic in Terminal 1 were applied across the board in Terminal 2. Passenger services, such as the airport information desk, were resumed and expanded as passenger numbers increased after they had been temporarily suspended or reduced. For example, four other digital information desks (Info Gates) have been put into operation to assist passengers. The digital information offer featuring contactless, personal interaction with staff has been extended to 12 sites in Terminal 1 and Terminal 2 with the goal of informing all passengers early on about current travel regulations, precautionary measures, and behavioral guidelines at Frankfurt Airport.

Fraport continued its **Fraport-MONITOR** passenger survey, which resumed in August 2020, also in the first half of 2021but with a further reduction in the number of cases per month compared to the period from August to December 2020. Along with the regular long-term passenger survey, Fraport continued a method test, which was launched in September 2020. In this test, 400 passengers filled out the questionnaire of the Fraport MONITOR themselves in the first half of 2021 instead of being asked questions directly by interviewers. Passengers were able to do this on their own mobile device (smartphone, tablet, laptop) or on a tablet provided by the interviewers on site. The digital questionnaire, whose wording was slightly adapted, was available to the respondents for the first time in eight different languages. With the continuation of the method test, further data and information was gathered, and as a result this digital survey replaced the previous face-to-face survey in mid-2021.

Global passenger satisfaction is also a relevant non-financial performance indicator at the Group’s foreign airports. In order to guarantee service quality and to meet passengers’ and airlines’ requirements, Fraport conducted extensive modernization measures at the Group airports. The terminal expansion at Ljubljana Airport was successfully completed in 2021. In Greece, in addition to improving the check-in process in order to avoid long waiting times, contactless security checks were also introduced in 2021. In addition, a particular focus was placed on hygiene measures to prevent infection, cleanliness of the terminals, and passenger comfort.

In 2021, passenger surveys at the international Group airports continued to be reduced due to the low passenger numbers. The surveys were conducted in a shorter period of time and with a smaller number of respondents. For this reason, the quality of the service was measured at Ljubljana Airport, including check-in and security control, but also in the retail sector, using the mystery shopping method in the third quarter of 2021. The regular customer satisfaction survey was also resumed in August 2021. At the airports in Varna and Burgas, questionnaires were distributed in paper form, albeit to a much smaller extent. The surveys at Lima Airport have been resumed to a reduced extent with a focus on protective measures in the service units. At the Greek airports, the customer satisfaction survey was suspended once again in 2021.

A detailed **program of measures**, launched in 2020 and developed further in 2021, was implemented in the Group companies and at the Frankfurt site in order to ensure safe flight and terminal operations after the lockdown and to prevent the spread of coronavirus among employees and passengers.

Fraport has implemented the **safeguards** at Frankfurt Airport in consultation with the relevant health authorities and in accordance with all regulatory requirements. The main objective is to follow the EASA "COVID-19 Aviation Health Safety Protocol" recommendations (Version 1.1 from May 21, 2020). Since then, floor markings in waiting areas and at baggage claim have indicated the minimum distance to be maintained. A minimum distance of 6 feet (1.5 meters) should be observed wherever possible. Plexiglass panes and mouth-nose protective masks are used wherever it is not possible to maintain a distance. In addition, monitors and multilingual terminal announcements explain the applicable distancing and hygiene rules. If, however, people start to congregate in an area, Fraport employees ensure orderly lines are formed. A medical protective mask must be worn in all terminals by anyone over six years of age. Fraport also reminds everyone to regularly wash and disinfect their hands. As another important measure, the feedback system established at the airport to assess cleanliness of the sanitary facilities was largely converted to a contactless system. Passengers now have the option of giving feedback without contact, which is used to optimize the cleaning process.

In January 2021, TÜV Hessen once again examined the implemented measures for protecting the health of passengers and employees at the Frankfurt site, once again awarding them the **TÜV seal "Safe from Covid-19"**. Detailed testing was carried out, for example, on cleaning and disinfection procedures, social distancing measures and controls, wearing protective masks, the availability of disinfectants, the use of standard personal protective equipment by airport staff, and internal protection and precautionary measures for employees.

Numerous measures have also been implemented at the international Group airports to protect passengers and employees while at the same time enabling smooth travel operations. Floor markings and plexiglass panes were installed at the terminals. In addition, hand sanitizer was provided and posters indicating current regulations were displayed. The frequency and intensity of the cleaning were increased. Employees were trained in protective measures and the corresponding guidelines and provided with protective masks.

The international airport association ACI awarded Frankfurt Airport the "**Airport Health Accreditation**" for the organizational, infrastructural, and personnel measures to protect against the coronavirus. The accreditation was carried out as part of a structured evaluation process along the entire airport process chain and included all stakeholders. The **Airport Health Accreditation** was also granted to the Group's Greek airports as well as to the Group airports in Varna and Burgas.

The reliable loading of luggage for departing flights and the fast delivery of luggage to the baggage claim for arriving flights have a major impact on customer satisfaction. Fraport AG measures this performance for departure baggage based on the non-financial performance indicator **Baggage Connectivity** (see also the "Strategy", "Control", and "Non-Financial Performance Indicators" chapters). In order to maintain connectivity at its current high level in the future coupled with increasing numbers of baggage items, Fraport is constantly working on optimization measures that are implemented in close cooperation with airlines within the scope of regular performance discussions.

The Executive Board is informed about the development of baggage connectivity on a monthly basis. Management receives information on a daily basis so that measures can be taken at any time. Fraport regularly discusses the values with the airlines and ensures improvements are made. For example, Deutsche Lufthansa frequently receives a detailed monitoring report, and optimization measures are managed jointly with Fraport within the scope of regular meetings.

Performance indicators – Global passenger satisfaction and baggage connectivity are considered the most important criteria for measuring service quality (see the “Control” and “Non-financial Performance Indicators” chapters).

IT security and airport safety and security

Security is the key requirement for air traffic. This principle applies equally to passenger traffic and air freight. Accordingly, security management has always been a top priority at Fraport.

All countries in which Fraport is active belong to the International Civil Aviation Organization (ICAO) and have contractually committed to comply with the organization’s safety standards and recommended practices for airports. In contrast to most ICAO member states, German law allocates passenger and baggage checks to government authorities, whereas in other countries this is usually the responsibility of the airports.

IT Security

Objective – All important business and operating processes at Fraport AG are supported by IT systems and IT components. Due to the ongoing development of new technologies and the increasing global threat of cyberattacks generally, there is an underlying risk potential for IT systems. Our objective is therefore to protect all IT systems and data against failure, manipulation, and unwanted publication.

Concepts, measures, and results – Fraport protects its IT systems and data against failure, manipulation, and unwanted publication with active and preventive **IT security management**. These systems are configured redundantly and are housed at separate sites. The risks in the area of IT security are included in the risk management system (see also the “Risk and Opportunities Report” chapter). The requirements for IT security are specified in the IT security policy and security guidelines that must be followed throughout the Group. Compliance with these requirements is checked regularly by Internal Auditing, IT Security Management, or external advisors. In 2021, Fraport AG once again implemented a variety of projects to adequately respond to the growing risks arising from information technology. The level of IT security is also part of the annual management report for the quality management certification according to ISO 9001 and is regularly audited by external auditors. In addition, potential for improvement identified within the scope of internal audits as well as in the latest KRITIS audit conducted in 2021 according to the German IT Security Act for critical infrastructures (KRITIS) will be processed and the Information Security Management System (ISMS) will be developed further.

Within the scope of a **working group** in the German Aviation Association, Fraport AG along with other airport operators, Deutsche Lufthansa, and the German Air Traffic Control has developed the security standards of the industry. These are based on the new KRITIS requirements. The objective is to establish a high safety standard within the aviation industry through close cooperation and reciprocal verification of compliance with regulatory requirements.

The Group companies outside of Frankfurt use their own IT infrastructure, that they protect according to the Group’s IT security guidelines. As a rule, the IT systems of the Group companies at the Frankfurt site as well as the SAP systems of Fraport Greece are integrated into the technology of Fraport AG and managed from Frankfurt. Using other IT systems is only possible with the consent of the Executive Board. At Fraport AG, a separate section is responsible for IT security within the “Information and Telecommunication” service unit. Its tasks are, among other things, the ongoing identification and implementation of measures to meet high security standards.

Performance indicator – No performance indicator, target value, or term has been defined within the scope of the Sustainability Program.

Airport safety

This area encompasses both security and safety: safety refers to the operational safety of the overall airport as well as the safety within the airport site. Security is understood in terms of defending against terrorist threats and protecting civil aviation.

Objective – For all operational processes, the focus is on safeguarding the safety and security of everyone at Fraport's airports.

Concepts, measures, and results – The measures include **passenger, baggage, and cargo inspections, as well as the access control points** for airport employees and suppliers. Regular weekly or monthly meetings are held with airlines, security service providers, and authorities to exchange current information.

At the international Group airports, the security requirements of each respective country as well as international standards for **safety and security management** are in effect. It is the responsibility of the local Group companies to implement and comply with these requirements. They include, among other things, a safety management system and access controls when entering the security area.

Fraport AG supports the Group companies in planning and implementing security measures. It also provides needs-based training for employees online, for example within the context of **safety and security workshops**. Within the scope of specialist **exchange events**, there is also a regular exchange between the Group companies.

Safety

Based on European statutory regulations, Fraport AG is obliged to operate a **Safety Management System (SMS)** at Frankfurt Airport. The EASA Safety Manager follows the guidelines of the European Aviation Safety Agency (EASA) and enjoys a direct reporting right to the Executive Board.

The SMS focuses on the safety of airport operations. The SMS takes into account all the risks – technical, organizational, or human – that may affect them. The SMS coordinates security measures in daily operations. It records safety-related events and is able to detect vulnerabilities. The objective is for all parties involved in air traffic to implement the requirements contained in the Safety Policy of Fraport AG. Airport employees can submit safety-related reports to the SMS. In addition, anyone with access to the airside areas (apron and runway) must regularly complete safety training.

As a central reporting and alarm point for security matters, Fraport AG operates a security control center at Frankfurt Airport, which activates the emergency and crisis management, if required. The airport fire department, medical services, ambulance service, and the security services then coordinate operations on site. A crisis unit commences operation in the “Emergency Response and Information Center” (**ERIC**). It coordinates and executes all measures that require a concerted approach at the site beyond any routine damage and risk prevention. If necessary, the “Fraport Emergency Team” (F.E.T.), consisting of volunteer employees of Fraport AG and the Group companies at the Frankfurt site, is deployed, which interacts with passengers, greeters, and relatives on site.

The contingency plan for Frankfurt Airport “**FRA Not**” documents which preparations have been made for various emergency scenarios and defines procedures to minimize the impact. ICAO and EASA prescribe regular exercises to be carried out by the respective airport operating company at the Group airports to train for the handling of emergencies and other security-related scenarios. Such exercises have no impact on flight operations. The results are used for further education and training.

Security

Both international and European regulations contain guidelines on the structural design of airport infrastructure to prevent attacks such as sabotage or terrorist activities.

In Germany, the Air Security Act (LuftSiG) regulates **passenger and baggage checks as well as access controls** in the airside areas, which are the direct responsibility of the airport operator. At Frankfurt Airport, Fraport employees as well as employees of the Group company FraSec and other private security providers currently carry out airport security checks on behalf of the German Federal Police.

Fraport AG develops measures to maintain high security standards independently and in agreement with the competent authorities. In 2020, this included responding to the developments of the coronavirus pandemic: Fraport AG adapted control processes to further ensure safety and, at the same time, minimize the risk of infection.

In 2021, the measures were developed further. In May 2021, “Click2Drive”, a fully automated, label-based access control system, was introduced for the first time in Cargo City Süd (CCS). This has clearly improved traffic management in CCS.

Performance indicator – No performance indicator, target value, or term has been defined within the scope of the Sustainability Program.

Data protection

Objective – The objective is to ensure the handling of personal data in compliance with the data protection laws and to safeguard the rights of data subjects, irrespective of whether the data is from passengers, customers, employees, or external companies.

Concepts, measures, and results – Fraport AG has a notification process for data protection and data security incidents in place. To consolidate the processes and rules at Fraport AG, existing processes were implemented in a **data protection management system** and a data protection policy was added. In the **data protection policy**, the Executive Board has laid out the principles, procedures, and obligations to be observed by all employees when they collect, disclose, transmit, modify, store, or delete personal data such as names, addresses, personnel numbers, or IP addresses in the course of their business activities. Specific topics of data protection, such as data subject information or data subject rights, as well as the deletion of data, were described in guidelines for action. The action guidelines are to be implemented as an annex to the data protection guideline and are binding for all employees. Extensive **training concepts** such as an e-learning tool and video training have been established, which can be accessed on the Intranet.

The **Data Protection Officer** of Fraport AG monitors whether all data protection regulations are complied with at the company. He reports directly to the Executive Board and is independent. Violations of the EU’s General Data Protection Regulation (GDPR) are reported directly to him – anonymously if so desired. In 2021, Fraport AG did not record any violations of data protection that were reportable according to the GDPR.

The majority of the personal data processed by Fraport is due to the issue of airport ID cards and is thus compulsory for security reasons. Fraport AG has implemented both technical and organizational measures to protect data against misuse. Access to this system is allowed to only a limited group of people for a specifically defined task. Fraport AG collects personal data of passengers primarily for the use of parking garages, baggage handling, and specific processes at the terminal. Special regulations were therefore established while implementing biometric passenger processes (biometric eGates at the integrated pre-checks). The travel data is processed exclusively by the airlines. There are clear guidelines for the use of video technology at the Frankfurt site in order to ensure the personal rights of passengers, visitors, and employees. It also regulates the extent to which authorities are allowed to use Fraport video technology.

As a result of the coronavirus pandemic, Fraport AG collected personal data at the canteens and restaurants in the terminals up to the end of October 2021 in order to be able to trace possible infection chains. In accordance with the Hessian Ordinance on Infection Protection Measures, as amended, this data is destroyed after four weeks.

Working from home, which was quickly implemented for a large number of employees due to the pandemic, accelerated the introduction of appropriate collaboration platforms. Data protection measures assisted in implementing default settings that ensured privacy. In this context, risk analyses in the form of data protection impact assessments were also carried out.

The level of data protection is part of the annual management report for the quality management certification according to ISO 9001. In addition, the data protection officer prepares an activity report. From 2022, quality management audits will regularly include questions on data protection issues.

The Executive Board of Fraport AG works towards ensuring that Group companies in Europe comply with the European General Data Protection Regulation and the timely implementation of the relevant legal requirements. In addition to offering **training** for employees, the Group companies have also created **technical requirements** to always take data protection into account. For the Group companies outside the EU, the laws on data protection must be complied with in accordance with national regulations.

Performance indicator – No performance indicator, target value, or term has been defined within the scope of the Sustainability Program.

Employee-related Matters

Group-wide, Fraport aims to remain competitive at all sites and in all sections and thereby secure jobs with fair and just working conditions and guarantee appropriate salaries and wages.

Pursuant to responsible corporate governance, Fraport has made a commitment to comply with internationally recognized standards of conduct, such as those defined in the principles of the UN Global Compact, the OECD guidelines, and the ILO Core Labour Standards. They are published in the Code of Conduct for Employees, which commits employees to comply with these fundamental principles.

The fundamental importance of the human resources strategy is generally taken into account by the three key non-financial performance indicators of **employee satisfaction, women in management positions**, and **sickness rate**, all in Germany. Another key figure used to monitor accident development is **LTIF (Lost Time Injury Frequency)**. In fiscal year 2021, however, the focus continued to be on addressing the impact of the coronavirus pandemic also from a personnel and human policy perspective.

International air traffic has been particularly affected by the effects of the coronavirus pandemic. In order to reduce the economic consequences of the traffic slump at Frankfurt Airport, Fraport also continued short-time work schedules for large parts of the company in 2021.

To ensure that personnel costs can be reduced even after the expiry of the special regulations on short-time work, an **emergency collective agreement** has been agreed for German airports, which are bound by the civil service collective agreement (TVÖD). The emergency collective agreement includes flexible work arrangements in the operational areas, in which work assignments can be canceled on low-traffic days and reclaimed on busy days. In return, redundancies due to operational reasons are excluded. In view of the ongoing coronavirus crisis, the emergency collective agreement is an important building block for further stabilizing the company and reducing costs to the extent necessary.

Attractive and responsible employer

Objective – Fraport seeks to create good working conditions and maintain a high level of employee satisfaction (see also the “Control” and “Non-financial performance indicators” chapters).

Concepts, measures, and results – Due to the impact of the coronavirus pandemic on operations at all Fraport Group sites, data on employee satisfaction was once again not collected in 2021 by means of the **Fraport Barometer**. Given the significant changes in the content and framework conditions of all employees’ tasks due to the pandemic and its impact on operations, a true assessment of satisfaction values and a meaningful comparison with the previous year’s figures is not possible. Instead, the pulse checks introduced at Fraport AG in 2020 were continued. The short online surveys provide an insight into the current mood and satisfaction of the workforce. Based on the results, internal communication was adjusted, and measures were identified and initiated. The results highlight the clear advantages of working from home, such as improved compatibility of work and working life, while at the same time highlighting the importance of communication, flexibility, and the expansion of digital structures. For example, a concept for the modernized design of the workplace was created, taking into account in particular the experiences gained in the coronavirus pandemic. The findings from the survey have been incorporated into the development of a company agreement on mobile work. In principle, the results of regular employee surveys serve to encourage all international Group airports to continuously increase employee satisfaction.

In order to be able to implement measures to increase employee satisfaction, this indicator was also monitored at the international Group airports, albeit to a lesser extent and using alternative methods. In Ljubljana, for example, managers were trained in the

Best Leader program. Fraport Greece offered a number of specialist and soft skills training courses via an e-learning platform. Individual development plans for employees were introduced at the Group company Lima.

The **Group agreement** “Conduct of Partnership, Diversity, and Equality in the Workplace” forms the platform for principles such as freedom from discrimination and equal opportunities. The company agreement includes explicit definitions of values as well as specific internal regulations and structures. As far back as 2007, Fraport committed itself to the “Charta der Vielfalt” (Diversity Charter) – an initiative to promote diversity in companies and institutions. From an organizational perspective, responsibility for diversity is assigned to the Executive Director of Labor Relations with corresponding resources.

As a responsible employer, Fraport respects and promotes personal diversity and attaches great importance to ensuring that this is reflected in the way employees interact with each other. Diversity is an important goal for Fraport, which the Group addresses systematically as part of its **diversity management**. Diverse cultural backgrounds, international experience, and gender aspects enrich collaboration and promote innovation and creativity. This enables Fraport to flexibly respond to the changing requirements in the international markets and benefit from them. Fraport is sending a clear signal throughout the Group with its campaign “Respekt für Vielfalt – Ich, Du, Wir” (“Respect for Diversity – I, You, We”). In October 2021, a contribution by Fraport apprentices – a film on the subject of “What would the airport be without diversity” – was awarded the Audience Award in the nationwide team competition for diversity in the workplace, “Diversity Challenge of the Diversity Charter”. This impressively shows that the airport cannot run without diversity, on both the customer and employee side. At the Group Airport in Lima, awareness-raising training on gender equality was carried out, and a prevention campaign against sexual harassment in the workplace was developed.

Fraport employs many workers from abroad who often have obtained language qualifications. The Fraport Group therefore uses language trainers and explains the safety regulations of the work areas with forms in easy language and with many illustrations, thus ensuring continuing language education.

The measures for strategic **succession planning** and the supervision of top management positions are carried out organizationally by the “HR Top Executives” central unit, which is assigned to the Executive Director of Retail and Real Estate. Executives are supervised at the third and fourth levels, and **talent management**, which is primarily concerned with developing potential executives, is assigned to the Executive Director of Labor Relations within the “Human Resources” central unit of Fraport AG.

Fraport AG has been pursuing its goal of increasing the **proportion of women in management positions** for many years (see also the “Control” and “Non-Financial Performance Indicators” chapters). The topic was taken up by the Human Resources Committee of the Supervisory Board last year and the measures were enhanced. In addition to systematic talent management and the Potential Assessment Center, the long-term measures include the Cross Mentoring Program, coaching measures within the context of the continuous development of female executives, and promoting a network of female executives. In addition, there is the option of working part-time. For job vacancies, suitable female candidates are also actively approached. The economic situation and the resulting Group-wide restructuring program in order to ensure economic sustainability have had a major impact on the projects and objectives in the current year under review and were among the reasons why the objective was not met. Furthermore, women with great potential will be closely supported in their further development through individually created development plans. New long-term targets for the ratio of women in management positions in the first and second levels below the Executive Board in Fraport AG and for the Fraport Group in Germany have been adopted (see also the “Control” and “Non-financial performance indicators” chapters).

Performance indicator – Employee satisfaction and the ratio of women in management positions in Fraport AG and for the Fraport Group in Germany (see also the “Control" and “Non-financial performance indicators” chapters).

Occupational health and safety

Objective – Preventive measures in occupational health and safety in the Fraport Group focus on preserving and strengthening the health, performance, motivation, and thus productivity of employees in the long term. Fraport has therefore set the goal of continuously reducing the number of accidents at work and stabilizing the sickness rate in Germany in the medium term and reducing it in the long term.

Concepts, measures, and results – The key principles for Fraport AG and the Group companies can be found in the **Group "Occupational Health and Safety" policy**. Drawing on the requirements of ISO 45001, the Group policy ensures accountability. The defined guidelines are to be implemented independently by the Managing Directors and supplemented by company-specific rules in internal regulations. This requirement is valid effective immediately for Fraport AG and German Group companies. Taking into account the national laws, the regulation is also an option for desired action for the international Group companies.

In accordance with the Occupational Health and Safety Act, Fraport AG has implemented an occupational safety unit and an occupational health services unit under the Executive Director of Labor Relations, which advises and supports corporate departments in the further development of occupational safety. Measures to promote occupational health are controlled by occupational health management. The **Occupational Safety Board** (OSB) represents the Executive Board's efforts for the effective and efficient organization of preventive health and safety for the Fraport Group worldwide. The cooperation and the exchange of experiences is organized in the **Occupational Health and Safety Management System Board (OH&S-MS)**, which has a Group-wide meeting once a year. Group-wide tasks are promoted together in order to work efficiently and conserve resources. In addition, there is a steering committee for Fraport health management, where Group and sector-related health measures are discussed, and decisions are made.

The effects of coronavirus were once again omnipresent in the 2021 fiscal year, both in private and professional settings. Fraport continued to react to this at its international Group airports as well as at the Frankfurt site and was able to evaluate and implement the most diverse regulatory requirements for safe operations in a timely manner. Extensive sanitation measures were implemented, and employees were called upon to adhere to the hygiene guidelines. Many employees still work out of their home office to help to disrupt the infection chains. In addition, all Group companies developed a detailed communication package on the topic of the coronavirus pandemic in order to inform employees and answer their questions.

At the Frankfurt site, the Fraport AG occupational health services unit continued to organize an infection chain tracking measure as part of the planned measures to tackle the pandemic, similar to the work of the public health authorities. In the event of suspected cases or regarding contact tracing and health questions on the subject of SARS-CoV-2/Covid-19, the occupational health services unit was available to help and provide information.

With the rolling updates of SARS-CoV-2 work protection regulations, the German Federal Ministry of Labor and Social Affairs (BMAS) specified the necessary measures for occupational infection protection. In order to further facilitate implementation during operations, the occupational safety and occupational health services units continued to develop an aid for the organization of operations during the coronavirus pandemic. This provides managers and employees with concrete recommendations and protective measures to make everyday work safer, and it includes advice on the correct ventilation of meeting rooms and office spaces or on correct conduct when using company vehicles.

Vaccinations against SARS-CoV-2 as an important measure to contain the pandemic were also carried out by the medical services and occupational health services of Fraport AG. Initially, vaccinations were offered as part of the hospital care at the Medical Center from April 2021. In order to drive up vaccinations, Fraport set up two vaccination centers, which were operated by the medical services and occupational health services of Fraport AG. Company doctors of Fraport AG were involved in the vaccination campaign from June 2021 in line with the regulations. Even after the vaccination centers were closed, a continuous supply of vaccines was maintained at the Medical Center. In addition, all Group employees were continually offered free self-tests in accordance with the regulations. The **"Coronavirus Pandemic Protection Measures" instructions** for all employees have been regularly updated and provide an overview of current recommendations. Due to the coronavirus pandemic, many employees continued to work from home in 2021. In order to ensure secure and safe working practices for all employees from their homes, the Occupational Safety and Health Protection created a "SafetyCard". It provides an overview of precautions, important information, and emergency numbers for home office activities.

As many facilities such as gyms had to close due to the pandemic and many employees were working on short-time work schedules and increasingly working from home, Fraport Health Management expanded its **digital health services offering**. These included virtual offers in the area of psychological counseling, addiction counseling, virtual sports offers, numerous newsletters, and a virtual running event. In addition, the topic of occupational health management was added to the service portfolio, which is now being gradually structured and expanded.

Additional risk assessments have been continued for operational and administrative activities as well as for the handling of aircraft loaded and unloaded by hand (manually loaded flights). In cooperation with the occupational health services and occupational safety units, guidelines were issued defining how distance markers, protection shields or partition walls, and the mandatory protective masks are used.

It is important that a high level of occupational safety standards is maintained when handling dangerous goods, in Ground Services' operations, in maintenance, in internal transport and traffic, and during infrastructure construction activities. In addition to basic and recurring training programs focusing on various workplaces for all employees and executives, special driver safety training is offered to employees whose work involves driving. Targeted and temporary measures and projects are intended above all to raise employee awareness of safe conduct in operational sections. Due to the effects of the coronavirus pandemic, these measures were only advanced as needed.

Preventing accidents at work remains an issue of great importance in the Fraport Group. For the LTIF indicator, which is calculated based on the number of accidents at work (from the first day of absence) in relation to the hours worked (in millions), the objective is to reach a value of 22.5 by 2025. The Group LTIF increased to 22.06 in the reporting year 2021 (previous year: 14.45). The increase is mainly attributable to the higher traffic volume compared with 2020 and the associated reduction in short-time working rates.

Various programs and training courses on the subject of occupational safety were carried out at the international Group companies in order to inform employees about hygiene protection measures and procedures. Vaccination offers have also been made available at airports in Slovenia, Greece, Bulgaria, and Brazil.

Performance indicator – Sickness rate in the Group in Germany and in Fraport AG (see also the “Control” and “Non-financial performance indicators” chapters).

Social Matters

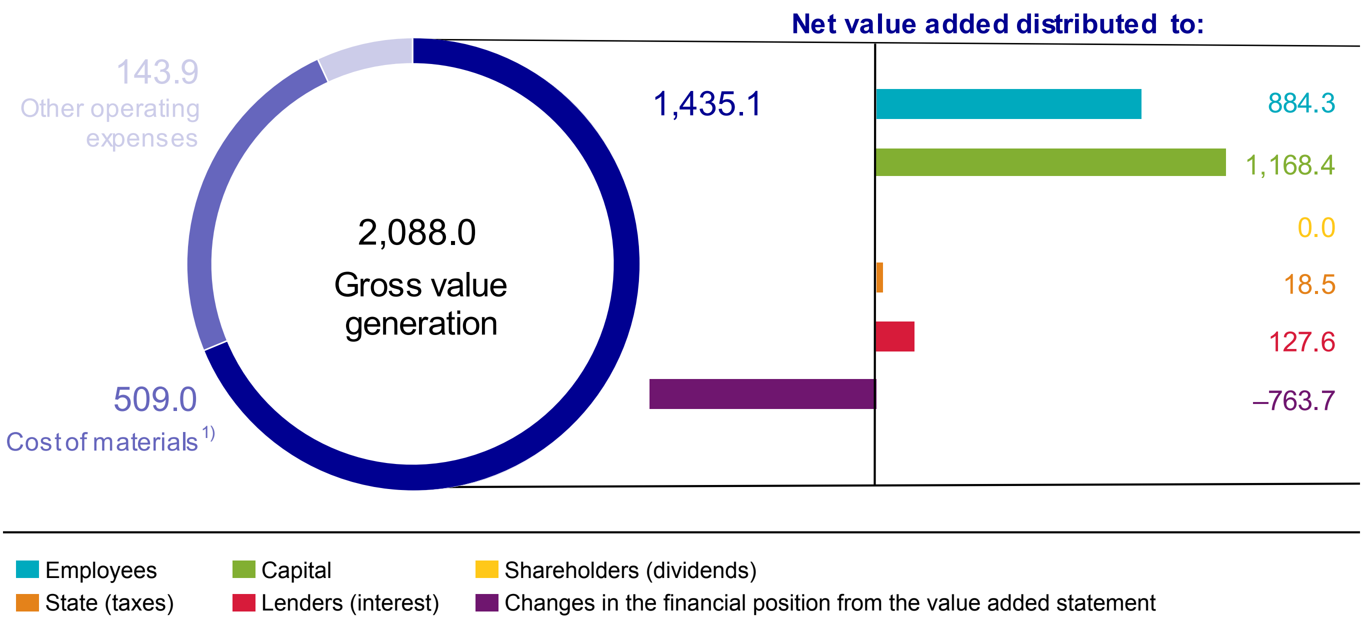
Frankfurt Airport is one of the largest local workplaces in Germany. Additional employment effects are also created in enterprises that are contracted by Fraport for the construction and modernization of airport infrastructures.

Engagement in the regions

Objective – The objective is to make a positive contribution to the economic and social development of the region and increase the corporate performance (gross value added) each year.

Corporate performance

€ million



1) Excluding capacitive capital expenditure (IFRIC 12) and leases (IFRS 16).

The Group's direct value creation includes expenses, among other things, for personnel, capital expenditure, taxes, interest, and dividend distribution to shareholders. Over the past fiscal year, corporate performance amounted to approximately €2.1 billion (+22.8%). The net value added amounted to around €1.4 billion in the year under review (previous year: approximately €1.1 billion). The Fraport Group's indirect value creation includes consumption by airport employees and companies located at each airport, which also have their own value chain and employment effects and thus directly and indirectly contribute to the positive economic development of their respective regions.

Concepts, measures, and results – For Fraport, social responsibility has been a corporate principle for many years. Fraport AG's funding concept for its community, cultural, and social engagement is "**Active for the region**". It primarily serves to boost clubs and support volunteer work in the region around Frankfurt Airport. All activities are combined into an independent department within the "Corporate Communications" central unit and assigned to the Chairman of the Executive Board.

The so-called "neighborhood framework" describes the geographical boundary for these support activities. The area is based on district and state borders taking into account the most important approach and takeoff routes. If these change, the neighborhood framework will also be modified – as was most recently the case when Runway Northwest was inaugurated in 2011.

Donation priorities include the promotion of social and charitable institutions, particularly those that encompass measures relating to education, social equality, health, and the integration of marginalized groups in society. Employees can also apply for donations as patrons of their clubs.

The effects of the coronavirus pandemic continued to force Fraport AG to reduce expenses that are not directly related to its core business. With the exception of existing contracts and previously approved financing, no financial support will be provided in the areas of **sponsorships and donations** until further notice. Sports sponsorship in the Rhine-Main region includes both recreational and professional sports. Well-known names that have concluded medium-term contracts with Fraport AG include the FRAPORT SKYLINERS and Eintracht Frankfurt. In the area of basketball, Fraport sponsors not only the German national division team but also gives donations to support the project “Basketball goes to school”.

In the areas of **culture and education**, Fraport is involved in longstanding partnerships with the Rheingau Music Festival and the Frankfurt cultural institutions Städel Museum, Schirn Kunsthalle, and Liebieghaus Sculpture Collection.

Fraport has financially supported the integration of young people and young adults into working life for over 22 years with the **ProRegion** Foundation. In addition to projects for the vocational and social integration of young people who have been forced to flee or migrate, other projects on professional orientation and competence assessment in general education schools continuously receive funding. Since the Foundation merely acts as a funding institution, it relies on close cooperation with proven institutions of youth vocational training. These include the Frankfurt-based Gesellschaft für Jugendbeschäftigung e.V., the Evangelische Verein für Jugendsozialarbeit, the KUBI Gesellschaft für Kultur und Bildung gGmbH, the Berufsbildungswerk Südhessen in Karben, and the "Pilot" unit of the Evangelische Kirchenkreis Hanau.

As one of the largest employers in Hesse, Fraport AG is also focused on helping young people integrate into the workplace with the **career preparation program** “Startklar” (“Ready for Takeoff”). The BIFF Community Initiative (vocational integration of refugees in Frankfurt Rhein-Main) ended in 2021. Around 50 percent of the participants have successfully completed the annual programs thus far and started vocational training.

Even at the sites of the international Group companies, regions close to the airport also benefit from the economic performance, the donations made, and sponsorship activities undertaken by each Group company independently. The focus of the donations and sponsorships is on the areas of child support, environmental protection, and sports. Due to the on-going coronavirus pandemic, a large part of the measures for the international group companies had to be postponed in 2021 until there is a strong recovery in traffic volume and thus the economic situation.

Performance indicator – No performance indicator, target value, or term has been defined within the scope of the Sustainability Program.

Noise abatement

Objective – With noise reduction and noise abatement measures, Fraport seeks to create a balance between mobility services at the airport and economic success on the one hand and the quality of life of the people who live close to the airport on the other. Fraport has the permanent task of keeping aircraft noise pollution as low as possible despite the increase in air traffic. In Frankfurt, the aim is to keep the aircraft noise pollution in the region clearly below the figure forecasted in the planning decision.

Noise abatement measures are implemented at the Group airports according to the national and local requirements on noise protection. The airports comply with the relevant national laws and have implemented corresponding monitoring systems.

Concepts, measures, and results – In order to minimize noise pollution, Fraport is constantly working towards measures that reduce aircraft noise pollution which go beyond the legal requirements.

The aircraft noise pollution in the area around the airport is continuously monitored. Permanent **aircraft noise monitoring** has been implemented at the Greek airports in Thessaloniki, Corfu, and Rhodes since 2021. In addition, in future, aircraft noise complaints will be submitted and dealt with directly via the corporate websites in Greece. In addition, a system for monitoring environmental noise was introduced at the Group airport in Lima. A committee has also been set up to combat aircraft noise, involving airlines as well as national and local government agencies.

Fraport AG collaborates with the region affected by aircraft noise, representatives of the state government, and other members of the aviation industry in two committees. The **Aircraft Noise Commission** (FLK) is a legally appointed body that advises the Hessian Ministry of Economics, Energy, Transport and Regional Development (HMWEVW), the German Air Traffic Control (Deutsche Flugsicherung, DFS), and the Federal Supervisory Office for Air Traffic Control on noise abatement measures due to flights and air pollution resulting from aircraft exhaust gases. Fraport AG regularly reports the evaluations of the aircraft noise measurements and the results of simulation calculations on aircraft noise pollution to the supervisory authority and the FLK and publishes its findings on its website www.fraport.com/en.

The **Airport and Region Forum** (FFR) is a body of the Hessian State Chancellery. The key task of the FFR is to foster dialog between the region and the aviation industry and to discuss the effects of air traffic, with a particular focus on the Rhine-Main region. The FFR includes the "Active Noise Abatement" expert group, which advises on measures to reduce aircraft noise.

The **Fraport Noise Monitoring "FRA.NoM"** shows currently measured noise levels at the stationary aircraft noise measurement points of Fraport AG and identifies recognized flight noise from the last three months. It also reports the approaches and takeoffs at Frankfurt Airport as well as their effect on the noise levels in real time. The information system for aircraft noise issues, **FRA.Map**, available online allows interested parties to find information for their location or place of residence on an interactive map. The system also displays the areas that are targeted by noise abatement measures or entitled to compensation payments.

As a general rule, a distinction is made between active and passive noise abatement.

Active noise abatement		**Passive noise abatement**
Reduces noise directly at the source		Reduces noise levels through structural adjustments in-side the building
Emission-based airport charges	Noise ceiling	Financing of noise abatement measures
Noise-reducing opera-ting concepts	Noise-reducing take-off and landing procedures	

Active noise abatement

Active noise abatement directly reduces noise at the source or by implementing **noise-reducing operating concepts and takeoff or landing procedures**. These measures include establishing a "Ground Based Augmentation System" (GBAS) navigation system, which enables a steeper angle of approach of 3.2 degrees for all runways. With the so-called noise abatement model in both off-peak periods at night, individual takeoff and landing runways are alternately not used, enabling the local nighttime six-hour quiet period to be increased by one hour.

Fraport AG charges noise-related charges for takeoffs and landings. According to the new schedule of charges, which will apply from January 1, 2022, the noise-related airport charges for loud aircraft will be further increased. The use of particularly modern, quieter aircraft will be rewarded more than before by adjustments to the Noise Rating Index (NRI). In addition, NRI discounts will be abolished for flights that take place at night between 11 p.m. and 5 a.m., in order to further reduce aircraft movements during this period. Fraport is thus providing further economic incentives for airlines to take off or land in Frankfurt using quieter aircraft.

The voluntary alliance for a noise emission ceiling created in 2017 helps to ensure that the noise exposure at Frankfurt Airport during the day does not increase as much as would be permitted under the zoning decision, despite growth in aircraft movements. The traffic volume and traffic structure of the zoning approval for the expansion result in noise contours with continuous sound levels of 55 dB(A) and 60 dB(A). These contours have been reduced by 1.8 dB(A) across the board. The total areas within the reduced contours define the noise emission ceiling. A flight movement quota applies at night: no more than 133 aircraft movements may be scheduled for each average night of the calendar year between 10 p.m. and 6 a.m. If the limit values are exceeded, Fraport AG and airlines must examine how they can further reduce the noise level, for example by using quieter aircraft. The calculations in the 2021 monitoring report for 2020 show that the levels once again did not exceed the noise emission ceiling in 2020. The values of the previous year are always checked.

As a **noise abatement measure** at the Group airport in Ljubljana, the local authority in charge of air traffic control introduced a ban on departures between 12:00 a.m. and 6:00 a.m. in the direction of the towns of Šenčur and Kranj.

Passive noise abatement

Passive noise abatement includes measures that reduce noise from the point of origin (emission site, e.g., aircraft) to the place of impact (place of immission, e.g., apartment). Passive noise abatement measures are intended to reduce the noise level inside buildings by way of structural improvements, such as installing sound-insulating windows. Around Frankfurt Airport, Fraport AG has legal obligations to finance noise abatement measures for around 86,000 households. A noise protection area defines which households are entitled to reimbursement by Fraport for noise abatement measures. The application deadline for the current noise protection program expired on October 12, 2021, and invoices can still be submitted until October 12, 2022, for measures requested by the first deadline.

In announcing the "Together for the Region – Alliance for Noise Abatement 2012" program in February 2012, the state government promised affected residents additional, more extensive support than previously provided in the vicinity of the airport by drawing on a regional fund. The Equalization of Burdens Act (Regionallastenausgleichsgesetz), with which the State of Hesse has made an additional €22.6 million available to local authorities particularly burdened by aircraft noise until 2021, has been in effect since January 1, 2018.

In the area of passive noise abatement, the Fraport Group held provisions in the amount of €39.2 million as at the balance sheet date of December 31, 2021 (see Group Notes, note 40, and Fraport AG's Notes, note 30).

Performance indicator – Compliance with the specified noise ceiling (the area under a Leq 55 dB(A) day (6 a.m. – 10 p.m.) should constantly remain below 22,193 ha).

Environmental Matters

Airport operations and air traffic have a major effect on the environment. Fraport is committed to fulfilling the environmental requirements associated with this effect.

It is particularly important to deal intensively with environmental concerns, especially when planning to expand facilities. The Group's growth targets must be pursued in line with environmental protection. The expansion activities at the Brazilian airports Fortaleza and Porto Alegre as well as at Lima Airport and in Frankfurt are subject to environmental requirements. For the financing of Terminal 3 at the Frankfurt site, the European Investment Bank (EIB) requires a project progress report every year that also includes all significant environmental aspects.

Fraport is committed to issuing a report each year on its environmental activities and performance (see also www.fraport.com/responsibility). To this end, the Group companies report to Fraport AG once a year on a comprehensive catalog of standardized environmental indicators and projects as well as associated improvements, and Fraport AG compiles the information on these indicators for reporting purposes (see also the ESG Factbook at www.fraport.com/publications and the Environmental Statement at www.fraport.com/environmentalmanagement).

Climate change mitigation

Objective – In order to measure the environmental impact, the Executive Board has identified CO_2 emissions as the most important indicator. The goal is to reduce this indicator on a Group-wide level to 120,000 metric tons per year by 2030; Fraport seeks to be carbon neutral by 2045 (see also the "Control" and "Non-financial performance indicators" chapters).

Concepts, measures, and results – CO_2 emissions of Fraport AG and the Fraport Group are measured and monitored by the department of Environmental Management within the "Corporate Development, Environment, and Sustainability" central unit. The Executive Board is informed twice a year on the development of Fraport AG and the Group issues as part of the Interim Report Q2/6M. In addition, the development of CO_2 emissions is reported to the Executive Board annually via detailed monitoring for each building at Fraport AG.

Fraport has used its own monitoring instrument, the **CO_2 and energy consumption monitoring system**, to present, analyze, and manage energy consumption at the Frankfurt site. It creates transparency about consumption and consumers, helps to improve energy efficiency and reduce energy costs. It also allows qualified statements to be made in a timely manner about the current CO_2 emissions at Fraport AG and allows any undesirable developments with respect to the strategic CO_2 targets to be detected at an early stage. The monthly energy consumption of buildings, plants, and equipment serves as the basis for the data. All energy sources, such as electricity, district cooling, district heating, gas, fuel for vehicles, and other fuels, are taken into account.

The "**Energiezirkel**", which is chaired by the Executive Director Controlling and Finance, meets twice a year and reports all decisions regarding the energy management of Fraport AG at Frankfurt Airport to the Executive Board. This is where the monitoring of the current long-term energy savings measures as well as a continuous examination for further possible measures are carried out in order to uncover levers to improve the energy efficiency of buildings, plants, and processes.

Fraport is gradually switching to **emission-free alternatives** for its vehicles on the apron. To this end, the airport operator put two electric buses for transporting passengers into operation in 2020 as part of a funding project from the State of Hesse and has since been testing the buses with regard to their suitability for everyday use. Since March 2021, the first large photovoltaic system at Frankfurt Airport has been supplying green electricity on a new air freight hall in CargoCity Süd. It generates approximately 1.5 million kilowatt hours of climate-neutral electricity per year. This would supply more than 450 households with four people with electricity for one year. Another photovoltaic system supplies the parking garage at Gateway Gardens, which was completed in July 2021, with energy. Since July 2021, Fraport AG has, for the first time, been purchasing shares of its electricity requirements at Frankfurt Airport from wind turbines as part of a Power Purchase Agreement (PPA). The electricity comes from 12 existing onshore wind farms along the German coast. In the second half of 2021, the amount of electricity supplied from the wind turbines amounted to approximately 24.7 gigawatt hours. The wind farms were all erected in the 1990s as part of the support provided by the German Renewable Energy Sources Act (EEG) and are now considered to be fully funded. In addition, Fraport and EnBW have concluded a Corporate Power Purchase Agreement (CPPA) on the purchase of wind energy. The CPPA is designed for a term of 15 years from the beginning of the second half of 2026. This allows large parts of Frankfurt Airport’s power supply to be switched to “green” electricity. Fraport also intends to continue to invest in wind and solar energy. The aim is to use renewable energies to meet our own electricity needs at the Frankfurt site as far as possible.

An important milestone in reducing CO_2 emissions was also reached at Lima Airport. In 2021, a contract was concluded to supply the terminal and the expansion project with renewable energy.

Proof of the successful CO_2 management is Fraport’s participation in the **Airport Carbon Accreditation** program of the ACI (Airports Council International). It has evolved into the global standard for CO_2 reporting and management at airports. Participation at level 2 (“reduction”) or higher requires proof of both a CO_2 reduction target, a CO_2 management program in accordance with international requirements, and annual emission reductions verified by external auditors. Frankfurt Airport reached level 3 (“optimization”) back in 2012. Ljubljana Airport reached level 2 in 2015 and is aiming for level 3+ (“neutrality”) in the medium term. In the past fiscal year, the Group airports in Varna and Burgas in Bulgaria increased to level 2. The Greek airports Kefalonia, Mytilini, Rhodes, Thessaloniki, Chania, and Samos as well as Lima Airport are still at level 1 (“mapping”). The airport in Antalya is already at level 3+ (“neutrality”). The other Group airports have yet to participate; however, they are obligated to have their CO_2 footprint assessed by way of an external audit.

Performance indicator – CO_2 emissions in the Group and Fraport AG (see also the “Control” and “Non-financial performance indicators” chapters).

Protection of environment and nature

Objective – Fraport's environmental policy obliges all Group companies to make use of natural resources and the environment in a sustainable, conserving, and preventive manner. This goal is systematically implemented through environmental management. Based on their business activities, Fraport AG and the fully consolidated Group companies have defined the objective of introducing and implementing such an environmental management system that is classified as "fundamentally environmentally relevant" according to the relevant ISO Standard 14001 and the European EMAS Regulation. The "Eco Management and Audit Scheme" (EMAS) is an environmental management and audit scheme developed by the European Union, which companies can implement voluntarily. This audit is carried out by state-authorized environmental experts. EMAS is considered to be the world's most demanding environmental management system. Fraport AG has been validated by EMAS for over 20 years.

Concepts, measures, and results – **Environmental management systems** serve to systematically organize, manage, and monitor corporate environmental protection within the company. The environmental management systems cover all environmental factors relevant to the company such as energy consumption, CO_2 emissions, air pollutant emissions, effects of business activities on nature and biodiversity, water consumption, and waste. The Coordinator for the Environmental Management System at Fraport AG reports to the Chairman of the Executive Board in management reviews. Fraport AG's employees' many years of experience in environmental management benefit all Group companies, for example in the form of technical support, including on site. Companies that join the Fraport Group and do not yet have an environmental management system are obliged to introduce such a system in the course of the acquisition. At the end of the past fiscal year, 80.9% of fully consolidated, environmentally relevant Group companies, weighted according to revenue, had such a system certified according to ISO 14001 or EMAS.

Wherever possible, Fraport AG extends the **green areas** at the Frankfurt site. Fraport AG will upgrade some 2300 hectares of land in the immediate and wider vicinity of the airport from a nature conservation perspective to fulfill a legal requirement under the zoning decision for the airport expansion: deciduous forests, orchards, marshes, and nutrient-poor grassland. Measures to counterbalance the Expansion South project, in particular Terminal 3, are already included in this extensive package of measures.

The implementation and evaluation of the measures are subject to continuous monitoring. For **ecological compensation measures**, Fraport Group held provisions in the amount of €13.9 million as at the balance sheet date of December 31, 2021 (see Group Notes, note 40, and Fraport AG's Notes, note 29).

Promoting biological aviation safety is the responsibility of **Wildlife Hazard Management**. Wildlife Hazard Management at the international Group airports is implemented according to international regulations as well as, where appropriate, based on more rigorous national and local targets. Corresponding monitoring systems are implemented. Wildlife Hazard Management at Group airports is concerned, among other things, with the monitoring of birds in order to ensure safe operations. In addition to biotope design and standardized animal observations at and around the airport, this also includes aversive conditioning through acoustic and visual stimuli. Maintaining the green spaces is a prerequisite for reducing the number of potential animals on the airport grounds which are relevant to air traffic safety. This is also ensured by Wildlife Hazard Management.

Performance indicator – Proportion of fully consolidated, environmentally relevant Group companies with certified environmental management systems (EMAS or ISO 14001), weighted according to revenue.

Air quality

Objective – There is no legal obligation for airports to monitor air quality. However, Fraport has set the objective of gaining a deeper understanding of the emission of air pollutants (emissions) by the airport and their effect on people and the environment (immissions). Air quality has been monitored at several sites at Frankfurt Airport since 2002. And it is also regularly monitored at some international airports.

Concepts, measures, and results – From an organizational standpoint, the "Noise and Air Quality" department of the Aviation strategic business unit is responsible for the topic of air quality at the Frankfurt site. In an annual report, it informs the Executive Board about the measured annual average and annual indicators of air pollutants on the airport grounds. Fraport AG regularly publishes the results of the measurements on its website in the **"Air quality annual report"**. The measurements show that the air quality on the airport site have remained unchanged at an urban level since the first time air pollutant limits were measured.

Fraport AG cooperates with the German Aviation Association (BDL) and the Airports Council International (ACI). In addition, there are collaborations with the Hessian Agency for Nature Conservation, Environment and Geology (HLNUG) and the Umwelt- und Nachbarschaftshaus in Kelsterbach to study so-called ultra-fine particulates (UFP). Unlike conventional, limit-controlled air pollutants, airports have proven to be a major source of UFP. There are no reliable statements yet on possible health effects. In order to gain further knowledge, the Forum Flughafen und Region (Forum Airport and Region) (FFR) has taken up the subject area in its work program at the request of the state government. A **"UFP" working group** has been set up at UNH, in which Fraport AG is also involved. The TROPOS consortium, consisting of the Leibniz Institute for Tropospheric Research, the Helmholtz-Zentrum Geesthacht, the Leibniz-Institut für umweltmedizinische Forschung and the Institute for Atmospheric and Environmental Sciences at Goethe University Frankfurt, is currently designing a UFP exposure study. The final study design will be submitted to the FFR for discussion and approval in the first quarter of 2022. Further steps to implement the exposure study will also follow in 2022. The results of this exposure study should form the basis for an impact study on possible health effects of UFP to be carried out at a later date.

The HLNUG published its "4. Bericht zur Untersuchung der regionalen Luftqualität auf ultrafeine Partikel im Bereich des Flughafens Frankfurt" in January 2022. As was already shown in the previous reports, Frankfurt Airport clearly contributes to the UFP burden in the surrounding area. At all measuring sites, the UFP concentration increases when the wind blows from the direction of the airport area during flight operations. Although the UFP concentration decreases exponentially the further away the measuring sites are from the airport, the airport's influence still visibly stands out from the baseline concentration. In addition, the analysis of measurements showed that the impact of motor vehicle traffic and air traffic emissions are approximately the same but differ greatly in the particle size distribution. The temporarily very low number of aircraft movements as a result of the coronavirus pandemic is now starting to increase at a steady rate, which is also leading to a higher concentration of UFP at the HLNUG measuring stations.

At the local level, there is an overlap of air pollutant concentrations related to the airport and those not attributed to the airport. The airport's impact on the air quality in the surrounding areas is largely limited to zones within a close proximity and to the nitrogen dioxide (NO_2) emissions component. Measurements and modeling suggest, however, that external influences, such as road traffic, also play a role in the air quality on airport grounds. Investigations by the HLNUG relating to the first lockdown (March 16, to April 30, 2020) show that reductions in ground-level nitrogen oxide and particulate matter concentrations in the Rhine-Main region are not due to reduced air traffic alone. In addition, the level of pollutant concentrations depends heavily on the weather.

To gain information on the proportion of the overall exposure in a region, computational models have been developed that include all the relevant sources of pollution and their emissions for a given zone. The **LASPORT program** takes into account various airport-related emission sources in the lower atmosphere, prepares spread computations, and illustrates the exposures. The Airport Association ADV (Association of German Airports) commissioned the program in 2002. The provider has since expanded the program in close collaboration with Fraport AG and other users.

Fraport is continuously working to record the air pollutant emissions of all relevant emitters through airport operations at the Frankfurt site on an annual basis in order to achieve a systematic inventory of air pollutant emissions. The selection of the pollutants to be observed depends on their relevance. They are especially important if they are regulated by a threshold value and are recognized in a noticeable amount at Frankfurt Airport. Drawing on an extensive database, potentials for reduction measures can be identified and control procedures can be developed. The data collected also serve as a basis for calculating the airport's proportion of immissions in the surrounding area.

As an airport operator, Fraport can only indirectly influence emissions from aircraft. In order to motivate airlines to use low-emission aircraft, Fraport collects airport charges on nitrogen oxides and hydrocarbon at the Frankfurt site. Airlines pay the **emissions-based fee** per kilogram of nitrogen oxide equivalent emitted during takeoff and landing ("landing and take-off cycle", LTO) by an aircraft. Charges are levied per landing and per takeoff. The necessary information on aircraft and engine types is determined by way of a recognized fleet database.

Aircraft turbines mainly emit carbon dioxide (about 7%) and water vapor (approximately 3%) in addition to mixed air (about 90%). The additional resulting pollutants of carbon monoxide, nitrogen oxides, sulfur dioxide, hydrocarbons, and soot account for less than one percent overall. The emission spectrum of aircraft turbines corresponds to that of road traffic. Fraport publishes the quantities of these pollutants emitted by the aircraft at the Frankfurt site in its annual environmental statement.

In addition to flight operations, air pollutants at airports also arise from the apron and vehicle traffic as well as the operation of heaters run on oil or gas. As a way of reducing pollutants, Fraport has gradually upgraded its fleet of vehicles at Frankfurt Airport to include low-emission and **electric motors**. Already 24% of Fraport vehicles in Ground Services at Frankfurt Airport have electric transmissions.

The international Group airports follow the respective requirements in their national laws. Air quality is also monitored at the Greek regional airports Thessaloniki, Corfu, and Rhodes. Since the permissible threshold values have not been exceeded, no measures are required to improve air quality.

Performance indicator – Fraport strives to extensively measure the air pollutant emissions by material sources. A key performance indicator in the strict sense is not defined in the air quality category.

Information on the EU Taxonomy Regulation

Background Information

As part of the European Green Deal to achieve climate neutrality in the European Union by 2050, the EU Taxonomy Regulation was adopted as a tool for classifying environmentally sustainable economic activities. The EU Taxonomy Regulation is a key element of the European Commission's action plan to redirect capital flows towards a more sustainable economy. The regulation provides a standardized assessment of predefined economic activities in terms of their contribution to the achievement of the European Commission's six environmental goals, with the aim of achieving better comparability between companies.

This section presents the share of Group revenue, capital expenditure (Capex) and operating expenditure (Opex) for the 2021 reporting period related to the first two environmental objectives of the European Commission (climate change mitigation and adaption) that are taxonomy-eligible in accordance with Article 8 of the Taxonomy Regulation and Article 10 (2) of the delegated acts.

Definitions

An economic activity is considered **taxonomy-eligible** if it is described in the delegated acts relating to the climate objectives (climate change mitigation and adaptation), regardless of whether that economic activity meets one or all of the technical screening criteria set out in the delegated acts. Onversely, all economic activities not described in the delegated acts are considered as taxonomy non-eligible.

A **taxonomy-aligned** economic activity means an economic activity that complies with the following requirements:

- The economic activity contributes significantly to one or more of the environmental objectives;
- It does not significantly affect any of the other environmental objectives;
- It is carried out in compliance with a minimum level of protection;
- It complies with the technical screening criteria set out in the delegated acts supplementing the EU Taxonomy Regulation.

Revenue KPI

The share of taxonomy-eligible economic activities in Group revenue was calculated as the portion of net revenue from products and services related to taxonomy-eligible economic activities (numerator) divided by net revenue (denominator; the denominator corresponds to the Group revenue; see also Group Notes, note 5 Revenue).

Fraport generates revenue from products and services associated with taxonomy-eligible economic activities in the area of renting. This corresponds to activity "7.7. Acquisition of and ownership of buildings".

Revenue from the renting of buildings is mainly reflected in the revenue in the Retail & Real Estate segment and the revenue in the International Activities & Services segment.

Capital expenditure (Capex) KPI

The Capex KPI, which indicates the proportion of taxonomy-eligible capital expenditure, is defined as the ratio of capital expenditure eligible under the EU Taxonomy Regulation (numerator) divided by the total capital expenditure (denominator).

Total capital expenditure includes additions to property, plant, and equipment and intangible assets during the fiscal year. This includes the additions to property, plant, and equipment (IAS 16), intangible assets (IAS 38), rights of use (IFRS 16), and investment property (IAS 40; see also section “Additions to non-current assets” and Group Notes, note 20 Property, plant, and equipment).

The numerator consists of the following categories of taxonomy-eligible capital expenditure:

- Capital expenditure relating to assets or processes associated with taxonomy-aligned economic activities (category A of Annex I to the delegated acts pursuant to Article 8)
- Capital expenditure relating to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions (category C of Annex I to the delegated acts pursuant to Article 8)

In addition to investments related to economic activity 7.7 Acquisition and ownership of buildings, the following economic activities were also identified:

- 6.14 Infrastructure for rail transport
- 7.1 Construction of new buildings
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.6 Installation, maintenance and repair of renewable energy technologies

In order to avoid double counting when calculating the Capex ratio, capital expenditure that has already been taken into account under category A will only be taken into account once.

Operating expenditure (Opex) KPI

To determine the ratio of operating expenses (Opex KPI), the taxonomy-eligible operating expenditure (numerator) according to the EU Taxonomy Regulation is set in relation to the operating expenditure (denominator).

The information on operating expenses in accordance with the EU Taxonomy Regulation includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditure relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Thus, the definition of operating expenses in accordance with the EU Taxonomy Regulation differs clearly from the definition of operating expenses used in the rest of the management report (see chapter “Glossary”). For example, no expenses for utility services, such as energy expenditure, are included in the definition according to the EU Taxonomy Regulation. The ratio for operating expenditure (denominator) was calculated in accordance with the EU Taxonomy Regulation based on the income statement and mainly includes maintenance expenses and other operating expenditure for rents and leasing. The taxonomy-eligible share in fiscal year 2021 results from maintenance expenses for the passenger transport system as well as maintenance expenses for rented buildings.

Taxonomy-eligible economic activities

The following shares were determined to be taxonomy-eligible for fiscal 2021:

Taxonomy-eligible economic activities

	KPI according to EU Taxonomy Regulation (denominator) in € million	Of which taxonomy-eligible in %	Of which non-taxonomy-eligible in %
Revenues	2,143.3	17.8	82.2
Capital expenditures	1,112.7	61.3	38.7
Operating expenses	78.8	30.2	69.8

Research and Development

In view of changing expectations on the part of customers and employees, even companies with established business models are being forced to continuously review their actions. To enable long-term success in this dynamic and highly volatile market environment, especially due to the coronavirus pandemic, Fraport strives to meet the various needs of customers and employees, as well as economic requirements, by continuously improving structures and processes.

Fraport AG does not conduct research and development in the narrowest sense. Nevertheless, it is always eager to ensure necessary developments are made on its own initiative and to integrate successfully proven solutions in the market in a timely manner. The focus therefore lies on continuously observing markets and technologies in order to identify promising developments at an early stage. Apart from exchanging information within Fraport’s network and participating in international forums with other airports, Fraport also maintains cross-sector dialog through its membership in the Plug and Play LLC network since 2020. This is represented by the Digital Factory, launched in 2021, which also ensures the overall coordination of Fraport AG’s digitization activities and thus tracks the development, scaling, and transfer of solutions throughout the Group.

Together with Frankfurt's biggest customer – Deutsche Lufthansa AG and the StarAlliance – the biometric passenger process was expanded further. Subject to prior registration, Lufthansa passengers can now benefit from contactless passage through boarding pass checkpoints to board aircraft at selected gate positions. The first pilot systems for biometric baggage check-in were also put into operation in 2021. In the future, border controls will also use biometric technology.

Besides tried-and-tested solutions, Fraport recognizes limited development costs from internally generated intangible assets. This mainly applies to software related to the operation of the baggage transfer system and the Ground Services’ handling processes at Frankfurt Airport, which is developed in the “Information and Telecommunication” service unit (see also note 4 and note 19 in the Notes to the Consolidated Financial Statements).

In the 2021 reporting year, 158 ideas were processed as part of the Group-wide idea management scheme (previous year: 227), and 16 ideas were implemented (previous year: 25). The ratio of ideas taken on board is thus almost unchanged at about 10% (previous year: 11%). The decline in the number of suggestions for improvement submitted is mainly attributed to the extensive short-time work schedules and reorganizations that have taken place as well as the headcount reductions in the Group.

Share and Investor Relations

Share performance 2021

The stock market in 2021 was also impacted by the coronavirus pandemic and its effects on the global economy. Investors focused on global rates of infections and the emergence of virus variants. Other areas of focus included the impact of the pandemic on global supply chains, oil prices, and monetary policy measures by the major central banks. Within the volatile market environment, the German leading index DAX ended the fiscal year at 15,885 points, a clear increase of 15.8% compared to year-end 2020. MDAX performance was also positive in 2021, closing the trading year up by 14.1% at 35,123 points. The overall positive performance was once again strongly influenced by differing individual stock performance. Some industries continued to benefit greatly from the coronavirus pandemic until the end of the year, whereas many companies were negatively affected. While the DAX and MDAX each recorded highs over the course of the year, the emergence of the Omicron virus variant in the final quarter dampened the overall positive performance.

Fraport shares recovered noticeably in the past fiscal year after significant price losses in the 2020 fiscal year, closing 19.9% up at €59.18. After moderate growth in the first quarter of 2021 (+5.0%), Fraport shares gained momentum in the second quarter and prices increased by 10.8% compared to the first quarter of 2021. The main reasons for the more dynamic growth in the second quarter were the lower number of infections in Europe and the associated lifting of travel warnings for tourism markets, especially on European short-haul routes. In connection with a rapid recovery of European tourism markets, the Fraport share price rose further to €60.12 in the third quarter - an increase of 4.6% compared to the closing price of the second quarter. Fraport shares peaked for the year at €68.30 in the fourth quarter after the reopening of the US market for European private and business travel on November 10, before the emergence of the Omicron virus variant caused a further setback for the share price toward the end of the year.

Fraport shares had a market capitalization of around €5.5 billion at the end of the year (previous year: €4.6 billion) and therefore, based on market capitalization, were the 25th largest stock among the 50 MDAX shares (previous year: ranked 38th out of 60 MDAX stocks). In terms of stock market turnover (XETRA), Fraport shares ranked 22nd among the MDAX stocks (previous year: 27th). With an average of 256,782 shares traded daily, the trading volume in 2021 was much lower than the previous – very volatile – year's volume of 398,143.

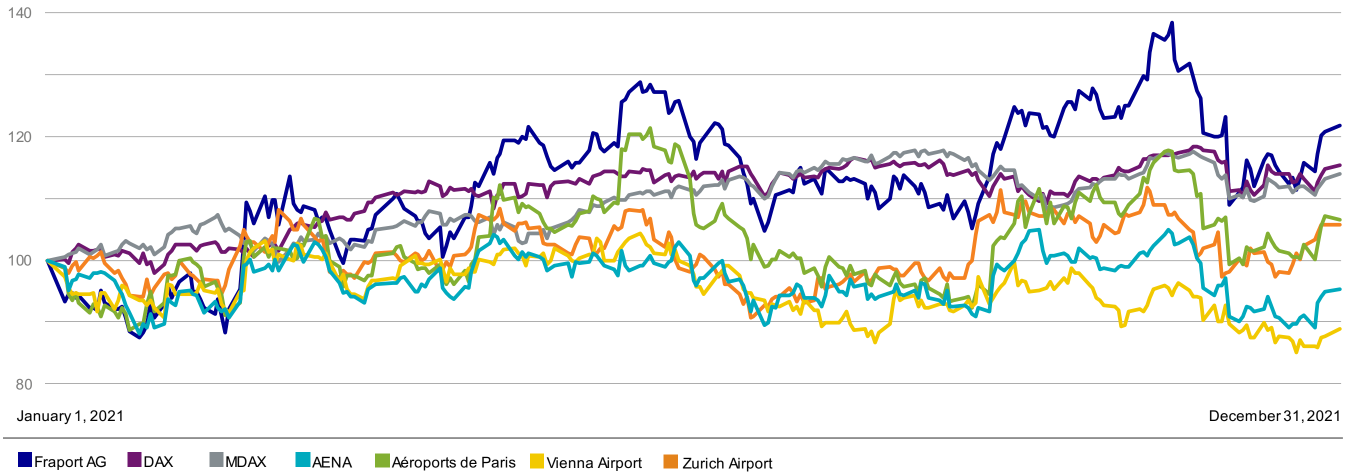
Fraport share

	2021	2020	2019	2018	2017	2016	2015	2014
Opening price in €	49.36	75.78	62.46	91.86	56.17	58.94	48.04	54.39
Closing price in €	59.18	49.36	75.78	62.46	91.86	56.17	58.94	48.04
Change in €	+9.82	–26.42	+13.32	–29.40	+35.69	–2.77	+10.90	–6.35
Change in %	+19.9	–34.9	+21.3	–32.0	+63.5	–4.7	+22.7	–11.7
Highest price in € (daily closing price)	68.30	75.50	78.68	96.94	91.86	58.94	62.30	57.77
Lowest price in € (daily closing price)	43.12	30.01	61.44	61.56	55.26	45.25	48.04	47.19
Average price in € (daily closing prices)	55.58	44.52	73.20	79.18	74.12	51.77	56.34	52.13
Average trading volume per day (number)	256,728	398,143	128,953	160,367	173,015	173,666	151,188	100,101
Market capitalization in € million (year-end closing price)	5,472	4,564	7,007	5,776	8,494	5,192	5,443	4,436

The shares of other stock-exchange listed European airports performed as follows in 2021:
AENA -3.3%, Aéroports de Paris +7.1%, Vienna Airport -11.9%, and Zurich Airport +5.1%.

2021 development of the Fraport share compared to the market and European competitors

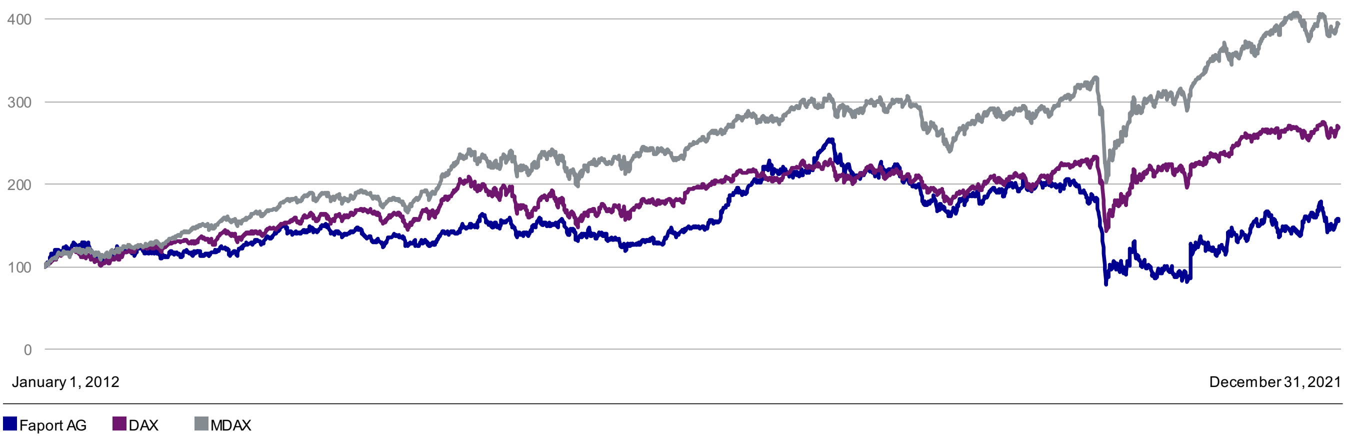
in % (index base 100)



Source: vwd Group / EQS Group AG

Last 10 years development of the Fraport share compared to DAX and MDAX

in % (index base 100)



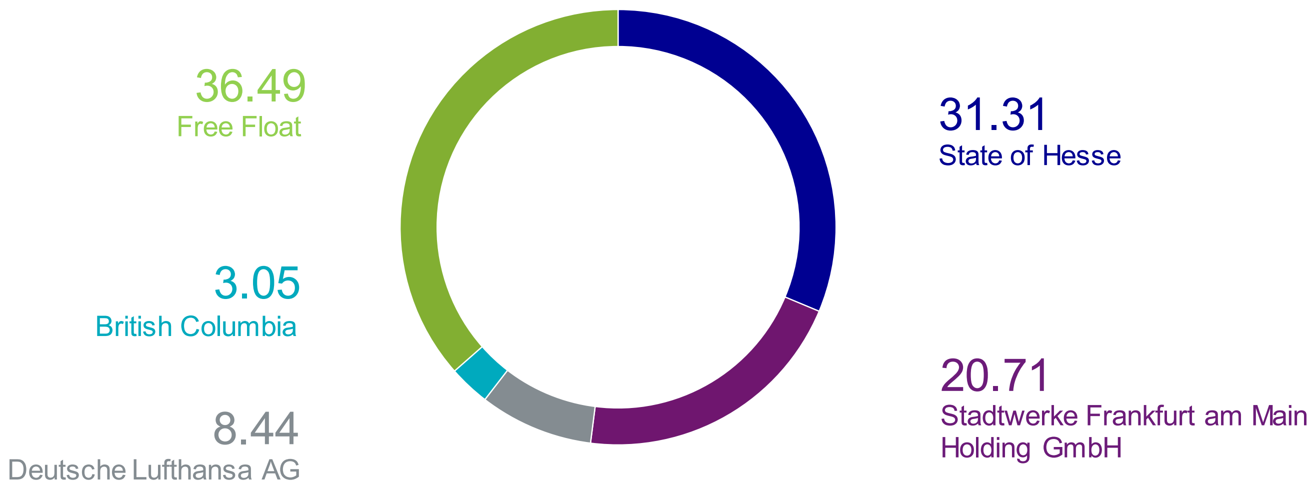
Source: vwd Group / EQS Group AG

Development in shareholder structure

There were no significant changes to the shareholder structure in the past fiscal year.

Shareholder structure as at December 31, 2021[1)]

in %



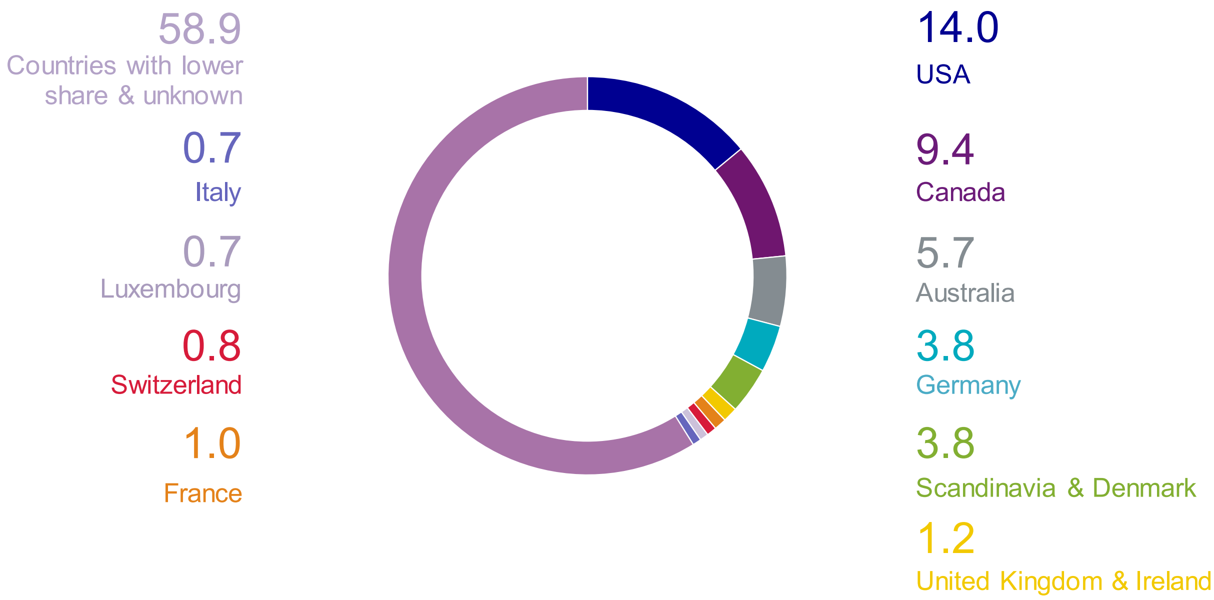
[1)] The relative ownership interests were adjusted to the current total number of shares as at December 31, 2021 and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosure. Shares below 3% are classified under "free float."

The majority of the approximately 92.5 million shares are held by German regional and local authorities (52.02%). The State of Hesse held 31.31% and the City of Frankfurt am Main 20.71%, which holds these voting rights indirectly via its subsidiary Stadtwerke Frankfurt am Main Holding GmbH. Deutsche Lufthansa AG held 8.44% or over 7.8 million no-par-value shares, making it the third largest individual shareholder of Fraport AG. The largest institutional investor – British Columbia Investment Management Corporation – held a stake of 3.05% as at December 31, 2021.

To the extent known, the Fraport shares in free float were spread across the following countries:

Allocation of free float[1)]

in %



[1)] Free float = total number of shares as at December 31, 2021 excluding shares held by the State of Hesse, Stadtwerke Frankfurt am Main Holding GmbH, Deutsche Lufthansa AG, and treasury shares. Shares held via several subsidiaries were not combined.
Source: Bloomberg

Dividend for the 2021 fiscal year (recommendation for the appropriation of profit)

In the context of the economic impact of the coronavirus pandemic on the Fraport Group, the Executive Board and the Supervisory Board, as in the previous year, plan to propose to the 2022 Annual General Meeting to forego payout of dividends for the 2021 fiscal year in favor of allocation to revenue reserves.

In the medium term, the Executive Board aims to reintroduce Fraport's previous dividend policy. The Executive Board aims to pay out approximately 40% to 60% of the profit attributable to shareholders of Fraport AG as dividends. In addition, the Executive Board also plans to reintroduce the second principle of the previous dividend policy – a dividend per share that is at least stable compared to the previous year.

Investor Relations (IR)

Timely, consistent, and transparent communication with investors and analysts is of the utmost importance for IR work at Fraport AG. The IR team maintains personal contact with existing and potential investors in the context of road shows, capital market conferences, and meetings at the company's headquarters at Frankfurt Airport. Over the past fiscal year, targeted individual and Group meetings again took place as well as presentations with the company's chief executive officer and chief financial officer. Due to contact and travel restrictions related to the coronavirus pandemic, however, they again practically all took place online. The central topic of discussions in 2021 was the impact of the pandemic on the company's liquidity situation as well as Fraport's financing and countermeasures. Passenger forecasts for the reporting year and the medium-term outlook for a return to pre-crisis levels were also of particular interest. The necessary increase in airport charges in Frankfurt to compensate for the negative effects of the coronavirus pandemic was also a formative part of the discussions, given the slump in traffic and the regulated business model. Investors on the capital market also inquired about the strategy in international business as well as possible expansions or reductions in the portfolio.

Throughout the year, the IR team was available by phone at +49 69 690-74840 or by email at investor.relations@fraport.de for direct dialog. The telephone conferences for analysts on the financial publications, the virtual AGM in May 2021, and the provision of up-to-date information on the IR website at www.meet-ir.com rounded off the range of IR services in the past fiscal year.

Annual General Meeting (AGM)

At the past virtual AGM on June 1, 2021, Fraport received a clear majority from its shareholders on all agenda items. Of the capital entitled to vote, 67,511,170 ordinary shares and the same number of voting rights (73.01% of capital) were represented. The detailed voting results as well as further information about the AGM are published on the company website at www.fraport.com/annualgeneralmeeting. The AGM for the 2021 fiscal year will be held on May 24, 2022, once again online.

Data relevant to the capital market

		2021	2020
Share capital Fraport AG[1]	€ million	924.7	924.7
Total number of shares as at December 31	Number	92,468,704	92,468,704
Number of floating shares as at December 31[2]	Number	92,391,339	92,391,339
Number of floating shares (weighted annual average)	Number	92,391,339	92,391,339
Absolute share of capital stock	per share, in €	10.00	10.00
Annual performance (including dividend)	in %	+19.9	–34.9
Beta relative to the MDAX		0.83	1.36
Earnings per share (basic)	in €	0.90	-7.12
Earnings per share (diluted)	in €	0.89	-7.09
Price-earnings ratio		65.8	-6.9
Dividend per share[3]	in €	0.00	0.00
Profit earmarked for distribution	€ million	0.00	0.00
Dividend yield as at December 31[3]	in %	–	–

ISIN	DE 000 577 330 3
Security identification number (WKN)	577 330
Reuters ticker code	FRAG.DE
Bloomberg ticker code	FRA GR
Selected indexes	MDAX, FTSE4Good Index, Deutschland Ethik 30 Aktienindex

[1] Including treasury shares.
[2] Total number of shares as at the balance sheet date, less treasury shares.
[3] Proposed dividend (2021).

Supplementary Management Report on the Separate Financial Statements of Fraport AG

The management report of Fraport AG and the Group management report are combined. The explanatory notes below are based on the annual financial statements of Fraport AG, drawn up in accordance with the German Commercial Code ("HGB") and the German Stock Corporation Act ("AktG"). This results in differences in accounting policies compared to the consolidated financial statements in accordance with IFRS, mainly related to provisions and non-current assets. The Notes to the 2021 annual financial statements are available on the Group's website at www.fraport.com/publications.

Economic development of Fraport AG

Results of operations

For the explanatory notes on changes in the results of operations, please refer to the presentation of the Aviation, Retail & Real Estate and Ground Handling segments, which essentially covers the business activities of Fraport AG (see "Results of operations by segment").

Compared to the previous year, **revenue** of Fraport AG increased by €185.7 million to €1,249.0 million. The positive development is attributable to the recovery in traffic and the agreement reached with the German Federal Police concerning aviation security services offset in recent years in the amount of €30.5 million. As in previous years, Fraport AG earned a major portion of its revenue (more than one third) in the past fiscal year through one customer at the Frankfurt site.

Other operating income was positively impacted, in particular, by the compensation of €159.8 million granted by the German Federal Government and the State of Hesse for the holding costs incurred in the first lockdown in 2020. **Total revenue** rose by €346.2 million to €1,471.2 million (+30.8%).

Personnel expenses decreased by €43.2 million to €509.6 million (-7.8%) compared to personnel expenses before special items in the previous year, due to the headcount reduction. Taking into account the expenses incurred in the previous year for the "Zukunft FRA – Relaunch 50" program in the amount of €294.7 million, personnel expenses decreased by €337.9 million (-39.9%) in the reporting period.

Non-staff costs (cost of materials and other operating expenses) decreased by €43.2 million to €625.5 million, driven by factors such as far lower expenditures for external services and personnel.

EBITDA of Fraport AG in the fiscal year amounted to €336.1 million (EBITDA before special items in the previous year: -€96.5 million). **Depreciation and amortization** decreased by €16.6 million to €315.3 million, mainly due to adjustments in the context of the useful life assessment, leading to EBIT of €20.8 million (in the previous year: -€723.1 million).

The main driver of the lower **financial result** of -€65.1 million (previous year: €2.3 million) was far lower income from Group investments including transfer of profit/loss (-€41.4 million). In addition, interest income increased by €15.1 million as a result of the settlement reached with the Federal Police in the amount of €17.5 million. This was offset by higher interest expenses (+€37.0 million) given the increase in financial liabilities.

EBT was -€44.3 million (previous year: -€720.8 million). Income tax relief of €120.8 million (previous year: €129.7 million) resulted, in particular, from the capitalization of deferred taxes based on deductible loss carryforwards. Correspondingly, the net income amounted to €76.5 million (previous year: -€591.1 million). After allocating €38.2 million to other revenue reserves, a profit of €38.3 million remains, which will be transferred to the other revenue reserves accordingly following resolution by the Annual General Meeting.

Asset and financial position

Asset and capital structure

Assets

€ million	December 31, 2021	December 31, 2020
Non-current assets	9,736.6	8,673.2
Current assets	2,539.1	1,758.3
Prepaid expenses and accrued income	39.9	39.0
Deferred tax assets	340.0	197.3
Assets arising from the overfunding of pension obligations	0.0	0.0
Total	**12,655.6**	**10,667.8**

Liabilities and equity

€ million	31.12.2021	31.12.2020
Shareholders' equity	2,964.4	2,887.9
Special items for investment grants in non-current assets	7.3	6.1
Provisions	484.2	691.3
Liabilities	9,153.9	7,048.2
Accrued income and accrued expenses	35.8	31.3
Deferred tax liabilities	10.0	3.0
Total	**12,655.6**	**10,667.8**

At the end of the 2021 fiscal year, the **total assets** of Fraport AG amounted to €12,655.6 million, up €1,987.8 million year on year (+18.6%). The increase in **non-current assets** (+€1,063.4 million) was due to the increase in property, plant, and equipment (+€509.3 million) – in particular in connection with construction measures as part of the Expansion South project at the Frankfurt site and the renewal of the existing infrastructure – and the increase in the portfolio of securities (+€506.8 million).

Current assets increased by €780.8 million, bringing them to €2,539.1 million, due in particular to higher cash and cash equivalents (+€781.4 million) on account of a bond issue and new borrowings to assure liquidity.

Shareholders' equity as at December 31, 2021 amounted to €2,964.4 million, and rose by €76.5 million as a result of the net income in the current fiscal year.

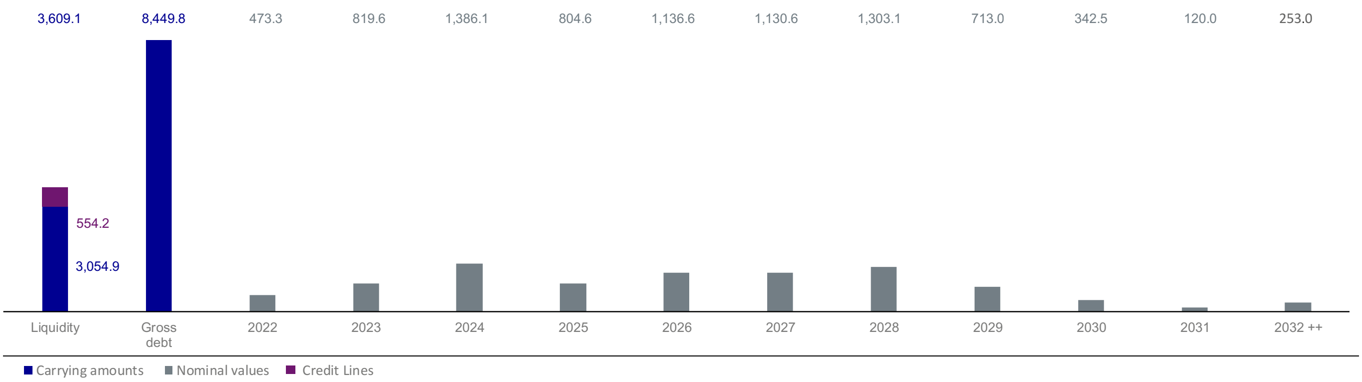
Liabilities increased strongly year on year by €2,105.7 million to €9,153.9 million, mainly due to the aforementioned financing measures to secure liquidity.

Liquidity was expanded enormously in the 2021 fiscal year, to €3,054.9 million as at December 31, 2021 (previous year €1,720.0 million). The extensive borrowing also caused a noticeably sharp uptick in **gross debt**, to €8,499.8 million (previous year: €6,420.0 million). This led to a significant increase of €744.8 million in **net financial debt** to €5,444.8 million (previous year: €4,700.0 million).

As at the 2021 balance sheet date, the financial debt maturity profile of Fraport AG exhibited the following repayment structure:

Maturity profile as at December 31, 2021

in € million



As at the balance sheet date, the financing mix was balanced, consisting of 50.9% bilateral loans, 30.8% promissory note loans, 14.8% bonds and 3.4% commercial papers. The floating rate portion of the gross debt of Fraport AG fell by nearly 7%, with the fixed portion coming to around 93%.

Statement of cash flows

Statement of cash flows

€ million	2021	2020	Change	Change in %
Cash and cash equivalents as at January 1	256.9	–192.9	449.8	–
Operating cash flow	122.3	–190.7	313.0	–
Cash flow used in investing activities excluding investments in cash deposits and securities	–821.3	–854.4	33.1	+3.9
Cash flow used in investing activities	–1,322.7	–1,629.0	306.3	+18.8
Cash flow from/used in financing activities	1,994.1	2,269.5	–275.4	–12.1
Cash and cash equivalents as at December 31	1,050.6	256.9	793.7	> 100

Due to the positive result in fiscal year 2021, which was influenced, among other things, by the non-recurring cash effects in connection with compensation received for holding costs incurred and the agreement reached with the German Federal Police to offset aviation security services in recent years as well as the severance payments in connection with the program “Zukunft FRA - Relaunch 50,” the **cash inflow from operating activities** (operating cash flow) was €122.3 million (previous year: cash outflow of €190.7 million).

At €821.3 million, **cash outflow used in investing activities excluding cash and financial investments** was below the previous year’s level (€854.4 million) due to lower cash flow used in expansion and expansion measures.

Taking into account capital expenditure on and revenue from cash deposits, securities investments and promissory note loans, as well as time deposits, the **cash flow used in investing activities** was €1,322.7 million (previous year: €1,629.0 million).

Cash flow from financing activities in the past fiscal year was €1,994.1 million (previous year: €2,269.5 million), in particular due to the bond issue and new non-current borrowings to secure liquidity.

This brought **cash and cash equivalents** to €1,050.6 million as at the 2021 fiscal year-end.

Events after the Balance Sheet Date

Subject to conditions precedent, FraSec Fraport Security Services GmbH will transfer 26% of the shares in FraSec Luftsicherheit GmbH to Dr. Sasse Group in a first step, effective January 1, 2022. In a second step, a further 25% will be transferred effective January 1, 2023. From that point on, Dr. Sasse Group will hold a majority stake of 51% in FraSec Luftsicherheit GmbH. Accordingly, the assets and liabilities of FraSec Luftsicherheit GmbH will be recorded separately in the statement of financial position as “Non-current assets held for sale” (€4.3 million) and “Liabilities in the context of non-current assets held for sale” (€8.1 million).

Due to the increasing escalation of the military conflict between Russia and Ukraine, the Executive Board of Fraport AG extended the supplementary reporting on March 14, 2022. On February 24, 2022, an invasion of Ukraine by Russian forces began. In response to this invasion, far-reaching European and international sanctions were and are being imposed against Russia, Russian companies, and Russian citizens. The consequences of the military conflict and the sanction measures already imposed are difficult to assess for the Fraport Group at the present time. They depend on the further development of the sanction measures in particular and possible Russian countersanctions. Negative effects on traffic patterns are possible, particularly at the international Group airports with a high proportion of Russian passengers. Against this background, the Executive Board has prepared an updated forecast as of March 14, 2022, which relates to adjustments, in particular, in the sections "Forecast business development 2022" and "Forecast earnings situation 2022". Beyond these adjustments, there are major uncertainties regarding the recoverability of financial assets in the low three-digit million range in connection with the investment in the St. Petersburg Airport operating company. This may have a noticeable negative impact on the development of the asset, financial, and earnings position of the Fraport Group.

No further significant events occurred after the balance sheet date for the Fraport Group.

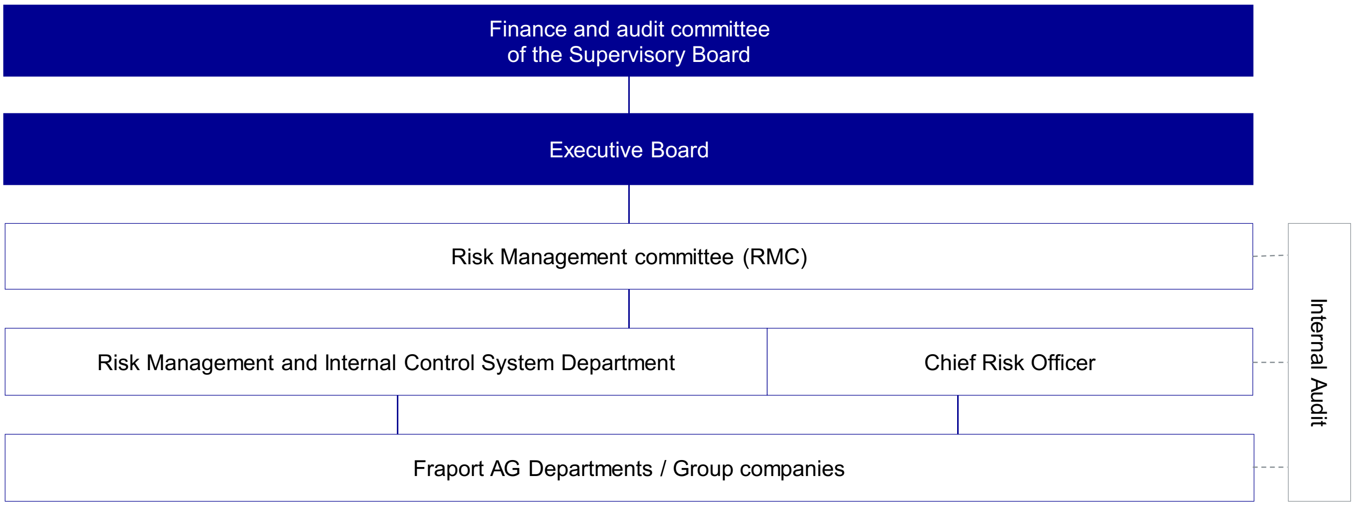
Risk and Opportunities Report

Risk strategy and objectives

Fraport aims to use consistent and comprehensive processes to ensure an early identification, a consistent assessment, the control, and monitoring of risks and opportunities, and a transparent communication around these with a systematic reporting. For this, all Fraport Group employees are required to participate actively in risk and opportunity management within the scope of their duties. Finding a proper balance between risks and opportunities begins in the strategic planning process and in the preparation of the long-term business plan. In general, Fraport strives to balance opportunities and risks, in order to increase added value for its stakeholders by analyzing and tapping new market opportunities and potential.

Organization of the risk management

Structure and responsibilities of the risk management system



The Fraport Executive Board bears overall responsibility for an effective risk management system that ensures a consistent and comprehensive risk management. In this context, by preparing the development plan, it has also approved the risk strategy and risk objectives for the Group. The Executive Board appoints the Chief Risk Officer and the members of the Risk Management Committee (RMC), approves the rules of procedure for the RMC and the risk management guidelines, and receives the quarterly reporting and ad hoc releases in the risk management system.

The RMC is the highest ranking committee in the risk management system and, following its meetings, releases the risk reports to the Executive Board on a quarterly basis. The Chief Risk Officer is the spokesperson for the RMC and reports directly to the Executive Board. The Risk Management and Internal Control System Department is responsible for the organization, maintenance, and further development of the Group-wide risk management and internal control system (ICS), as well as the regular updating and implementation of the risk management system and ICS guideline in the Fraport Group.

Risk and opportunity management is a key function of the respective business, service, and central units of Fraport AG and Group companies that are responsible for their business processes; this involves management of material risks and the use of appropriate measures to mitigate and reduce them to an acceptable level, as well as actively capitalizing on opportunities.

The internal monitoring systems are made up of process-integrated and process-independent monitoring measures. The central Group Internal Audit unit is integrated into the internal monitoring system of the Fraport Group with process-independent audit activities.

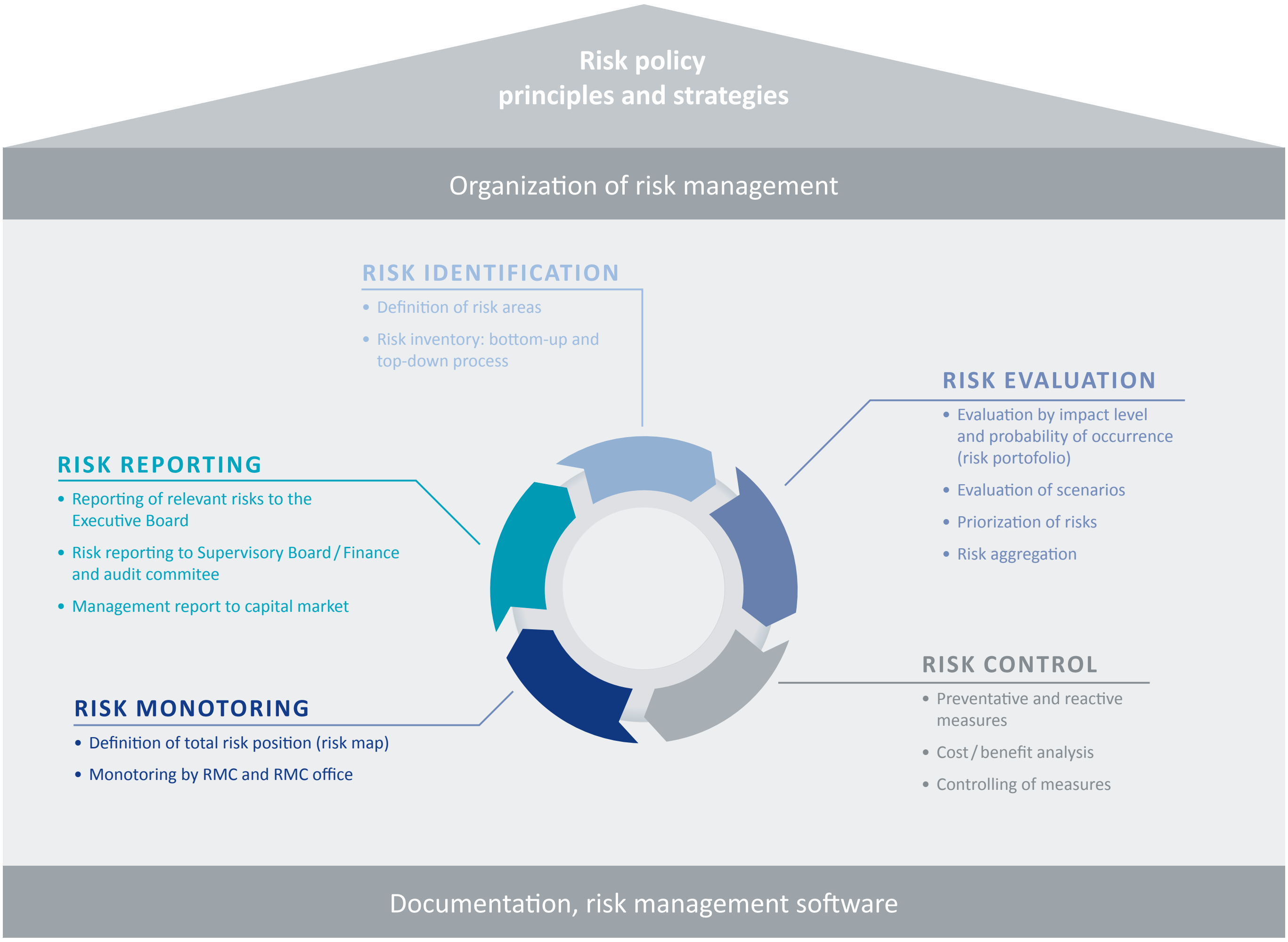
PricewaterhouseCoopers Wirtschaftsprüfungsgesellschaft GmbH (PwC) has examined the risk early warning system of Fraport AG during the audit of the annual financial statements for stock corporation law requirements. It fulfills all of the legal requirements that apply to such a system.

The Supervisory Board of Fraport AG is tasked with monitoring the effectiveness of the internal control and risk management system as per Section 107(3) of the AktG. The finance and audit committee (FAC) of the Supervisory Board handles this responsibility.

Risk transfer through the purchase of insurance policies is controlled by the Group company Airport Assekuranz Vermittlungs-GmbH.

The risk management system is documented in a guideline for Fraport AG and one for the Group companies to be involved, is closely linked to the central ICS, and is reflected in an integrated risk management software solution. It follows the “COSO II” (Committee of the Sponsoring Organizations of the Treadway Commission) framework and covers risks in the areas of strategy, day-to-day operations, finance, and compliance. The risk management system only covers risks.

Risk management process



Risk Identification

Fraport defines risks as future developments or events that could have a negative impact on the achievement of operational planning and strategic targets. Opportunities are regarded as future developments or events that can lead to a positive planning deviation or strategic target deviation. Operational business, service and central units of Fraport AG and the Group companies use various tools to identify risks, and the Risk Management & ICS Department, the RMC and the Executive Board identify risks top down. The risk identification methods used range from market and competition analysis, to the evaluation of customer surveys, information about suppliers and institutions, right through to monitoring risk indicators from the regulatory, economic, and political environment. The heads of Fraport AG units and the executives of the Group companies are responsible for the accuracy of the information from their units/companies that is processed in the risk management system. They are obligated to monitor and manage continuously risk areas and report all risks in their units and companies to the Risk Management & ICS Department on a quarterly basis. Central risk management can use the risk reports to identify risk trends in the Fraport Group. Outside of regular quarterly reporting, newly identified substantial risks must be reported immediately.

Risk Evaluation

Systematic risk evaluation determines the impact and probability of occurrence of the identified risks, and enables an estimate of the extent to which individual risks could jeopardize the objectives and strategy of the Fraport Group, or of the risks that are most likely to pose an existential threat. Risk evaluation is always based on a rolling 24-month period. However, this does not mean that risk owners only analyze and evaluate the risks from a short-term perspective; possible infrastructural risks are in particular monitored in accordance with their long-term impact. The evaluation system divides the potential impact (= impact level) into four categories: “low”, “medium”, “high”, and “very high”. It then assesses the impact level based on how the risks affect the relevant detection variable (EBIT, financial result, or liquidity). Furthermore, qualitative factors (media reporting/attention, effect on stakeholders), which could be important for Fraport’s reputation and which also determine the risks, are also included in the analysis. The probability of occurrence for individual risks is also divided into four categories: “unlikely”, “possible”, “likely”, and “very likely”. The risk level (low, moderate, considerable and substantial) arises from the combination of impact level and probability of occurrence.

The risk evaluation is conservative, i.e. it reflects the worst-case scenario for Fraport. A distinction is made between a gross and a net risk. The gross risk is the worst-case (financial) impact before countermeasures. The net risk represents the expected residual (financial) impact after initiation or implementation of countermeasures. The risk assessment in this report only reflects the net risk.

In order to assess possible combination effects between individual risks, the Risk Management and Internal Control System department annually prepares a risk aggregation as part of the planning process. The impacts of the risks are aggregated by Monte Carlo simulation and applied to the balance sheet and income statement of Fraport AG in the planning horizon, taking into account of planning uncertainties. As a result from the risk-bearing capacity analysis the impacts on the financial performance indicators of Fraport AG are analyzed and reported to the Executive Board as part of the approval of the business plan.

Management of Risks

Risk owners are tasked with developing and implementing suitable measures to minimize and manage risks. In addition, general strategies must be developed to deal with the identified risks. These strategies include risk avoidance, risk reduction with a focus to minimizing the (financial) impact or the probability of occurrence, transfer of risk to a third party (for example, through the purchase of insurance policies), or risk acceptance. The decision regarding the implementation of the relevant strategy and/or measures also considers the costs in relation to the effectiveness of potential countermeasures. Here, the Risk Management and Internal Control System department works closely with the risk owners in order to monitor the progress of countermeasures and to evaluate their effectiveness from a Group perspective.

Risk monitoring and reporting

Integrated risk management is intended to ensure a transparent picture of the risk situation for the Fraport Group. Risks are reported to the Executive Board when they are classified as “considerable” or “substantial” on the basis of their net risk according to systematic evaluation standards used Group-wide.

In the event of very significant changes to previously reported risks or newly identified “substantial” risks, reporting also takes place outside of the regular quarterly reporting as ad hoc reporting.

Twice a year, the Executive Board reports the considerable (amber) and substantial (red) risks, including any changes in these, to the Finance and Audit Committee of the Supervisory Board. The figure below shows the recipients of the risk reporting, according to the net risk.

Reporting matrix

Probability of occurance				
very likely >80%	low	considerable	substantial	substantial
likely >50-80%	low	moderate	substantial	substantial
possible >20-50%	low	moderate	considerable	substantial
unlikely ≤ 20%	low	low	moderate	considerable
Impact level	**low** ≤ 6m €	**medium** > 6m-20m €	**high** > 20m-40m €	**very high** > 40m €

Legend:

RM office | RM office, RMC | RM office, RMC, Executive Board, Finance and audit committee | RM office, RMC, Executive Board, Finance and audit committee, Risk and Opportunities Report

This process ensures the early detection of risks that could jeopardize the Fraport Group as a going concern.

An integral component of Fraport's risk management system is also assessment financial risks, whereby the presentation of financial instruments overall and, in particular, hedging transactions in accounting is monitored and controlled. This process is described in the financial risks section ("Risk report" in accordance with section 289 (2) no. 1 HGB and section 315 (2) no. 1 HGB). At Fraport, this process represents a subsection of the accounting-related internal control system.

Organization of opportunity management

The opportunity management system of the Fraport Group is intended to identify and evaluate opportunities at the earliest possible stage and to initiate appropriate measures to capitalize on them and ensure their commercial success. This includes the assessment of opportunities from existing business, as well as from new business fields.

The business, service and central units responsible for their business processes and the Group companies identify opportunities throughout the year as part of the operational management of the company and as part of the annually revolving planning process. This involves the regular review of opportunities as part of risk reporting by the Risk Management and Internal Control System Department.

While short-term earnings monitoring focuses on opportunities that mainly pertain to the current fiscal year, the planning process focuses on opportunities that are of strategic importance for the Group. In the planning process, Fraport assesses market and competitive analyses, as well as environmental scenarios, and deals with the orientation of the product and service portfolio, the cost drivers, and the critical success factors of the industry. Furthermore, Fraport monitors the identifiable trends among competitors and customers – such as airlines, passengers, and tenants – as well as in businesses outside of the industry which have an impact on air traffic in general and airport operations in particular. Fraport aims to further develop and expand the value-creating business fields that are already part of its operations. Moreover, Fraport is investing in business fields and business ideas in which the company can build sufficient competencies in order to create value over the long term.

In addition to opportunity management by the business, service and central units of Fraport AG and the Group companies, Fraport also draws on the expertise of the entire workforce. With a variety of instruments, Fraport aims to identify opportunities developed by employees. Aside from the traditional Group idea management, this includes the “Digital Factory” and membership in the Plug and Play LLC network (see also the “Research and Development” chapter).

Business risks and opportunities

The following section explains the risks and opportunities that could have a substantial impact on the business operations or the asset, financial, and earnings position and/or reputation of Fraport, as well as effects on its stakeholders. Unless indicated otherwise, the risks and opportunities described pertain to all segments to varying degrees (Aviation, Retail & Real Estate, Ground Handling, and International Activities & Services). Selected, non-substantial risks are indicated on a voluntary basis in order to provide a comprehensive view of the risk situation.

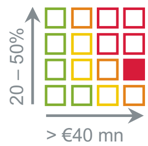
Fraport AG is the parent company of the Fraport Group and comprises all of the described segments. Therefore, it is also directly or indirectly, subject to the risks and opportunities described.

The following table describes the substantial and other selected individual risks and opportunities:

Business risks and opportunities

Strategic risks and opportunities

Further development of the COVID-19 pandemic

Risks	Measures	Trend →
• The further development of traffic in Frankfurt and the Group’s airports depends, among other things, on local infection rates, the political response to the pandemic, and, as a result, the extent of international and domestic travel restrictions and when they are lifted. Moreover, it also depends on the continued progress of vaccinations of the population in the markets relevant to Fraport, to curb the spread of COVID-19. • A potential lack of vaccine effectiveness, particularly for future virus variants, could lead to ongoing travel restrictions and a delayed recovery in demand. Moreover, a lack of internationally reliable health and travel rules may also delay a recovery in air traffic. • The future development of the COVID-19 pandemic is currently difficult to predict. Due to continued uncertainty among passengers, changes in travel behavior at the expense of air travel are still possible. • Cost-cutting measures by many companies and the increased use of digital media will continue to lead to restrictive travel policies for business travel and, as a result, fewer business trips. Thus, the various points of uncertainty pose a risk that the recovery in traffic volumes will be slower than expected.	• Coordination with health authorities and airport associations • Close cooperation with airlines and authorities to coordinate the resumption of international air travel • Comprehensive health and hygiene measures at all sites • Strategic program “Zukunft FRA – Relaunch 50” to reduce operational costs • Strengthening the international travel chain • Implementation of emergency collective restructuring agreement	**Risk Evaluation:** substantial 

Opportunities

- All sites have implemented comprehensive programs of measures to guarantee and resume safe airport operation in times of the COVID-19 pandemic. In this way, Fraport is creating confidence in safe passenger travel, which will ensure a recovery of passenger numbers.
- Quick progress in vaccinations and/or an earlier mutation of the virus to a less dangerous variant could lead to an expedited containment of the pandemic and thus a faster recovery in demand.
- Global air traffic could recover faster than expected if appropriate internationally harmonized testing strategies and vaccinations are offered and, as a consequence, travel restrictions are lifted.
- A timely opening of the Far Eastern market could ensure a further, accelerated recovery in traffic and a return to intercontinental transfer flows.
- Catch-up effects could prompt a recovery in tourist travel demand sooner than expected for trips that have been postponed so far.
- Frankfurt Airport can benefit from a concentration of air traffic at the major hubs compared to other airports due to its hub function and good connections to the rail and road network.

Macroeconomic risks and opportunities

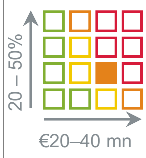
- The COVID-19 pandemic caused an increase in global public debt and the threat of prolonged inflation. This may drive up bankruptcies, unemployment, increases in taxes and other duties, and drive down real incomes and wealth, with an adverse impact on the global economy, and with it the demand for both business and leisure travel, over the coming years.
- Economic growth is still expected in the Euro area. However, the ongoing disruption of supply chains and the supply of production materials is likely to hamper production, exports, and thus economic development in Germany in 2022 as well.
- Even after the COVID-19 pandemic, global trade could face a structural shift toward national protectionism, which would affect Germany's export-oriented economy.
- Growth could be dampened by the weakening of the EU as a result of diverging interests among the member states and the actions they take.
- Further macroeconomic risks in China, the United States, the Middle East, Russia, and in various emerging countries could dampen the development of the global economy. In particular, the geopolitical conflict between Russia and Ukraine could have an impact on the global economy. This would have repercussions on Germany's export-oriented economy and the airline industry.

Measures

- Strong geographic diversification and focus on various passenger groups at the Group airports to reduce individual macroeconomic risks.
- Geopolitical risks, restrictive political interventions, and saturation tendencies in air traffic demand in Western countries can be balanced out from regionally different growth potential among the Group airports.

Trend ➔

Risk Evaluation: considerable



Opportunities

- According to economic research institutes, a far-reaching recovery from the COVID-19 pandemic could already lead to a robust recovery in economic growth in 2022. Demand in international air traffic could increase more strongly if the supply chain problems and material bottlenecks can be resolved in 2022 and the global economic recovery gains momentum, thus keeping unemployment low. Growth in the economic areas of the USA, the Far East, and Europe can have positive effects for hub operations in Frankfurt in particular.
- A weak Euro could make European goods cheaper internationally and thus provide a positive impulse for the export economy, from which Frankfurt Airport could particularly benefit as a hub.

Market, competitive and regulatory risks and opportunities

In addition to demand and the attractiveness in its domestic market, the local competitive situation and attractive infrastructure, the success of an international airport depends on its airline customer structure and the associated global and dense route network, the fleet structure, and the fares offered by the airlines.

Risks

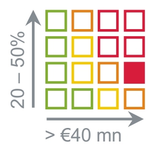
- Once the COVID-19 pandemic has been overcome, competitive pressure could increase noticeably for Frankfurt Airport, as sufficient airport capacities could also be available at competing airports, and competition for demand for air travel via charges and incentives could become fiercer.
- Decisions on fleet locations, modified routes and fleet developments, as well as changing customer preferences for source and destination markets when choosing means of transport, airlines and airports can have a detrimental effect on Fraport.
- The creation of new or further development of existing hub systems in the Middle East and the new Istanbul Airport, will increase supply, potentially resulting in a shift in global transfer passenger flows after a recovery in air travel.
- The tight financial situation of the airlines as a result of the COVID-19 pandemic and their overcapacities in the recovery phase are likely to lead to further insolvencies and thus to market consolidations. A potential wave of bankruptcies could also affect tour operators and travel agencies. The resulting drop in supply could further weigh on the passenger forecast.
- The necessary repayment of government aid to airlines and tour operators could lead to an increase in ticket or package holiday prices and thus dampen demand.
- Political and regulatory decisions at the regional, national and European levels will continue to affect the aviation sector. Climate protection and noise reduction requirements and associated taxes and charges could drive up the cost of air travel, and typically involve unilateral action on the market and on competition in international air traffic. These measures include the EU emissions trading system (ETS), German civil aviation tax, a potential obligatory blending quota for sustainable aviation fuels, a possible kerosene tax, a potential minimum ticket price, possible CO_2 quotas for domestic flights or restrictions on the same, as well as noise pollution restrictions and night flight bans. Stronger targets under the European Union's Green Deal (Fit for 55) and the upcoming review of the Emission Trading Directive will place an increased burden on European sites compared to international sites. If the measures are not designed to be neutral in a competition context, there is a risk of structural competitive disadvantages for German and European air traffic with corresponding economic losses.
- Rising crude oil and thus also kerosene prices could result in higher airfares and an associated dip in air travel demand. If competition is intense, rising crude oil prices could pose financial difficulties for less solvent airlines, with a resulting drop in supply.
- The increased use of digital communication media in the wake of the COVID-19 pandemic could lead to a large, sustained decline in demand for business travel.

Measures

- Continuous market monitoring and analysis of early warning indicators to identify and address potential changes and trends in travel and cargo flows in a timely manner
- Balanced, demand-oriented expansion planning at Group airports in order to remain competitive in the long term
- Attractive sustainable and fair remuneration structure
- Strengthening cooperation with key customers at Group airports
- Strengthening cooperation with Deutsche Bahn to ensure an attractive intermodality offer at Frankfurt Airport
- Implementation of climate protection measures to achieve international sustainability goals
- Active participation in industry-related associations (e.g., ACI, ADV, BDL, ICAO)

Trend ➔

Risk Evaluation: substantial



- The current political discussion around reducing short-haul traffic could prompt a shift to alternative means of transport, which would hamper demand for flights. Passengers who cannot or do not want to use alternative means of transport could switch to using foreign airports and Frankfurt Airport would subsequently lose such customers.
- Discussions surrounding climate protection could produce a long-term shift in travel behavior and lead to more people deciding against air travel.
- Terror attacks and hot spots of unrest could affect demand for specific travel destinations.

Opportunities

- Previous development cycles in air traffic show that market turbulence generally only temporarily burdens the upward development of global air traffic. Long-term forecasts continue to assume growing demand in global air traffic.
- Market exits of airlines lead to a concentration of established airlines at the larger German airports, from which transfer traffic at Frankfurt Airport in particular can benefit.
- High-quality connections to the Deutsche Bahn rail network at Frankfurt Airport ensure demand from transfer traffic within Germany even if air traffic is shifted to rail.
- The Bahn 2030 concept, the new Rhine-Main–Mannheim line (from 2030) and the construction of a new railway tunnel under Frankfurt (from 2035) not only strengthen the competitiveness of rail, but also offer the possibility of additional connections to Frankfurt Airport and thus an expansion of its catchment area. In addition, improvements to the intermodal product such as end-to-end ticketing and baggage transport, allocation of flight numbers for trains and airport codes for stations, etc. could be achieved by 2035.
- Capacity increases at the Group airports are being implemented or have been completed, which will result in improved quality for airlines and greater passenger satisfaction and will enable the Group to benefit further from long-term growth in the air traffic market.
- A possible liberalization of air traffic rights can open up new markets for air traffic and expand existing markets.
- International harmonization of regulatory measures that so far have distorted competition, such as the German air traffic tax, would reduce such disadvantageous distortions.
- There is a chance that airlines will further expand their intercontinental fleet in Frankfurt due to the good existing connecting hub, thereby strengthening tourist traffic.
- Digitalization and innovations offer new opportunities to improve processes, raise efficiency, and increase customer satisfaction.

Drainage for the parallel runway system

Risk

In the event of evidence of deicing substances in the groundwater, the upper water authority could impose a requirement for a qualified drainage system for the parallel runway system at Frankfurt Airport and issue a corresponding water law order.

Measures

- Continuous groundwater monitoring and regular measurements to verify compliance with limit values
- Regular review of the deicing products and operational processes

Trend ➔

Risk Evaluation: substantial

Operating risks and opportunities

Risks and opportunities from capital expenditure projects

Capital expenditure on construction at Frankfurt Airport is divided into two separate programs: FRA-Nord for projects in existing infrastructure and Expansion South for projects to expand or create capacity. The Expansion South project is running stably within the schedule. Strained supply chains and limited material availability can be countered in part with a forward-looking procurement strategy.

Risk

Risks may arise from the following developments in particular:

- Increase in construction costs
- Supplier bankruptcies
- Scheduling delays
- External influences from the public, the environment, politics, technological changes, engineering practices, alternative engineering methods within the scope of building permits, or other requirements
- Restrictions due to the COVID-19 pandemic, such as the availability of resources
- Changes in requirements related to new market conditions after resolution of the COVID-19 pandemic

Measures

- Monitoring measures to enable timely countermeasures
- Active market development and consistent change management, to counter increases in costs

Trend ➔

Risk Evaluation: substantial

Opportunities

The following developments could have a favorable impact on capital expenditure projects:

- A construction price trend favorable to Fraport due to stronger competition on the procurement market
- Stable construction sector with fewer supplier bankruptcies
- Execution of construction work on existing infrastructure (FRA-Nord) during low passenger volumes without affecting operating processes at Frankfurt Airport
- Capacity expansion to ensure the ability to cope with the expected long-term growth of the air traffic market

Risks and opportunities from investments and projects (Segment International Activities and Services)

Risk

The following factors could cause a downward trend in foreign airport operator projects:

- Lack of growth and a potential decline in consumer behaviour
- Unforeseen official intervention in local tariff, tax and charges structure
- Environmental requirements and social conditions
- Country, market, and foreign exchange risks, which can lead to a significant impairment of the future earnings outlook or increase expenses, right up to a total loss of the investment.
- Economic sanctions as a measure of geopolitical conflicts with financial effects on participations
- In connection with the participation in the St. Petersburg Airport operating company, there are major uncertainties regarding the recoverability of financial assets in the low three-digit million range [1]

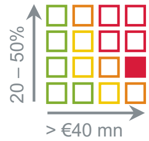
[1] adjusted retrospectively on 14 March 2022.

Measures

- Collaboration with experienced local partners
- Non- or limited-recourse project financing
- Investment protection insurances

Trend ➔

Risk Evaluation: substantial



Opportunities

- Fraport achieves growth in international business through the profitable development of existing sites and the acquisition of new investments and concessions. In this process, Fraport aims to contribute its expertise in the long term wherever growth and/or optimization potential with good business opportunities is seen.
- Implementation of infrastructure programs at multiple Group sites to boost capacity and quality of service.
- Group airports with a strong focus on tourist traffic could enjoy a recovery in traffic volumes sooner than expected once international travel restrictions are lifted.

For the expansion project at Jorge Chávez Airport in Lima, Peru, operated by Lima Airport Partners (LAP), the following risks which could have an very high impact in particular result from the size and complexity of the project:

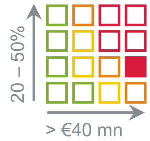
- Delays could arise when commissioning the air traffic control tower and the second runway due to the late provision of third-party services. This risk cannot be directly influenced by LAP, but could affect the capacity available at the airport.
- LAP has adjusted the expansion program (new construction of a smaller passenger terminal, parallel operation with the existing terminal) compared to the Airport Development Plan (construction of a larger midfield terminal and closure of the existing terminal), which has been in place since 2018. The Peruvian civil aviation authority DGAC objected to the adjustment of the Airport Development Plan in the second half of 2021. LAP has started, but not yet concluded, negotiations with the Ministry of Transport and the subordinate authorities (including the DGAC) in accordance with the provisions of the concession agreement.
- In parallel to the negotiations, the DGAC requested an official interpretation of the concession agreement by the Peruvian regulatory authority OSITRAN to determine whether a two-terminal concept is compatible with the agreement. In the event that OSITRAN comes to the conclusion that a two-terminal concept is in principle incompatible with the concession agreement, the implementation of the airport expansion would have to be re-evaluated and further legal steps would have to be examined.
- A single-terminal concept means that future expansion stages would have to be brought forward. Compared to current planning, this would lead to an increase in the volume of capital expenditure over the coming years – with a corresponding reduction in future capital expenditure on the remaining term of the concession. In order to cover any financing needs that may arise from this, the planning model of the initiated project financing would have to be revised and final negotiations with the lending banks would have to be conducted.
- In the event of non-compliance with contractual obligations (e.g., completion deadline or minimum technical requirements) governing the airport expansion, the concession agreement generally provides for contractual penalties based on the outstanding investment volume to rectify non-compliance with the deadline or the minimum technical standard. Due to the scope and complexity of the expansion program, there is a risk that fines will have to be paid to the Peruvian government in the future, depending on the progress of construction as well as any unpredictable circumstances.

Measures

- Project risk management system for expansion activities that have already begun (runway, tower)
- Monitoring measures to enable timely countermeasures
- Ongoing negotiations with the authorities to ensure the best possible protection for LAP
- Preparation of terminal planning and project financing
- Legal advice in the approval process

Trend ➔

Risk Evaluation: substantial

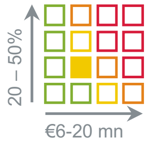


Personnel risks and opportunities

Risk
- Loss of expertise due to personnel management measures
- Retention of existing workforce despite the collective restructuring agreement and short-time work or comparable instruments at Group companies
- Changes in labor law that reduce flexibility in working hours
- Long training periods and cross-industry shortage of skilled workers reduce the chances of rapid recruitment in air traffic

Measures
- Reorganization of process flows within the scope of "Zukunft FRA – Relaunch 50"
- Centralized monitoring of personnel management measures
- Continuous dialog with Works Council and unions and external labor law consulting

Trend ➔
Risk Evaluation: moderate

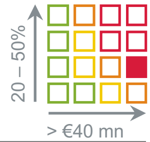


Opportunities
- Collective restructuring agreement without compulsory redundancies, to retain qualified employees even in times of the crisis
- Modern forms of collaboration and flatter governance structure in the context of measures for the strategic program: "Zukunft FRA – Relaunch 50"
- Group idea management in order to involve employees in identifying problems and finding solutions as a stepping stone to continuous product improvement for our customers

Additional provision ZVK
For the purpose of granting a company pension under the mandatory insurance scheme based on collective bargaining agreement, Fraport AG is a member of the Zusatzversorgungskasse Wiesbaden (ZVK). The current allocations and restructuring funds are used for the current pension payments (solidarity model). If the requirement for work performance declines, in addition to the demographic development, the number of employees for whom levies and restructuring charges are paid will fall. Thus, the funding shortfall will grow continuously in the company pension plan.

Measures
- Increased employer allocations and employee contributions to cover funding shortfalls in the company pension plan

Trend ➔
Risk Evaluation: substantial

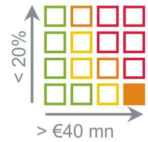


Risks of exceptional incidents

Risk
- Business interruptions due to exceptional local events such as terrorist attacks, accidents, fires, drone flights, technical malfunctions, or strikes
- Impact on national and international air traffic caused by natural disasters, extreme weather conditions, armed conflicts, and pandemics

Measures
- Creation and maintenance of a local central crisis team
- Local plans to maintain critical business and operating processes (business continuity, and emergency teams)
- Testing of drone detection technologies in collaboration with DFS Deutsche Flugsicherung GmbH and Munich Airport
- Property and business interruption insurance

Trend ➔
Risk Evaluation: considerable

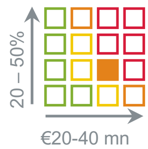


Cyber risks

Risk
- Serious business interruption due to a severe IT system failure or substantial loss of data as a result of cyberattacks, viruses or hacker attacks

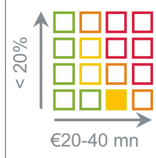
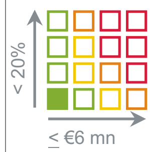
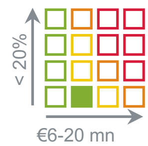
Measures
- Redundant implementation of relevant IT infrastructure
- Preventative IT security management to protect business-critical IT systems
- IT security policy and IT security guidelines
- Established emergency process with defined roles and competencies
- Interregional collaboration to develop uniform security standards for IT environments
- Regular verification of compliance with IT security requirements by means of internal audits, IT security management or external advisers

Trend ➔
Risk Evaluation: considerable



Financial risks and opportunities

"Risk report" in accordance with section 289 (2) no. 1 HGB und section 315 (2) no. 1 HGB

Interest rate risks • In particular from the capital requirements for capital expenditure and from existing floating interest rate financial liabilities and assets • Risk of a negative market value of the interest rate hedging instruments due to a decline in market interest rate, if interest rate derivatives are concluded to hedge interest rates where, in exceptional cases, the underlying transaction did not come about or has ceased to exist	**Measures** • Conclusion of fixed interest rate agreements for most financial debt	**Trend** ↑ **Risk Evaluation:** moderate 
Foreign currency risks • Planned revenue not covered by expenses in matching currencies	**Measures** • Ongoing sale of currencies not covered by matching currencies or conclusion of forward (exchange) transactions	**Trend** ↑ **Risk Evaluation:** moderate 
Credit risks • Primary and derivative financial instruments with a positive fair value and the risk that the counterparty cannot fulfill the obligations that are advantageous for Fraport • In addition to rated investments, investments in unrated bonds are possible in individual cases within strictly defined limits	**Measures** • Acquisition of financial assets and conclusion of derivatives only with issuers and counter-parties rated at least BBB– • Issuer ratings are regularly re-viewed to enable any necessary decisions on further dealings with the financial asset or derivative. • Investments in unrated bonds are continuously indicated in the reporting. • Upper limits are applied to credit rating changes where required.	**Trend** → **Risk Evaluation:** low 
Other price risks • The market valuation of financial assets is subject to market fluctuations that do not affect cash flow. • The market valuation of derivative financial instruments at fair value is subject to fluctuations.	**Measures** • Financial assets with a fixed term are assumed to be subject only to temporary market fluctuations that reverse automatically by the end of the product terms because the full nominal amount is repaid.	**Trend** → **Risk Evaluation:** low 
Other financial risks • Risks for the asset, financial, and earnings position of Fraport may arise from the current financial market situation and its effects on the overall economy, particularly on liquidity and other bank lending practices.	**Measures** • "Reserve financing" strategy to guarantee financing, such as for upcoming capital expenditure and repayments • The amount of funds from this strategic liquidity reserve is continuously monitored and replenished in the event of reduction	**Trend** → **Risk Evaluation:** considerable 

Opportunities
- Favorable exchange rate and interest rate developments may improve the Group's financial result. Accordingly, exchange rate effects from the conversion of results that are not denominated in Euros into the functional currency of the Group (the Euro) may have a positive impact on the financial result.
- Overall, Fraport expects to be able to take advantage of favorable developments in the financial markets.

Legal and compliance risks

Risk	Measures	Trend ➔
Changes in national and international laws and regulations, violations of laws and regulations with a negative financial impact: • Changes in aviation law, the German Federal Police Act, planning and environmental law, security-related regulations, general regulations under capital market law, antitrust law, data protection law, and labor law as well as any legal restrictions under sanctions. • Corruption, fraud, or financial manipulation • Antitrust violations • Changes to tax regulations, case law, and different interpretations of existing tax regulations with an adverse impact on the tax positions on the statement of financial position and the income statement	• Continuous analysis of legal changes for timely identification of and response to potential negative changes • Building and expansion of a Group-wide compliance organization • Further development of the centralized ICS • Group Guideline on the Compliance Management System • Code of Conduct for employees • Whistleblower system • Continuous monitoring of tax changes • Regular dialog with tax auditors	**Risk Evaluation:** moderate 

Opportunities
- Legal or tax-related changes or court decisions with positive effects on Fraport Group's operations and financial indicators

Overall assessment of the opportunities and risks by the company management

Fraport consolidates and aggregates all of the risks and opportunities reported by the various company units and Group companies that are reported within the context of the quarterly risk analysis process. Furthermore, the Group's risks and opportunities are regularly discussed and assessed at the Executive Board level and within the context of the regular planning processes. The COVID-19 pandemic and its effect on global air traffic volumes have had a substantial adverse impact on the overall risk situation of the Fraport Group. According to the opinion of the Executive Board the development of an existential threat due to the individual risks described above or a combination of these seems to be highly unlikely, in view of current projections for the future course of the COVID-19 pandemic. The Executive Board firmly believes that the liquidity and earning power of the Group provide a solid foundation for future business development and the resources necessary to effectively pursue and capitalize on opportunities arising for the Group.

Information on the accounting-related internal control system in accordance with section 289 (4) HGB and section 315 (4) of the HGB

The accounting-related internal control system of the Fraport Group monitors compliance with the generally accepted accounting principles and legal requirements. It is based on the framework of the Committee of the Sponsoring Organizations of the Treadway Commission (COSO).

In Fraport AG the accounting-related internal control and risk management system are embedded in the Group-wide internal control and risk management system. Fraport AG prepares its own separate financial statements in accordance with German commercial and stock market regulations.

The process of preparing the financial statements of Fraport AG is documented in a schedule detailing each individual step, including deadlines and responsibilities. Group Accounting monitors the progress and schedule system-assisted. In order to ensure standardized procedures, important operational processes of the sub-ledgers (accounts payable, debtors, asset accounting, treasury, accounting of the decentralized departments) and general ledger have been documented in policies, process descriptions, manuals, and guidelines.

Fraport AG uses the SAP ECC 6.0 system for its accounting. Accounting-related internal controls are carried out, where possible, in the SAP ECC 6.0 system. Manual application and monitoring controls are carried out during the operational accounting processes in the sub-ledgers. The four-eyes-principle is implemented when preparing the financial statements in the general ledger, and mainly manual monitoring controls are carried out for the purpose of ensuring the completeness and correctness of items recognized in the sub-ledgers. The tax department calculates and posts taxes on income, and performs manual application and monitoring controls.

Segregation of duties in the departments involved in the accounting process is ensured on a system, personnel, and organizational level. An SAP authorization concept for Fraport AG is used for issuing and administering access authorization for accounting-related systems.

Group accounting at Fraport is basically organized on a decentralized basis. Reconciliation of the local individual financial statements (commercial balance sheet I) of the parent company and subsidiaries, joint ventures and associated companies to the individual financial statements (commercial balance sheet II) prepared in accordance with uniform Group accounting policies is carried out decentrally by the companies. To ensure uniform Group accounting and measurement Fraport has developed an IFRS Group accounting guideline, on the basis of which the companies included in the Group financial statements reconcile commercial balance sheet I to commercial balance sheet II. The effectiveness and correctness of the Group accounting process is confirmed by the companies included in the consolidated financial statements in the context of an internal Group declaration of completeness.

Wherever possible, accounting-related internal controls are carried out in SAP BPC. Access authorizations at the level of the consolidated companies are assigned and managed centrally at Fraport AG on the basis of a user authorization concept. Manual application and monitoring controls, particularly with regard to the completeness and quality of the reporting data, are carried out as part of the operational accounting processes in Group accounting. The effectiveness of the internal control system is reviewed annually by means of a control self-assessment.

The consolidated financial statements are prepared in the Group accounting department of Fraport AG. The Group financial statement process is described in detail in a flow chart, which contains the individual process steps with dates and responsibilities. The progress of the process as well as reporting deadlines and the completeness of the Group reporting system are monitored by Group accounting.

The notes to the consolidated financial statements are prepared as part of the consolidated financial statement process by the Group Accounting department. Where necessary, the information in the notes to the consolidated financial statements is subsequently checked by central or decentralized specialist departments after the notes to the consolidated financial statements have been prepared.

The Corporate Finance and Investor Relations department is generally responsible for preparing the combined management report. This department consolidates the information provided by the specialist departments. Subsequent control of the consolidated information is in turn performed by the specialist departments.

Key sub-processes of the Group accounting process, as well as the internal controls contained therein, are subject to the scheduled audit by the Internal Audit department.

Outlook Report

Note on forecasts

The business outlook assumes that the domestic and international economy and air traffic will not be impaired by external shocks such as terror attacks, wars, further pandemics, natural disasters, or turbulence on the financial markets. The statements on the expected asset and financial position as well as results of operations assume the recoverability of financial assets in connection with the investment in the St. Petersburg Airport operating company in the consolidated statement of financial position as of the date of preparation of the consolidated financial statements on March 14, 2022 (see also the "Events after the balance sheet date" chapter). They are based on the IFRS accounting standards to be applied in the EU at the beginning of the 2022 financial year.

The “Risk and opportunities report” chapter covers risks and opportunities that are not factored into the business outlook and that may result in significant negative or positive changes to the forecasted development.

General statement by the Executive Board

Given the further development of the coronavirus pandemic and the associated supply bottlenecks, economic institutes expect global growth of 4.4% for the current year. Depending on the further course of the coronavirus pandemic and progress of vaccination or the immunization of the population, potential further virus mutations, political regulations in Germany and the recovery of business travel as well as the markets of Europe, North America, and the Far East relevant to Fraport, the Executive Board therefore expects passenger numbers for the year as a whole to be in the range of 55% to 65% of the level of 2019.

The Executive Board expects the invasion of Russian forces in Ukraine to have a negative impact on the global economy. However, the effects on traffic development at the Group sites and thus the asset, financial, and earnings position of the Fraport Group cannot be conclusively assessed at the present time. Nevertheless, the Executive Board expects negative effects on traffic development, particularly at the international Group airports with a high proportion of Russian passengers, especially in Antalya. The forecasts for the Group result and ROFRA have been adjusted accordingly. Overall, the Executive Board expects Group EBITDA of between around €760 million and approximately €880 million in 2022 and Group EBIT of between €320 million and around €440 million. The Group result is forcasted of between €50 million and approximately €150 million. ROFRA is expected to be slightly below to slightly above the 2021 level in fiscal 2022. Free cash flow is expected to remain at approximately the same level as 2021. The net financial debt to EBITDA ratio is expected to be in the high single-digit range. Group liquidity is projected to come out at a slightly lower level than in 2021 in the context of the negative free cash flow, despite plans for comprehensive financial measures.

The Executive Board continues to project a stable financial situation for the Fraport Group over the forecast period. The Executive Board finds the development of an existential threat from the individual risks described in the risk and opportunities report, or a combination of these, to be highly unlikely considering the current projections for the future course of the coronavirus pandemic (see also the “Risk and opportunities report”). In the forecast period, the Executive Board does not foresee any acquisitions or disposals of companies or increases or reductions in shareholdings.

Business outlook

Forecasted situation of the Group for 2022

Development of structure

The Executive Board does not expect any changes to the Group structure in the 2022 fiscal year that will have a substantial impact on the asset, financial, and earnings position.

Development of competitive position and future markets

The development of future markets remains the focus of the strategic objective “Growth in Frankfurt and internationally,” (see also the “Strategy” chapter). Fraport aims to market its airport expertise around the world and participate in the appeal of new markets. In this respect, Fraport selectively assesses whether to participate in international tenders.

Development of strategy

In view of the economic situation arising from the coronavirus pandemic, Fraport will continue to implement measures derived from the Group strategy in fiscal 2022. Under the “Zukunft FRA – Relaunch 50” program (see also the “Strategy” chapter), the business units and the Group companies will continue their intensive work to secure an economically, organizationally, and culturally competitive position for Fraport over the long term. In order to control Group-wide sustainability management, Fraport will considerably expand its activities in this area in 2022. In addition to maintaining a high level of transparency, Fraport will initiate new topics and measures to make the company and civil aviation at its airports fit for the future.

Development of control

In order to continuously measure and improve employee satisfaction in the Group and at Fraport AG, the methodology for the employee survey is being redefined. The process will be made more efficient, and the questionnaires will be harmonized and digitally mapped. For the non-financial performance indicator employee satisfaction, a new objective will be set with a corresponding term.

In 2022, the Executive Board does not expect any substantial changes in the financial and non-financial performance indicators used to steer the Group. As described in the “Control” chapter, the Executive Board will focus on the financial and non-financial performance indicators forecasted in this chapter.

The Executive Board does not expect any fundamental changes to the strategic focus of finance management in 2022.

Forecasted macroeconomic, legal, and industry-specific conditions for 2022

Development of the macroeconomic conditions

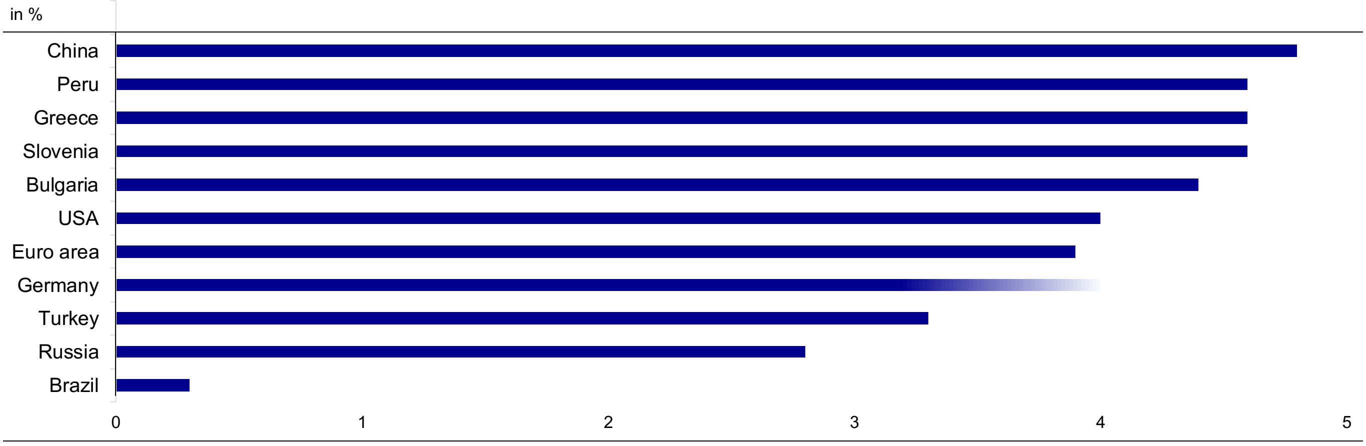
The coronavirus pandemic and the associated supply bottlenecks will continue to have a considerable influence on the development of the global economy in the current year. In addition, geopolitical risks and trade conflicts could also disrupt the recovery. Overall, the economic outlook for 2022 is fraught with high levels of uncertainty. The International Monetary Fund expects global growth of 4.4% for the current year. Global trade is expected to increase by around 6.0% in 2022.

Supply shortages are likely to dominate the global oil market in the first months of 2022, thereby ensuring a rise in oil prices. The supply situation could ease after that. Geopolitical crises can influence oil price developments in the short term. In addition, it is possible that OPEC will adjust its course in the short term depending on the course of the pandemic.

For the US economy, the International Monetary Fund expects an increase of 4.0% for 2022. Japanese GDP is expected to grow to 3.3%. Growth rates in emerging markets are predicted to be clearly higher than the increases in industrialized countries, though projected trends within this group vary. The Chinese economy is expected to show weaker growth of 4.8% compared to the rates of recent years. Overall expectations for the euro area stand at 3.9%. After a dip in growth in the winter of 2021/2022 due to the course of the pandemic and the ongoing supply bottlenecks, the German economy should increasingly recover over the course of the year; based on this, the economic institutes forecast growth of 3.0% to 4.0%.

The following GDP trends are expected in 2022 for countries with significant Group sites: USA 4.0%, Slovenia 4.6%, Brazil 0.3%, Peru 4.6%, Greece 4.6%, Bulgaria 4.4%, Turkey 3.3%, Russia 2.8%, and China 4.8%.

Forecast GDP growth rates 2022



Source: IMF (October 2021, January 2022), OECD (December 2021), Deutsche Bank Research (December 2021), Deka Bank (December 2021), German Federal Statistical Office (January 2022), Ifo Institute for Economic Research (December 2021).

Development of legal conditions

At the time the consolidated annual financial statements were prepared, the Executive Board saw no changes in the legal environment in fiscal year 2022 that could have significant effects on the Fraport Group.

Development of industry-specific conditions

Based on the expected development in general economic conditions and taking into account the financial situation of the airlines, IATA anticipates global passenger growth of 51.0% in 2022 compared to the previous year, based on revenue passenger kilometers (RPKs). This would represent a recovery of around 60% compared to the base year 2019. At the regional level, IATA assumes the following year-on-year growth rates based on RPKs:

Forecasted Increase Revenue Passenger Kilometers 2022 versus 2021 by Region

Changes compared to the previous year in %	
Europe	+66.0
North America	+35.3
Asia-Pacific	+53.9
Latin America	+46.7
Middle East	+77.7
Africa	+26.9

In terms of global passenger numbers, the ACI projects 51% growth in 2022, corresponding to just under 61% of 2019 volumes. For 2022, the Association of German Airports (ADV) forecasts growth of around 72% in passenger numbers at German airports compared to 2021. This corresponds to a level of around 67% compared to 2019.

The economic fallout from the coronavirus pandemic will continue to weigh on global air traffic trends in 2022. High budget deficits around the world due to pandemic countermeasures will presumably result in sustained economic difficulties among almost all of Germany’s major trading partners and could inhibit a rapid recovery in exports.

For business travel in particular, corporate cost-cutting measures will continue to restrict travel behavior as they seek to use rail for domestic travel and digital media. In addition, the intensified debate on climate protection will continue. The outlook for the private and holiday travel segment is more positive. Uncertainties in the short term due to the continuing coronavirus pandemic cannot be ruled out.

Numerous airlines still rely on state aid and private loans due to the coronavirus pandemic. At the same time, the current crisis is accelerating consolidation in the airline market. Both trends could reduce supply and drive up airfares over the medium term. On the other hand, low-cost carriers in particular have once again boosted their aircraft orders, and new airlines have successfully entered the market due to favorable aircraft prices. This could, in turn, give rise to higher air travel supply and lower airfares.

Source: IATA "Economic Performance of the Airline Industry" (October 2021), ACI WATF 2021–2040, ADV Outlook (January 2022)

Forecasted business development for 2022

Depending on the pandemic situation and regulations in the respective home markets, but also in the respective markets of origin of passengers, the recovery phase at the Group airports varies. Based on current trends and the current market environment, the passenger volume recovery described below is expected for Frankfurt and international Group airports in 2022.

In general, a growing willingness to fly among the German population is clearly noticeable. However, the recovery of passenger demand in **Frankfurt** largely depends on the progress of vaccination or the immunization of the population, potential further virus mutations, political regulations in Germany and the recovery of business travel as well as the markets of Europe, North America, and the Far East of relevance to Fraport. Based on the current demand dynamics, a strong recovery in passenger numbers is likely over the course of 2022. Overall, passenger numbers at Frankfurt Airport in fiscal 2022 are therefore expected to be in the range of 55% to 65% of the level of 2019. This corresponds to a range of around 39 to around 46 million passengers.

In general, due to the greater importance of short-haul tourist routes and ethnic traffic compared to business travel, **international Group airports** are expected to witness a more dynamic recovery in passenger traffic in 2022, broken down as follows:

Due to the continuation of the coronavirus pandemic, the **Ljubljana** site expects over 50% of its 2019 passenger numbers. According to forecasts for the 2022 fiscal year, Group airports **Fortaleza** and **Porto Alegre** in Brazil may rebound to approximately 80% of pre-crisis passenger numbers. In contrast, the **Lima** Airport predicts a passenger volume of around 70% of its 2019 figure. Compared to the passenger numbers from 2019, at least 80% are forecasted for the 14 **Greek regional airports.** For **Xi'an** Airport, the number of passengers is expected to return to around 75% of 2019 levels.

Due to the high proportion of Russian passengers at the sites in Varna and Burgas, Antalya and St. Petersburg, the Executive Board decided on March 14, 2022 not to provide a traffic forecast for these Group airports.

Depending on the further course of the war in Ukraine and the coronavirus pandemic, deviations from the forecasts given in this report are possible.

Forecasted results of operations for 2021

Despite continuing uncertainties around the future course of the coronavirus pandemic, the passenger forecast is expected to result in noticeable growth in Group revenue in 2022. The Executive Board therefore expects **Group revenue** of up to approximately €3.0 billion. This includes approximately €400 million in contract revenue from construction and expansion services based on the application of IFRIC 12. Depending on the ranges of traffic, **Group EBITDA** is forecasted to be between approximately €760 million and approximately €880 million. Accordingly, **Group EBIT** is expected to be between €320 million and around €440 million. The forecasts for net income and ROFRA were adjusted on March 14, 2022. **Group result** are now expected to be between around €50 million and around €150 million. **ROFRA** is forecast to be slightly below to slightly above the 2021 level.

Exchange rate effects from the conversion of the functional currencies of Group companies in Lima, Fortaleza, and Porto Alegre as well as Fraport USA into the Group currency, the euro, may have a generally positive or negative impact on the earnings contribution from Group companies.

In the context of the economic impact of the coronavirus pandemic, the Executive Board expects to again forego the distribution of dividends for fiscal 2022.

Forecasted segment development for 2022

For 2022, the Executive Board anticipates noticeably positive revenue development in all segments. Due to high positive one-off effects in the previous year, such as the compensation of €159.8 million granted by the German Federal Government and the State of Hesse to cover the holding costs incurred during the first lockdown in 2020, EBITDA and EBIT for the **Aviation segment** are expected to remain approximately at the same level as the previous year. The Executive Board expects EBITDA and EBIT in the **Retail & Real Estate** and **International Activities & Services** segments to be clearly positive. For the **Ground Handling** segment, the Executive Board expects EBITDA to be balanced and EBIT in negative area.

Forecasted asset and financial position for 2022

Given the continuing uncertain development of the coronavirus pandemic and the ongoing construction activities, especially at the Frankfurt site and in Lima, the Executive Board expects a negative **free cash flow** roughly at the level of 2021. In addition to the negative free cash flow, the shareholders' equity base of the newly founded Group company in Antalya will increase the development of **net financial debt** in the 2022 fiscal year. Thus, the Executive Board predicts an increase in the **net financial debt** in 2022 to between approximately €7.3 million and €7.5 million. The **net financial debt to EBITDA** ratio is expected to be in the high single-digit range. Over the current fiscal year, the **shareholders' equity ratio of the Group** is expected to fall slightly compared to the previous year. **Group liquidity** is projected to come out at a slightly lower level than in 2021 in the context of the negative free cash flow, despite plans for comprehensive financial measures.

Forecasted non-financial performance indicators for 2022

In the "Customer Satisfaction and Product Quality" category, the Executive Board expects an **overall passenger satisfaction** score at Frankfurt Airport and a weighted overall satisfaction score for the Group of at least 80% for 2022. Accordingly, the Executive Board has also set a target of 80% for the fully consolidated Group airports. However, this target depends on resumption of regular passenger surveys at the fully consolidated Group airports and the availability of adequate passenger satisfaction data. The Executive Board expects **baggage connectivity** to be at least 98.5%.

In the category "Attractive and responsible employer," the Group-wide survey of **employee satisfaction** is being redesigned. Until the employee survey is resumed, pulse checks will be carried out. In doing so, the Executive Board aims to maintain at least the same level of satisfaction at Fraport AG as the previous year. The Executive Board continues to attach great importance to **women in management** and expects a slight increase in the proportion of women in management positions.

In the category of "Occupational Health and Safety," in 2022 the Executive Board will again strive to hold the **sickness rate** in Germany steady at least at the previous year's level.

In the "Climate Protection" category, the Executive Board expects **CO_2 emissions** for the Group and for Fraport AG in 2022 to be roughly on a par with the previous year.

Medium-term outlook

Over the medium term, the Executive Board expects a strong recovery in the global economy, with a return to the previous growth track. After successfully curbing the coronavirus pandemic, the German economy will grow, and also air travel demand will enjoy a significant boost with the lifting of travel restrictions. A return to 2019 passenger levels in Frankfurt is expected roughly by 2026. The growth driver internationally will continue to be private consumption, which generally supports high demand for air travel. Group airports will also benefit from projected medium to long-term global market growth and show positive traffic development. Due to the structural effects of primarily tourist and ethnic passenger numbers, this is expected to be more dynamic than in Frankfurt. Thus, depending on the airport, the Executive Board projects a return to 2019 passenger numbers as early as 2023 in most cases (see also the “Strategy” chapter).

The projected medium-term passenger recovery and additional forecasted growth in passenger numbers will have a positive impact on the asset, financial, and earnings position of the Fraport Group. In the context of implementing long-term operational cost-saving measures and associated efficiency gains, the Executive Board expects the Group EBITDA to return roughly to pre-crisis levels as early as 2023/2024.

As a result of the multi-year capital expenditure to expand capacity in Frankfurt and Lima, the free cash flow will temporarily remain well in the negative range. This development will also prompt a noticeable increase in the net financial debt of the Group. However, in particular due to the expected medium-term improvement in Group EBITDA, the net financial debt to EBITDA ratio will again approach the target value of five.

Future capital expenditure obligations may be financed with debt instruments described above and cash flows from operations (see also the “Financial management” and “Asset and financial position” chapters).

As for dividend payment, over the medium term the Executive Board will continue to pursue a distribution policy with a pay-out ratio of 40% to 60% of the profits attributable to Fraport AG shareholders and aim for stable dividends. The Executive Board plans to submit a dividend distribution proposal to the AGM again once the net financial debt to EBITDA ratio approaches the target value of five.

The Executive Board continues to use the non-financial performance indicators to control the Group in the medium term. For passenger satisfaction, the sickness rate, the ratio of women in management positions, and CO_2 emissions in particular, the Executive Board has set long-term targets that it consistently pursues (see also the “Control” chapter).

Frankfurt/Main, February 25, 2022 / March 14, 2022

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. Schulte Giesen Müller Dr. Prümm Prof. Dr. Zieschang

Consolidated Financial Statements for the 2021 Fiscal Year

Consolidated Income Statement

€ million	Notes	2021	2020
Revenue	(5)	**2,143.3**	**1,677.0**
Other internal work capitalized	(6)	38.0	37.9
Other operating income	(7)	354.6	81.8
Total revenue		**2,535.9**	**1,796.7**
Cost of materials	(8)	–750.7	–688.6
Personnel expenses	(9)	–884.3	–1,212.1
Depreciation and amortization	(10)	–443.3	–457.5
Other operating expenses	(11)	–143.9	–146.6
Operating result		**313.7**	**–708.1**
Interest income	(12)	43.8	27.4
Interest expenses	(12)	–268.7	–193.2
Result from companies accounted for using the equity method	(13)	18.8	–55.0
Other financial result	(14)	8.8	–4.3
Financial result		**–197.3**	**–225.1**
Result from ordinary operations		**116.4**	**–933.2**
Taxes on income	(15)	–24.6	242.8
Group result		**91.8**	**–690.4**
thereof profit attributable to non-controlling interests		9.0	–32.8
thereof profit attributable to shareholders of Fraport AG		82.8	–657.6
Earnings per €10 share in €	(16)		
basic		0.90	–7.12
diluted		0.89	–7.09
EBITDA before special items (= EBITDA + effects from special items)		**757.0**	**48.4**
EBITDA (= EBIT + depreciation and amortization)		757.0	–250.6
EBIT (= operating result)		313.7	–708.1

Consolidated Statement of Comprehensive Income

€ million	2021	2020
Group result	**91.8**	**–690.4**
Remeasurements of defined benefit pension plans	6.5	–5.9
(Deferred taxes related to those items	–2.0	1.8)
Equity instruments measured at fair value	4.6	–27.4
Other comprehensive income of companies accounted for using the equity method	0.1	0.1
(Deferred taxes related to those items	0.0	0.0)
Items that will not be reclassified subsequently to profit or loss	**9.2**	**–31.4**
Fair value changes of derivatives		
Changes directly recognized in equity	6.2	–5.1
realized gains (+)/losses (–)	0.1	–4.9
	6.1	**–0.2**
(Deferred taxes related to those items	–1.6	–0.1)
Debt instruments measured at fair value		
Changes recognized directly in equity	–3.8	–10.8
realized gains (+)/losses (–)	0.0	–10.9
	–3.8	**0.1**
(Deferred taxes related to those items	1.2	0.0)
Currency translation of foreign subsidiaries		
Changes recognized directly in equity	33.4	–137.3
realized gains (+)/losses (–)	0.0	0.0
	33.4	**–137.3**
Income and expenses from companies accounted for using the equity method directly recognized in equity		
Changes recognized directly in equity	14.0	–4.3
realized gains (+)/losses (–)	0.0	0.0
	14.0	**–4.3**
(Deferred taxes related to those items	0.0	0.0)
Items that will be reclassified subsequently to profit or loss	**49.3**	**–141.8**
Other result	**58.5**	**–173.2**
Comprehensive income	**150.3**	**–863.6**
thereof attributable to non-controlling interests	16.0	–39.6
thereof attributable to shareholders of Fraport AG	134.3	–824.0

Consolidated Statement of Financial Position as at December 31, 2021

Assets

€ million	Notes	December 31, 2021	December 31, 2020
Non-current assets			
Goodwill	(17)	19.3	19.3
Investments in airport operating projects	(18)	3,416.4	3,221.2
Other intangible assets	(19)	105.8	119.1
Property, plant, and equipment	(20)	7,898.4	7,330.3
Investment property	(21)	88.6	123.3
Investments in companies accounted for using the equity method	(22)	71.3	165.5
Other financial assets	(23)	932.3	350.3
Other financial receivables and assets	(24)	142.7	100.2
Other non-financial receivables and assets	(25)	133.9	133.0
Deferred tax assets	(27)	182.6	175.8
		12,991.3	**11,738.0**
Current assets			
Inventories	(28)	20.3	22.3
Trade accounts receivable	(29)	152.3	125.4
Other current financial assets	(23)	176.5	190.7
Other current financial receivables and assets	(24)	30.6	28.2
Other current non-financial receivables and assets	(25)	65.6	102.1
Income tax receivables	(26)	20.9	10.1
Cash and cash equivalents	(30)	2,662.8	1,864.4
		3,129.0	**2,343.2**
Non-current assets held for sale	**(22), (50)**	**119.7**	**–**
Total		**16,240.0**	**14,081.2**

Liabilities and equity

€ million	Notes	December 31, 2021	December 31, 2020
Shareholders´ equity			
Issued capital	(31)	923.9	923.9
Capital reserve	(31)	598.5	598.5
Revenue reserves	(31)	2,230.7	2,096.4
Equity attributable to shareholders of Fraport AG	(31)	3,753.1	3,618.8
Non-controlling interests	(32)	155.9	139.9
		3,909.0	**3,758.7**
Non-current liabilities			
Financial liabilities	(33)	9,306.4	6,936.5
Trade accounts payable	(34)	71.8	42.6
Other financial liabilities	(35)	1,115.1	1,061.0
Other non-financial liabilities	(36)	78.3	86.7
Deferred tax liabilities	(37)	37.7	39.7
Provisions for pensions and similar obligations	(38)	41.7	46.7
Provisions for income taxes	(39)	83.7	51.0
Other provisions	(40)	160.7	196.5
		10,895.4	**8,460.7**
Current liabilities			
Financial liabilities	(33)	627.6	810.7
Trade accounts payable	(34)	298.8	294.6
Other current financial liabilities	(35)	150.1	230.3
Other current non-financial liabilities	(36)	132.1	100.1
Provisions for income taxes	(39)	29.4	43.1
Other provisions	(40)	189.5	383.0
		1,427.5	**1,861.8**
Liabilities related to assets held for sale	**(50)**	**8.1**	**–**
Total		**16,240.0**	**14,081.2**

Consolidated Statement of Cash Flows

€ million	Notes	2021	2020
Result attributable to shareholders of Fraport AG		**82.8**	**–657.6**
Result attributable to non-controlling interests		9.0	–32.8
Adjustments for			
Taxes on income	(15)	24.6	–242.8
Depreciation and amortization	(10)	443.3	457.5
Interest result	(12)	224.9	165.8
Gains/losses from disposals of non-current assets		–4.5	0.6
Others		–12.5	–14.4
Changes in the measurement of companies accounted for using the equity method	(13)	–18.8	55.0
Changes in inventories	(28)	2.1	1.1
Changes in receivables and financial assets	(24 – 25), (29)	–41.2	–4.7
Changes in liabilities	(34 – 36)	14.8	–84.4
Changes in provisions	(37 – 40)	–210.1	236.2
Operating activities		**514.4**	**–120.5**
Financial activities			
Interest paid		–127.6	–94.5
Interest received		24.3	14.3
Paid taxes on income		–18.5	–35.5
Cash flow from operating activities	**(43)**	**392.6**	**–236.2**
Investments in airport operating projects	(18)	–277.1	–266.8
Investments for other intangible assets	(19)	–4.4	–14.1
Capital expenditure for property, plant, and equipment	(20)	–872.0	–837.4
Investments for “Investment property”	(21)	–9.5	–26.6
Investments in companies accounted for using the equity method		–5.4	–1.8
Dividends from companies accounted for using the equity method	(22)	26.6	3.9
Dividends from other investments		0.0	0.1
Proceeds from disposal of non-current assets		8.6	1.3
Cash flow used in investing activities excluding investments in cash deposits and securities		**–1,133.2**	**–1,141.4**
Financial investments in securities and promissory note loans	(23)	–1,139.0	–428.0
Proceeds from disposal of securities and promissory note loans		575.0	450.9
Changes in time deposits with a term of more than three months	(30)	–607.0	–1,409.7
Cash flow used in investing activities	**(43)**	**–2,304.2**	**–2,528.2**
Dividends paid to non-controlling interests		0.0	–0.6
Cash inflow from long-term financial liabilities	(33)	2,798.4	2,692.3
Repayment of non-current financial liabilities		–424.2	–183.0
Changes in current financial liabilities		–278.8	–37.7
Cash flow used in financing activities	**(43)**	**2,095.4**	**2,471.0**
Change in restricted cash		23.4	7.1
Change in cash and cash equivalents		**207.2**	**–286.3**
Cash and cash equivalents as at January 1		216.4	543.5
Foreign currency translation effects on cash and cash equivalents		7.6	–40.8
Cash and cash equivalents as at December 31	**(30), (43)**	**431.2**	**216.4**

Consolidated Statement of Changes in Equity

€ million	Notes	Issued capital	Capital reserve
As at January 1, 2021		**923.9**	**598.5**
Foreign currency translation effects		–	–
Income and expenses from companies accounted for using the equity method directly recognized in equity		–	–
Remeasurement of defined benefit plans		–	–
Equity instruments measured at fair value		–	–
Debt instruments measured at fair value		–	–
Fair value changes of derivatives		–	–
Other result		**0.0**	**0.0**
Distributions		–	–
Group result		–	–
Consolidation activities/ other changes		–	–
As at December 31, 2021	**(31),(32)**	**923.9**	**598.5**
As at January 1, 2020		**923.9**	**598.5**
Foreign currency translation effects		–	–
Income and expenses from companies accounted for using the equity method directly recognized in equity		–	–
Remeasurement of defined benefit plans		–	–
Equity instruments measured at fair value		–	–
Debt instruments measured at fair value		–	–
Fair value changes of derivatives		–	–
Other result		**0.0**	**0.0**
Distributions		–	–
Group result		–	–
Consolidation activities/ other changes		–	–
As at December 31, 2020	**(31),(32)**	**923.9**	**598.5**

Revenue reserves	Foreign currency re-serve	Financial instruments	Revenue reserves (total)	Equity attributable to shareholders of Fraport AG	Non-controlling interests	Shareholders' equity (total)
2,189.3	**–147.9**	**55.0**	**2,096.4**	**3,618.8**	**139.9**	**3,758.7**
–	27.5	–	27.5	27.5	5.9	33.4
0.1	14.0	–	14.1	14.1	–	14.1
4.5	–	–	4.5	4.5	–	4.5
–	–	4.6	4.6	4.6	–	4.6
–	–	–2.6	–2.6	–2.6	–	–2.6
–	–	3.4	3.4	3.4	1.1	4.5
4.6	**41.5**	**5.4**	**51.5**	**51.5**	**7.0**	**58.5**
–	–	–	–	–	–	–
82.8	–	–	82.8	82.8	9.0	91.8
0.0	–	–	0.0	0.0	–	0.0
2,276.7	**–106.4**	**60.4**	**2,230.7**	**3,753.1**	**155.9**	**3,909.0**
2,846.0	**–12.6**	**87.3**	**2,920.7**	**4,443.1**	**180.1**	**4,623.2**
–	–131.0	–	–131.0	–131.0	–6.3	–137.3
0.1	–4.3	–	–4.2	–4.2	–	–4.2
–4.1	–	–	–4.1	–4.1	–	–4.1
–	–	–27.4	–27.4	–27.4	–	–27.4
–	–	0.1	0.1	0.1	–	0.1
–	–	0.2	0.2	0.2	–0.5	–0.3
–4.0	**–135.3**	**–27.1**	**–166.4**	**–166.4**	**–6.8**	**–173.2**
–	–	–	–	–	–0.6	–0.6
–657.6	–	–	–657.6	–657.6	–32.8	–690.4
4.9	–	–5.2	–0.3	–0.3	–	–0.3
2,189.3	**–147.9**	**55.0**	**2,096.4**	**3,618.8**	**139.9**	**3,758.7**

Group Notes for the 2021 Fiscal Year

Consolidated Statement of Changes in Non-current Assets

(Note 17 to 21)

€ million	Goodwill	Investments in airport operating projects	Other intangible assets
Acquisition/production costs			
As at January 1, 2021	**132.3**	**3,736.1**	**272.6**
Foreign currency translation effects	0.0	64.9	1.8
Additions	0.0	251.7	4.4
Disposals	0.0	–1.7	–13.7
Reclassifications	0.0	2.4	0.1
IFRS 5 reclassifications	0.0	0.0	–0.1
As at December 31, 2021	**132.3**	**4,053.4**	**265.1**
Accumulated depreciation and amortization			
As at January 1, 2021	**113.0**	**514.9**	**153.5**
Foreign currency translation effects	0.0	19.2	1.2
Additions	0.0	104.6	17.4
Impairment losses	0.0	0.0	0.9
Disposals	0.0	–1.7	–13.7
Reclassifications	0.0	0.0	0.0
IFRS 5 reclassifications	0.0	0.0	0.0
As at December 31, 2021	**113.0**	**637.0**	**159.3**
Residual carrying amounts			
As at December 31, 2021	**19.3**	**3,416.4**	**105.8**
Acquisition/production costs			
As at January 1, 2020	**132.3**	**3,733.7**	**281.4**
Foreign currency translation effects	0.0	–245.0	–6.3
Additions	0.0	242.0	14.1
Disposals	0.0	0.0	–14.9
Reclassifications	0.0	5.4	–1.7
As at December 31, 2020	**132.3**	**3,736.1**	**272.6**
Accumulated depreciation and amortization			
As at January 1, 2020	**113.0**	**449.6**	**150.3**
Foreign currency translation effects	0.0	–27.3	–1.8
Additions	0.0	92.6	19.8
Disposals	0.0	0.0	–14.8
As at December 31, 2020	**113.0**	**514.9**	**153.5**
Residual carrying amounts			
As at December 31, 2020	**19.3**	**3,221.2**	**119.1**

Land, land rights, and buildings, including buildings on leased lands	Technical equipment and machinery	Other equipment, operating, and office equipment	Right of use assets leases	Construction in progress	Property, plant, and equipment (total)	Investment property
6,225.3	**3,291.6**	**556.6**	**330.5**	**2,192.8**	**12,596.8**	**137.1**
0.0	0.0	5.0	22.7	0.6	**28.3**	0.0
41.3	47.8	21.1	7.7	729.1	**847.0**	9.5
–15.1	–52.3	–27.9	–26.7	–2.4	**–124.4**	–2.6
180.7	123.6	5.3	0.0	–266.3	**43.3**	–45.8
0.0	0.0	–0.5	–0.8	0.0	**–1.3**	0.0
6,432.2	**3,410.7**	**559.6**	**333.4**	**2,653.8**	**13,389.7**	**98.2**
3,051.2	**1,778.8**	**351.8**	**83.6**	**1.1**	**5,266.5**	**13.8**
0.0	0.0	3.3	7.4	0.0	**10.7**	0.0
146.7	97.9	37.6	37.5	0.0	**319.7**	0.7
0.0	0.0	0.0	0.0	0.0	**0.0**	0.0
–14.6	–51.5	–27.6	–16.1	0.0	**–109.8**	0.0
4.9	0.0	0.0	0.0	0.0	**4.9**	–4.9
0.0	0.0	–0.4	–0.3	0.0	**–0.7**	0.0
3,188.2	**1,825.2**	**364.7**	**112.1**	**1.1**	**5,491.3**	**9.6**
3,244.0	**1,585.5**	**194.9**	**221.3**	**2,652.7**	**7,898.4**	**88.6**
6,226.1	**3,259.7**	**540.3**	**376.6**	**1,575.8**	**11,978.5**	**105.7**
0.0	0.1	–5.6	–25.0	–0.5	**–31.0**	0.0
34.9	65.5	45.1	5.5	725.9	**876.9**	26.6
–96.5	–61.6	–29.4	–26.6	–3.6	**–217.7**	–1.4
60.8	27.9	6.2	0.0	–104.8	**–9.9**	6.2
6,225.3	**3,291.6**	**556.6**	**330.5**	**2,192.8**	**12,596.8**	**137.1**
2,992.1	**1,733.6**	**345.0**	**68.8**	**1.1**	**5,140.6**	**12.4**
0.0	0.0	–3.9	–6.0	0.0	**–9.9**	0.0
155.1	101.5	39.8	47.3	0.0	**343.7**	1.4
–96.0	–56.3	–29.1	–26.5	0.0	**–207.9**	0.0
3,051.2	**1,778.8**	**351.8**	**83.6**	**1.1**	**5,266.5**	**13.8**
3,174.1	**1,512.8**	**204.8**	**246.9**	**2,191.7**	**7,330.3**	**123.3**

Segment Reporting
(Note 42)

€ million		Aviation	Retail & Real Estate	Ground Handling	International Activities & Services	Reconcilia-tion	Group
Revenue	2021	587.5	319.1	386.4	850.3	–	**2,143.3**
	2020	440.9	294.6	319.2	622.3	–	**1,677.0**
Other income	2021	187.9	23.2	6.8	174.7	–	**392.6**
	2020	31.4	19.9	12.4	56.0	–	**119.7**
Income with third parties	**2021**	**775.4**	**342.3**	**393.2**	**1,025.0**	**–**	**2,535.9**
	2020	**472.3**	**314.5**	**331.6**	**678.3**	**–**	**1,796.7**
Inter-segment income	2021	79.8	194.7	29.2	309.4	–613.1	**–**
	2020	81.1	198.9	33.0	322.2	–635.2	**–**
Total income	**2021**	**855.2**	**537.0**	**422.4**	**1,334.4**	**–613.1**	**2,535.9**
	2020	**553.4**	**513.4**	**364.6**	**1,000.5**	**–635.2**	**1,796.7**
Segment result EBIT	**2021**	**25.8**	**165.6**	**–109.5**	**231.8**	**–**	**313.7**
	2020	**–420.6**	**122.9**	**–304.9**	**–105.5**	**–**	**–708.1**
Depreciation and amortization of segment assets	2021	134.4	85.2	37.3	186.4	–	**443.3**
	2020	139.9	91.6	39.5	186.5	–	**457.5**
EBITDA before special items	**2021**	**160.2**	**250.8**	**–72.2**	**418.2**	**–**	**757.0**
	2020	**–184.3**	**230.7**	**–125.6**	**127.6**	**–**	**48.4**
EBITDA	**2021**	**160.2**	**250.8**	**–72.2**	**418.2**	**–**	**757.0**
	2020	**–280.7**	**214.5**	**–265.4**	**81.0**	**–**	**–250.6**
Share of result from companies accounted for using the equity method	2021	0.0	7.6	2.4	8.8	–	**18.8**
	2020	0.0	–10.3	–0.9	–43.8	–	**–55.0**
Income from investments	2021	0.0	0.0	0.0	0.0	–	**0.0**
	2020	0.0	0.0	0.1	0.0	–	**0.1**
Carrying amounts of segment assets	December 31, 2021	6,219.1	3,590.4	967.5	5,259.6	203.4	**16,240.0**
	December 31, 2020	5,131.0	2,981.1	797.9	4,985.3	185.9	**14,081.2**
Segment liabilities	December 31, 2021	5,279.6	2,964.3	816.0	3,103.5	167.6	**12,331.0**
	December 31, 2020	4,175.1	2,309.5	720.1	2,961.0	156.7	**10,322.4**
Acquisition cost of additions to property, plant, and equipment, investments in airport operating projects, goodwill, intangible assets, and investment property	2021	465.1	264.3	89.6	293.6	–	**1,112.6**
	2020	504.1	247.8	103.9	303.8	–	**1,159.6**
Other considerable non-cash effective expenses	2021	48.8	23.7	12.3	12.7	–	**97.5**
	2020	133.6	35.4	145.9	59.9	–	**374.8**
Investments in companies accounted for using the equity method	December 31, 2021	0.0	23.3	8.7	39.3	–	**71.3**
	December 31, 2020	0.0	16.0	6.3	143.2	–	**165.5**

Geographical information

€ million		Germany	Rest of Europe	Asia	America	Reconcilia-tion	Group
	2021	1,346.6	304.8	9.9	482.0	–	**2,143.3**
Revenue	2020	1,098.0	223.4	13.9	341.7	–	**1,677.0**
	2021	224.7	103.4	1.1	63.4	–	**392.6**
Other income	2020	72.0	1.9	3.1	42.7	–	**119.7**
	2021	**1,571.3**	**408.2**	**11.0**	**545.4**	**–**	**2,535.9**
Income with third parties	**2020**	**1,170.0**	**225.3**	**17.0**	**384.4**	**–**	**1,796.7**
	December 31, 2021	11,027.7	3,015.6	263.8	1,729.5	203.4	**16,240.0**
Carrying amounts of segment assets	December 31, 2020	9,131.9	2,988.4	280.9	1,494.1	185.9	**14,081.2**
Acquisition cost of additions to property, plant, and equipment, investments in airport operating projects, intangible assets, and investment property	2021	836.4	28.0	0.0	248.2	–	**1,112.6**
	2020	888.8	109.1	0.0	161.7	–	**1,159.6**

Notes to the Consolidation and Accounting Policies

1 Basis for the Preparation of the Consolidated Financial Statements

Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main (hereinafter: Fraport AG), is a global airport operator and its main business focus is the operation of Frankfurt Main airport, one of Europe's most important air transport hubs. Fraport AG is headquartered at Frankfurt Airport, Germany. Fraport AG is registered in the Frankfurt am Main District Court, Department B, under number 7042.

Fraport AG has prepared its consolidated financial statements as at December 31, 2021 in accordance with the standards issued by the International Accounting Standards Board (IASB).

We have applied the International Financial Reporting Standards (IFRS) for the consolidated financial statements and the interpretations about them issued by the International Financial Reporting Committee (IFRS, IC) as adopted in the European Union (EU), in force on the balance sheet date, completely and without any restriction in accounting, measurement, and disclosure in the 2021 consolidated financial statements. Pursuant to Section 315e (1) of the German Commercial Code (HGB), these notes to the financial statements contain the supplementary disclosures according to Sections 313, 314 HGB.

As a capital market-oriented parent company of the Fraport Group, Fraport AG must prepare its consolidated financial statements in accordance with IFRS, pursuant to Regulation (EC) No 1606/2002 of the European Parliament and the Council dated July 19, 2002 (new version dated April 9, 2008) on the application of international accounting standards.

The consolidated income statement is prepared according to the nature of expenditure method.

The consolidated financial statements are prepared in euros (€). All figures are in € million unless stated otherwise.

The business activities and the organization of the Fraport Group are presented in the management report.

The Executive Board approved the consolidated financial statements of Fraport AG for the 2021 financial year at its meetings on February 25 and March 14, 2022 for publication. The Supervisory Board approved the consolidated financial statements in its meeting on March 14, 2022.

Significant accounting and measurement effects related to the coronavirus pandemic

In view of the significant impact of the coronavirus pandemic on the Fraport Group's operating activities, an ongoing analysis and monitoring of possible accounting effects and the impact on the Fraport Group's asset, financial, and earnings position, and results of operations has been carried out since the beginning of the crisis. The main accounting and measurement effects resulting from the development in the fiscal year 2021 are described below. For a detailed explanation of the effects on operating activities, please refer to the presentation in the Group Interim Management Report.

Significant accounting and measurement effects related to the coronavirus pandemic

in € million	Explanation	Balance sheet effect
Effects on profit and loss		
Short-time work allowance	Personnel expenses recognized in profit or loss from short-time work allowances mainly at the Frankfurt site (see note 9)	78.0
Realized compensation claims/ Waiver of minimum lease payments	Compensation claims recognized in profit or loss as well as waivers of minimum leasing payments (see note 7 and note 24)	320.9
Fair value adjustment of financial liabilities	Valuation of the equity option for Greece; for further explanations see chapter "Financial instruments" (note 41)	7.1
Effects without affecting profit or loss		
Fair value adjustment of equity instruments	Valuation of the other investment in Delhi International Airport Private Ltd.; for further explanations see chapter "Financial instruments" (note 41)	4.7

2 Companies included in the Consolidation and Balance Sheet Date

Companies included in the consolidation and balance sheet date

Fraport AG and all subsidiaries are included in the consolidated financial statements in full. Joint ventures and associated companies are accounted for in the consolidated financial statements using the equity method.

Companies controlled by Fraport AG are considered to be subsidiaries. A company is controlled by Fraport AG if Fraport AG holds decision-making power on the basis of voting or other rights allowing it to determine the significant activities of the affiliated company, participates in positive or negative variable returns from the affiliated company, and is able to affect these returns through its decision-making power.

Inclusion in the consolidated financial statements commences on the date when control is obtained.

A joint arrangement applies if the Fraport Group makes joint decisions on operations on the basis of a contractual agreement with third parties. Joint management is exercised if decisions on significant activities require the unanimous agreement of all parties. A joint arrangement is either a joint operation or a joint venture.

For all joint arrangements in the Fraport Group, the partners have a share in the net assets of a jointly managed, legally independent company; these are therefore joint ventures.

Associated companies are Fraport investments in which Fraport AG is able to exercise major influence on financial and business policies.

The annual financial statements of the companies included in the consolidated financial statements are prepared on the basis of shared accounting and valuation principles.

The fiscal year of Fraport AG and all consolidated companies is the calendar year.

The consolidated financial statements of Fraport AG are dominated by the parent company. The companies included in the consolidated financial statements changed as follows during the 2021 fiscal year:

Companies included in consolidation

	Germany	Other countries	Total
Fraport AG	**1**	**0**	**1**
Fully consolidated subsidiaries			
December 31, 2020	29	29	58
Additions	0	1	1
Disposals	0	0	0
December 31, 2021	**29**	**30**	**59**
Companies accounted for using the equity method			
Joint ventures			
December 31, 2020	11	3	14
Additions	0	1	1
Disposals	0	0	0
December 31, 2021	**11**	**4**	**15**
Associated companies			
December 31, 2020	3	2	5
Additions	0	0	0
Disposals	0	0	0
December 31, 2021	**3**	**2**	**5**
Companies consolidated including companies accounted for using the equity method on December 31, 2020	44	34	78
Companies consolidated including companies accounted for using the equity method on December 31, 2021	**44**	**36**	**80**

The addition to the international subsidiaries relates to 100% of the shares in Fraport Antalya Havalimanı İşletme ve Yatırım A.Ş. The company was acquired in connection with the awarded tender for the new operating concession at Antalya Airport in December 2021. The company is inactive as at the balance sheet date. The addition to the joint ventures accounted for using the equity method relates to 49% of the shares in Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş. The remaining 51% of the shares in the company are held by TAV Airports Holding. Pursuant to the contractually agreed participation rights, the company is jointly controlled by the shareholders. The company was established in connection with the awarded tender for the new operating concession at Antalya Airport in December 2021 (see note 22).

As at December 31, 2021, a total of 80 companies including associates were consolidated in the Fraport Group.

Fraport AG holds a 52% capital share of the company N*ICE Aircraft Services & Support GmbH, Frankfurt am Main. The company is included in the consolidated financial statements as a joint venture according to the equity method due to contractually agreed joint management.

Operational services GmbH & Co. KG, Frankfurt/Main, in which Fraport holds 50% of the shares, is recognized according to the equity method as an associated company based on the contractual arrangements.

The full list of the shareholding pursuant to Section 313 (2) HGB is shown under note 57 of the Notes to the consolidated financial statements.

Disclosure of interests in subsidiaries

The following table shows the summarized financial information for the Group companies Lima Airport Partners S.R.L, Fraport Twin Star Airport Management AD, and the two Greek companies, Fraport Regional Airports of Greece A S.A. (hereinafter Fraport Greece A) and Fraport Regional Airports of Greece B S.A. (hereinafter Fraport Greece B). The Fraport Group holds substantial non-controlling interests in these companies. Lima Airport Partners S.R.L., Lima, operates Lima International Airport in Peru. Fraport Twin Star Airport Management AD, Varna, operates Varna and Burgas airports in Bulgaria. The two Group companies in Greece, Fraport Regional Airports of Greece A S.A., Athens, and Fraport Regional Airports of Greece B S.A., Athens, each operate seven airports in Greece. Further information on the companies is contained in note 49.

Disclosure of interests in subsidiaries

€ million	Fraport Regional Airports of Greece A S.A.		Fraport Regional Airports of Greece B S.A.		Lima Airport Partners S.R.L.		Fraport Twin Star Airport Management AD	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Participation quota of non-controlling interests in %	**26.60**	**26.60**	**26.60**	**26.60**	**19.99**	**19.99**	**40.00**	**40.00**
Non-current assets	1,014.1	1,043.0	1,022.1	1,053.9	777.9	540.8	161.2	169.9
Current assets	128.3	102.2	93.8	64.3	62.5	93.7	16.4	10.5
Non-current liabilities	993.1	1,009.4	1,002.9	1,004.2	260.2	202.6	69.3	71.7
Current liabilities	72.6	74.7	57.1	70.2	188.1	80.6	12.4	13.5
Shareholders' equity/net assets	**76.7**	**61.1**	**55.9**	**43.8**	**392.1**	**351.3**	**95.9**	**95.2**
Carrying amount, non-controlling interests	20.4	16.3	14.9	11.7	78.4	70.3	38.3	38.1

	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	138.3	104.0	117.1	80.9	345.2	214.3	29.3	15.3
EBITDA	102.1	6.6	101.4	3.3	54.7	38.5	15.1	1.4
Result after taxes	12.9	–52.3	10.3	–57.2	11.2	5.0	0.9	–12.5
Other result	2.7	–1.1	1.8	–0.8	0.0	0.0	–0.2	–0.3
Currency translation differences	0.0	0.0	0.0	0.0	28.9	–31.8	0.0	0.0
Comprehensive income	**15.6**	**–53.4**	**12.1**	**–58.0**	**40.1**	**–26.8**	**0.7**	**–12.8**
Proportion of non-controlling interests in comprehensive income	4.1	–14.2	3.2	–15.4	8.0	–5.4	0.3	–5.1
Cash flow from operating activities	51.6	–11.4	55.0	–12.3	141.2	–0.1	15.4	–6.2
Cash flow used in investing activities	–14.6	–59.3	–11.9	–45.5	–202.3	–105.5	–9.3	–3.5
thereof investments in airport operating projects	0.0	0.0	0.0	0.0	0.0	–4.0	–6.7	–2.1
thereof in infrastructure	–14.6	–59.3	–11.9	–45.5	–202.3	–101.5	–2.6	–1.4
Cash flow used in financing activities	–18.8	74.6	–17.5	39.1	39.5	18.4	–0.6	0.3
Change in cash and cash equivalents	**18.2**	**3.9**	**25.6**	**–18.7**	**–21.6**	**–87.2**	**5.5**	**–9.4**
Cash and cash equivalents as at January 1	59.5	45.4	23.8	41.3	59.0	159.8	7.5	16.9
Changes in restricted cash	–0.8	10.2	5.2	1.2	0.0	0.0	0.0	0.0
Foreign currency translation effects on cash and cash equivalents	0.0	0.0	0.0	0.0	5.0	–13.6	0.0	0.0
Cash and cash equivalents as at December 31	76.9	59.5	54.6	23.8	42.4	59.0	13.0	7.5
Dividends to non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

All subsidiaries are fully consolidated in the Fraport consolidated financial statements. The capital shares in the subsidiaries directly held by Fraport AG as a parent company do not differ from the proportion of voting rights held. There are no preferred shares in the subsidiaries.

3 Consolidation Principles

Capital consolidation of all business combinations follows the purchase method.

All identifiable acquired assets and the acquired liabilities, including contingent liabilities, are recorded at fair value on the acquisition date. The acquisition costs for company acquisitions correspond to the fair value of the transferred assets and liabilities. Incidental acquisition costs are recorded as expenses as they are incurred. Conditional purchase price payments are recorded at fair value on the acquisition date. Subsequent changes in the fair value of a conditional consideration, which is deemed to be an asset or a liability, will be recognized either through profit or loss or as a change in other income. Non-controlling interests are valued at fair value or the corresponding proportion of the identifiable net assets of the acquired company. In the case of step-by-step company acquisitions, the shares already held in the acquired company are revalued through profit or loss at fair value on the date that control is obtained.

Goodwill is recorded insofar as the sum of the consideration that is transferred, the amount of all non-controlling interests in the acquired company and any equity that was previously held and revalued on the acquisition date is higher than the balance of the acquired and revalued identifiable assets and the revalued acquired liabilities. If the comparison results in a lower amount, a net income on acquisition at a price below the fair value is recorded after the assigned values are reviewed.

Joint ventures and associated companies are accounted for in the consolidated financial statements using the equity method. Initial measurements of companies accounted for using the equity method are carried out at fair value at the time of acquisition, similarly to capital consolidation for subsidiaries. Subsequent changes in the shareholders' equity and the updating of the difference from initial valuation change the amount accounted for at equity.

Intercompany profits and losses on trade accounts payable between companies included in the consolidated financial statements were minimal.

Loans, accounts receivable, and liabilities, contingencies and other contingent liabilities between companies included in the consolidated financial statements, internal expenses, and income, as well as income from Group investments are eliminated.

Currency translation

Annual financial statements of companies outside Germany denominated in foreign currencies are translated on the basis of the functional currency concept in accordance with IAS 21. The assets and liabilities of the consolidated companies are translated at the exchange rate on the balance sheet date and shareholders' equity at the historical exchange rate, whereas, for the purpose of simplification, the expenses and income are translated at average exchange rates, since the companies are financially, economically, and organizationally independent. Foreign currency translation differences are included directly in equity without affecting profit or loss.

The following material exchange rates were used for the currency translation:

Exchange rates

Unit/Currency in €	Exchange rate December 31, 2021	Average exchange rate 2021	Exchange rate December 31, 2020	Average exchange rate 2020
1 US Dollar (US-$)	0.8835	0.8455	0.8148	0.8755
1 Turkish New Lira (TRY)	0.0661	0.0951	0.1097	0.1242
1 Renminbi Yuan (CNY)	0.1391	0.1311	0.1253	0.1270
1 Hong Kong Dollar (HKD)	0.1133	0.1088	0.1051	0.1129
1 Peruvian Nuevo Sol (PEN)	0.2214	0.2179	0.2251	0.2504
100 Russian Rubles (RUB)	1.1768	1.1474	1.0898	1.2088
1 Brazilian Real (BRL)	0.1586	0.1568	0.1569	0.1697

Business transactions in foreign currencies are accounted at the exchange rate on the date of the business transaction. Measurement of the resulting assets and liabilities that are nominally bound in the foreign currency as at the balance sheet date takes place at the exchange rate as at the balance sheet date. Translation differences are generally recorded through profit or loss.

4 Accounting Principles

Uniform accounting measurement policies

The financial statements of the Fraport Group are based on accounting and measurement policies that are applied consistently throughout the Group.

The consolidated financial statements are drafted on the basis of historic acquisition and production costs. Particular exceptions include financial assets available for sale and derivative financial instruments.

The following overview contains a summary of the valuation methods for items in the statement of financial position.

Measurement policies by financial position item

Financial position item	Measurement policy
Assets	
Goodwill	Accumulated impairment (IAS 36)
Investments in airport operating projects	Amortized costs
Other intangible assets with determinable useful lives	Amortized costs
Property, plant, and equipment	Amortized costs
Investment property	Amortized costs
Other financial assets	According to IFRS 9
Trade accounts receivable	According to IFRS 9
Other financial receivables and assets	According to IFRS 9
Other non-financial receivables and assets	Amortized costs
Inventories	Lower of acquisition or production cost and net realizable value
Cash and cash equivalents	Nominal value
Derivative financial instruments	According to IFRS 9
Liabilities	
Financial liabilities	According to IFRS 9
Trade accounts payable	According to IFRS 9
Other financial liabilities	According to IFRS 9 and IFRS 16
Other non-financial liabilities	Amortized costs
Provisions for pensions and similar obligations	Projected unit credit method
Other provisions	Present value or amount required to settle the obligation
Derivative financial instruments	According to IFRS 9

Recognition of income and expenses

According to IFRS 15, revenue from contracts with customers must be recognized in the amount for which the company has fulfilled its performance obligation and the customer has received the authority to dispose of the agreed goods and services. The timing and amount of the revenue to be recognized is determined according to the following five-step process:

> Identification of the contract/s with a customer,
> Identification of the independent performance obligations,
> Determination of the transaction price,
> Distribution of the transaction price to the individual performance obligations,
> Revenue recognition upon fulfillment of the performance obligations.

Income and expenses from the same transactions and/or events are recognized in the same period.

In the Fraport Group, revenue is divided into the following types:

The Aviation segment includes, in particular, revenue from airport charges, which are based on a regulation approved by HMWEVW (see note 49), as well as from security services at the Frankfurt site. The airport charges are for the takeoffs, landings (including noise and emission), and parking of aircraft as well as for the use of passenger facilities. Security services refer to services for passenger, baggage, and cargo inspections on behalf of the German Federal Ministry of the Interior (BMI). The performance obligations in the Aviation segment are usually fulfilled within one day and recognized accordingly.

In the Retail & Real Estate segment, revenue is divided into the areas of real estate, retail, and parking.
Real estate revenue relates to leasing of buildings at Frankfurt Airport. In addition, Fraport AG offers various services in the area of real estate management for third parties. These range from the development and marketing of real estate management to energy management.
Revenue in the retail sector is divided into the categories of shopping, advertising, and services and primarily results from revenue from the rental of retail and service areas as well as the marketing of advertising space.
The area of parking includes, in particular, revenue from the leasing of parking spaces at various parking facilities.
As a general rule, revenue from leasing and all other services is recognized using the straight-line method over the term of the lease or for a fixed term. In contrast, for disposals of real estate inventories, revenue is recognized at the time of transfer of control to the buyer.

In the Ground Handling segment, revenue is divided into the areas of ground services and charges for infrastructure. The apron services are responsible for carrying out loading and transport services. This includes, among other things, the transportation of passengers, baggage, and cargo as well as the loading and unloading of aircraft. In addition, the handling of freight includes, among other things, the landside processing of air freight and mail as well as freight documentation. The infrastructure charges include, in particular, charges for providing the central infrastructure, such as the central baggage transfer system, at the Frankfurt site.
The performance obligations in the Ground Handling segment are usually fulfilled within one day and recognized accordingly.

The International Activities & Services segment includes the operation, maintenance, development, and expansion of airports and infrastructure facilities in Germany and abroad. These services also encompass consulting services and customized solutions to the challenges of airport management (so-called ORAT services – operational readiness and airport transfer). The services of the foreign investments essentially correspond to those described for the Aviation, Retail & Real Estate, and Ground Handling segments. In addition, revenue in the segment includes contract revenue from construction and expansion services related to airport operating projects abroad which are being carried out in line with the respective progress in each construction project. The accounting treatment follows IFRIC 12.

In general, the payment terms are set depending on the type of revenue. The payment terms are typically between 0 and 40 days.

Interest income is recorded using the effective interest rate method.

Goodwill

After the initial recognition of goodwill acquired in the course of a business merger, it is measured at acquisition costs less any cumulative impairment losses.

For the purpose of impairment testing, goodwill acquired in the course of a business merger is assigned to the cash-generating units of the Group since the acquisition date. Goodwill impairment testing is performed by comparing the recoverable amount of a cash-generating unit to its carrying amount, including goodwill. The recoverable amount corresponds to the higher amount of the fair value less costs to sell and the value in use. Essentially, in the Fraport Group the value in use based on a company valuation model (discounted cash flow method) is used to calculate the recoverable amount. All goodwill items are tested for impairment at least once a year in December in accordance with IAS 36.88 – 99. In the event of an impairment, an impairment loss is recognized. Goodwill is not written up when the reasons for impairment are eliminated. Goodwill is not subject to regular depreciation and amortization.

Investments in airport operating projects

To allow for better transparency, investments in airport operating projects are presented separately. These consist of concessions for the operation of airports in Greece, Varna and Burgas (Bulgaria), Lima (Peru), and Fortaleza and Porto Alegre (Brazil) acquired within the scope of service concession agreements (see also note 49). The concession agreements for the operation of the airports fall under the application of IFRIC 12.17 and are recognized according to the intangible asset model, since Fraport receives the right in each case to impose a charge on airport users in exchange for the obligation to pay concession fees and provide construction and expansion services. The contractual obligations to pay concession fees that are not variable, but contractually fixed in amount, are recorded as financial liabilities. These liabilities are initially recognized at fair value using a risk-adjusted discount rate. Airport operation rights received as consideration are recorded as intangible assets at the same amount and reported under investments in airport operating projects. The rights received as consideration for construction and expansion services are recognized at the cost of production for the period in which the production costs are incurred. Revenue and expenses from construction and expansion services are generally recorded pursuant to IFRIC 12.14 and in accordance with IFRS 15. Borrowing costs are capitalized as part of the costs of acquisition if the requirements (see “Borrowing costs”) are fulfilled. Provisions for maintenance measures are formed if maintenance obligations of specified amounts arise from the concession agreements. Costs for ongoing, scheduled maintenance measures are therefore recognized as current expenses of the period.

The recognized financial liabilities are subsequently measured at amortized cost using the effective interest method. Subsequent measurement of the capitalized rights is at the cost of acquisition or production less cumulative regular depreciation and amortization over the term of the concessions.

Impairment losses are recognized in accordance with IAS 36, where necessary.

Other intangible assets

Acquired intangible assets (IAS 38) are recognized at acquisition cost. Their useful life is limited. They are amortized over their useful lives using straight-line depreciation and amortization. Where necessary, impairment losses are recognized in accordance with IAS 36. If the recoverable amount of the asset later exceeds the carrying amount after an impairment loss has been recognized, the asset is written up to a maximum of the recoverable amount. The write-up through profit or loss is limited to the amortized carrying amount that would have resulted if no impairment losses had been recognized in the past.

Development costs for internally generated intangible assets are capitalized at manufacturing cost when it is probable that the manufacture of these assets will generate future economic benefits for the company and the costs can be measured reliably. The manufacturing costs cover all costs directly attributable to the manufacturing process. If the conditions for capitalization are not met, the expenses are recognized in the income statement in the year in which they are incurred. Internally generated intangible assets are amortized over their useful lives using the straight-line method.

Borrowing costs of other intangible assets that constitute qualifying assets are recognized (see “Borrowing costs”).

Property, plant, and equipment

Property, plant, and equipment (IAS 16) are recognized at the cost of acquisition or production less straight-line depreciation and amortization and any impairment losses pursuant to IAS 36, where applicable. If the recoverable amount of the asset later exceeds the carrying amount after an impairment loss has been recognized pursuant to IAS 36, the asset is written up to a maximum of the recoverable amount. The write-up through profit or loss is limited to the amortized carrying amount that would have resulted if no impairment loss had been recognized in the past. Subsequent acquisition costs are capitalized. Production costs essentially include all direct costs including appropriate overheads. Borrowing costs of property, plant, and equipment that constitute qualifying assets are recognized (see “Borrowing costs”).

Each part of an item of property, plant, and equipment with an acquisition cost that is significant in relation to the total value of the item is measured and depreciated separately with regard to its useful life and the appropriate depreciation method.

Government grants and third-party grants related to assets are included in liabilities and are released straight-line over the useful life of the asset for which the grant has been given. Grants related to income are included as other operating income through profit or loss (IAS 20).

Investment property

Investment property (IAS 40) includes property held to earn long-term lease revenue or capital appreciation, which is not owner-occupied; it also consists of land held for a currently undetermined future use.

If land as yet held for an undetermined use is now defined as being held for sale and development has begun, it is transferred to inventories; if it is intended for owner-occupation, it is transferred to property, plant, and equipment.

Investment property is measured initially at the cost of acquisition or production. Subsequent measurement is at the cost of acquisition or production less regular straight-line depreciation and amortization and impairment losses according to IAS 36 where applicable. Borrowing costs of investment properties that constitute qualifying assets are capitalized (see “Borrowing costs”).

Borrowing costs

Borrowing costs (IAS 23) that relate to the acquisition, construction, or production of a qualifying asset are required to be capitalized as part of the acquisition/production cost of such assets. At Fraport AG, the planned investment measures form the basis for determining the qualifying assets. If the volume of the planned measures at Fraport AG exceeds €25 million and if the construction period is more than one year, all assets produced as part of the measure are recognized as qualifying assets. Each Group company defines its own individual criteria for what constitutes the presence of qualifying assets. Borrowing costs include interest, ancillary costs associated with debt capital, financing charges in respect of finance leases, and currency differences.

Regular depreciation and amortization

Regular depreciation and amortization is carried out on the basis of estimated useful technical and economic life. It takes place fundamentally on a Group-wide basis according to the straight-line method. The data on expected useful life also includes the useful lifespans of individual components.

The following useful lifespans are taken as a basis:

Regular depreciation and amortization

In years	
Investments in airport operating projects	25-50
Other concession and operator rights	10-39
Software and other intangible assets	1-30
Buildings (structural sections)	7-80
Technical buildings	20-40
Building equipment	12-38
Ground equipment	5-99
Flight operating areas	
Takeoff/landing runways	7-99
Aprons	20-99
Taxiway bridges	80
Taxiways	20-99
Other technical equipment and machinery	1-33
Vehicles (including special vehicles)	1-20
Other equipment, operating, and office equipment	1-25

The expected useful life of investment property corresponds to the expected useful life of the property, which is part of property, plant, and equipment.

Impairment losses pursuant to IAS 36

Impairment losses on assets are recognized pursuant to IAS 36. Assets are tested for impairment if there are indications of an impairment loss. An impairment test is carried out annually for existing goodwill. Impairment losses are recorded if the recoverable amount of the asset has fallen below its carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is the present value of the estimated future cash inflows and outflows from the use and subsequent disposal of the asset.

Since it is not generally possible in the Fraport Group to allocate cash flows to individual assets, cash-generating units are formed and the existing goodwill is allocated to them. A cash-generating unit is defined as the smallest identifiable group of assets that generates separate cash inflows and outflows.

Regardless of indicators for possible impairment losses, assets are subject to an annual impairment test pursuant to IAS 36.

Generally, the value in use is calculated as the recoverable amount. The value in use is determined by the entity through application of the discounted cash flow method.

Determination of the future cash flows of the cash-generating units is based on the planning figures. The value in use is generally determined based on the future cash flows estimated on the basis of the current planning figures for the years between 2022 to 2026 as approved by the Executive Board and in effect at the time the impairment tests are made (in December of the year under review), and on the basis of the current long-term plans up to 2030 or over the respective contractual periods in the case of investments in airport operating projects and other concession and operator rights. These forecasts are based on past experience and the expected market performance, which is based on external studies and internal forecasts. A growth rate of between 1.0% and 2.0% (previous year: 1.0% to 2.0%) based on the planning assumptions is taken into account in the perpetual annuity. The discount factor was a country-specific, weighted average cost of capital (WACC) after taxes of between 4.6% and 12.7% (previous year: 4.6% to 10.8%).

In particular, due to the significant deterioration in the market environment in 2021 as a result of the Covid-19 pandemic and the resulting negative impact on the earnings forecast for the subsequent years, Fraport assessed the impairment of non-current assets of the Group companies in accordance with IAS 36.12 and IAS 36.13.

The forecasts presented in the outlook on the recovery of traffic figures at the Frankfurt site to the levels before the pandemic by 2026 correspond to the base scenario of our planning and have been incorporated into the calculations of the impairment tests.

Due to the increased uncertainties in planning given the Covid-19 pandemic, sensitivity analyses were carried out for all cash-generating units. As a general rule, the impairment of all units was assessed at a higher WACC by 0.5%-points and with a reduction in the growth rate by 0.5%-points over the entire planning period. The value could still be determined even after the parameters had been adjusted. For Fraport AG’s airport operations CGU, the 0.5 percentage point increase in the capitalization interest rate results in an impairment requirement for airport operations that is just under the triple-digit million range. The impairment was confirmed in all other sensitivity scenarios.

In addition, further sensitivity assessments were carried out for Fraport AG’s main central cash-generating airport operations unit, adjusting the main planning assumptions, annual passenger numbers and airport charges. The passenger numbers are highly dependent on the further developments in the pandemic and therefore constitute a planning parameter clouded with uncertainty. As part of the planning process, different scenarios for passenger numbers were developed. These have been weighted in the additional sensitivity analysis. Taking into account an average passenger decrease of 3% compared to the adopted forecasts and the associated adjustment of variable costs, the impairment of non-current assets remains in effect. However, the remaining coverage shows a significant decrease of 62%. In one scenario, the planned increases in future airport charges were halved. This resulted in a significant decrease in coverage of 80%. The combination of both scenarios results in an impairment requirement in the mid-triple-digit million range.

Another significant influence on the company’s value is the value added of the perpetual pension. Therefore, the impairment in the base scenario was verified to ensure it is even with a reduced growth rate of the perpetual annuity of 0.5%. The impairment was confirmed even with reduced growth in the perpetual annuity.

Leases

The Fraport Group has recognized right-of-use assets and liabilities for leases in which the Fraport Group is the lessee in the amount of the present value of the payment obligations entered into. Right-of-use assets are recognized if the leasing contract entitles the user to control the use of an identified asset against payment of a fee for a certain period of time. The right-of-use assets are shown under property, plant and equipment. The lease liabilities are shown under other liabilities. Lease liabilities include fixed lease payments less lease incentives to be provided by the lessor, variable payments that are linked to an index or interest rate, expected residual value payments from residual value guarantees, the exercise price of a purchase option if the exercise was deemed to be reasonably certain, and contractual penalties for those termination of the lease if it is considered in the term that a termination option will be used. Lease payments are discounted at the interest rate that the lease is implicitly based on, if the lessor provided that interest rate. Otherwise, discounting is carried out using the lessee’s incremental borrowing rate. This is derived from country-specific, risk-free debt financing interest rates with matching currencies and maturities. The right-of-use assets are measured at acquisition costs, which consist of the present value of the lease liability and initial direct costs as well as dismantling obligations and leasing payments received before or upon provision, less leasing incentives received. The subsequent measurement is carried out at amortized cost. Right-of-use assets are amortized on a straight-line basis over the lease term. If leasing agreements contain extension or termination options, all facts and circumstances are taken into account for the determination of the contract term that offer an economic incentive to exercise extension options or not to exercise such options. The term will only be adjusted if the exercise or non-exercise of such options is reasonably certain.

Taking into account the principle of materiality (IAS 1 in conjunction with IFRS 16.BC86), right-of-use assets and lease liabilities are accounted for exclusively for real estate leasing contracts. Payments from leasing contracts for operating and office equipment as well as technical systems and machines are recorded as expenses in the same way as previous operating lease contracts. Furthermore, the regulations of IFRS 16 are not applied to intangible assets. The future minimum lease payments arising from the existing lease contracts for operating and office equipment and technical systems and machines are specified in note 46.

If an entity of the Fraport Group acts as a lessor and the contract will be classified as an operating lease, the leased property is shown in property, plant and equipment at amortized cost. Rental income is generally recorded on a straight-line basis over the term of the contract.

If an entity of the Fraport Group acts as a lessor and the contract will be classified as finance lease, the Fraport Group recognizes the lease object in its balance sheet when a finance lease exists and shows it as a receivable in the amount equal to the net investment in the lease.

Investments in companies accounted for using the equity method

Investments in joint ventures and associated companies are recognized at the pro rata share of equity, including goodwill. Impairment losses are recorded if the recoverable amount is lower than the carrying amount. The investments are tested for impairment annually.

Other financial assets

Other financial assets include securities, loans and other investments. Other financial assets are recognized at fair value on the settlement date, i.e. at the time the asset is created or transferred, plus transaction costs. Non-current low-interest or interest-free loans are recognized at their present value. Other financial assets with a remaining term of up to one year are reported as current. The recognition and subsequent valuation is based on the cash flow characteristics and of the business models according to which they are managed.

A classification at amortized acquisition costs occurs when both of the following conditions are met:

> The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

> The contractual terms and conditions lead to cash flows that only represent solely payments of principal and interest.

The loans are valued at amortized acquisition costs using the effective interest method.

The valuation as fair value other comprehensive income with recycling (FVOCI with recycling) is applied if the following conditions are met:

> The financial asset is held within a business model whose objective is to achieved by both holding financial assets in order to collect contractual cash flows and selling financial assets, and

> The contractual terms and conditions lead to cash flows that only represent solely payments of principal and interest.

FVOCI with Recycling applied to securities. Value changes are recognized in other result, and if there is an early sale, profit or loss from shareholders' equity are recycled with an effect on the income statement.

For other investments, the FVOCI option was exercised for strategic reasons. The fair value changes are recorded under other result. The profit and loss recorded in other result are not recycled with an effect on the income statement and no impairment losses are recognized in the income statement (FVOCI without recycling).

When deciding whether a contractual amendment leads to a disposal of a financial asset, quantitative and qualitative criteria are taken into account.

Trade accounts receivable, other financial and non-financial receivables and assets

Trade accounts receivable and other financial and non-financial receivables and assets are recognized on the settlement date, i.e., at the time the asset is created or economic ownership is transferred, at fair value plus transaction costs.

Trade accounts receivable, other financial and non-financial receivables and assets, and receivables from banks with a remaining term of less than one year are reported as current.

Trade accounts receivable, accounts receivable from banks, and all other financial receivables with fixed or ascertainable payments are held to "collect cash flows" and have "cash flows that are solely payments of principal and interest". Subsequent measurement is carried out at amortized cost of acquisition, based on the effective interest method. Receivables in foreign currencies are translated at the exchange rate on the balance sheet date.

Assistance received from government

In principle, public contributions (IAS 20) are only recognized if there is reasonable assurance that the conditions attached to them are met and that the contributions are granted.

Contributions related to income are deducted from these expenses in the period in which the corresponding expenses are incurred. Entitlements to contributions for which sufficient security is in place are reported under other non-financial assets.

Given the sharp decline in traffic due to the effects of the Covid-19 pandemic, short-time work schedules were introduced for a large part of the employees at the Frankfurt site. The contributions received were recognized in personnel expenses as a reduction in expenses and the existing entitlements were reported under other non-financial assets.

Impairment losses of financial assets

In general, impairment losses are recognized through profit or loss by directly reducing the carrying amount of the financial asset.

The impairment provisions are applied to the following assets:

> financial assets in the form of debt instruments that are measured at amortized costs, such as trade accounts receivables, loans to associated companies and bank balances and deposits

> financial assets in the form of debt instruments that are measured at fair value without affecting profit or loss

On each balance sheet date, the carrying amounts of the aforementioned financial assets that are measured at amortized costs or at the fair value without affecting profit or loss are assessed to see whether there is any objective evidence (such as considerable financial difficulties of the debtor, high probability of insolvency proceedings against the debtor, or a permanent decline of the fair value below amortized cost) that the asset may be impaired. The assessment takes place by considering forward-looking, macro-economic information on whether the credit risk has significantly increased (or decreased). The assessment of whether there is a significant increase or decrease in credit risk is relevant for whether loan defaults must be calculated over the next 12 months or over the entire term. The assessment is carried out on the basis of the change in credit risk during the expected term of the financial instrument.

For trade accounts receivable, a risk provision is recorded on a collective basis in the amount of the expected payment defaults over the entire term of the receivables. The determination of the expected payment defaults are based on historical information on payment defaults and qualitative insights into possible future defaults.

The available probability of default of the respective counterparty, taking into account insolvency rates, taken from external sources, are used to calculate the expected credit loss for financial assets in the general approach and for securities.

A risk provision is calculated taking into account the general materiality guidelines according to IAS 1. Changes are recognized in the amount of the required risk provisions as a write-up or impairment.

If an already impaired receivable is individually designated as non-recoverable, the asset is derecognized.

Inventories

Inventories include work-in-process, raw materials, consumables, supplies, and property held for sale within the ordinary course of business.

Work-in-process, raw materials, consumables, and supplies are measured at the lower of acquisition or production cost or net realizable value. Acquisition or production costs are generally calculated using the average cost method. Production costs include direct costs and adequate overheads.

Property held for sale within the ordinary course of business is also measured at the lower of acquisition or production cost or net realizable value.

The subsequent production cost required for land development is estimated for the entire marketable land area on the basis of specific cost unit rates for individual development measures. Depending on the land sales recognized in the respective year under review, the development costs are allocated on a pro rata basis to the remaining land area to be sold. Net realizable value is the estimated selling price less the costs incurred until the time of sale, and discounted over the planned selling period.

External reports on the fair value of the land being sold, as well as information about previous land sales, form the basis for the calculation of the estimated selling price.

Where the inventories constitute qualifying assets, the borrowing costs are capitalized.

If a write-down made in previous periods is no longer necessary, a write-up is recognized.

Cash and cash equivalents

Cash and cash equivalents basically include cash, cash accounts, and short-term cash deposits (including restricted cash) with banks maturing in three months or less. Cash deposits with banks with a maturity of more than three months from the time of acquisition are recorded in this item if their values do not fluctuate significantly and they can be liquidated at short notice without deduction for risk. Cash and cash equivalents are recognized at nominal value. Cash in foreign currencies is translated at the exchange rate on the balance sheet date.

Non-current assets held for sale

Non-current assets held for sale are recognized at either the carrying amount or at fair value less costs to sell, whichever is the lower amount.

Accounting of taxes on income

Taxes on income are recognized using the liability method pursuant to IAS 12. All tax expenses and refunds directly related to income are recorded as taxes on income. These also include withholding taxes and penalties. Interest accrued based on subsequently assessed taxes are recorded as an interest expense.

Current taxes are recognized on the date when the liability for taxes on income is incurred.

Deferred taxes are recognized pursuant to IAS 12 using the liability method based on temporary differences on a case by case basis. Deferred taxes are recognized for temporary differences between the IFRS and tax financial positions of the single entities, and differences arising from unused, utilizable loss and interest carry-forwards and consolidation transactions. The recognition of goodwill that is not deductible for tax purposes does not lead to deferred taxes.

If the carrying amount of an asset in the IFRS financial position exceeds its tax base (e.g. non-current assets depreciated on a straight-line basis), and if the difference is temporary, a deferred tax liability is recognized. Pursuant to the IFRS, deferred tax assets are recognized from financial position differences and for carry-forwards of unused tax losses, to the extent that it is probable that taxable profit will be available, against which the unused tax losses and unused tax credits can be utilized.

Deferred taxes are calculated at future tax rates insofar as these have already been legally established and/or the legislative process is largely completed. Changes in deferred taxes on the financial position generally lead to deferred tax income or expense. When transactions resulting in a change to deferred taxes are recorded directly in shareholders' equity without affecting profit or loss, the change to deferred taxes is also included directly in shareholders' equity without affecting profit or loss.

Deferred tax assets and liabilities are netted insofar as these income tax claims and liabilities relate to the same tax authority and to the same taxable entity or a group of different taxable entities that, however, are assessed jointly for income tax purposes.

No deferred tax liabilities are recognized for temporary differences in connection with shares in subsidiaries if Fraport can control the timing of the reversal and it is not expected that these differences will reverse in the foreseeable future.

Provisions for pensions and similar obligations

The provisions for pensions relate to defined benefit plans and have been calculated in accordance with IAS 19 under the application of actuarial methods and an interest rate of 0.90% (previous year: 0.40%). For the calculation of the interest expense from the defined benefit plans and the income from plan assets, the same interest rate is used as a basis.

Re-measurements resulting from the change in the interest rate or from the difference between actual and computed income from plan assets, for example, are recognized in other comprehensive income (OCI) as non-reclassifiable.

The present value of the defined benefit obligation (DBO) is calculated annually by an independent actuary using the projected unit credit method. The calculation takes place by discounting the future estimated cash outflows with the interest rate from industry bonds of the highest creditworthiness. The industry bonds are denominated in the currency of the distribution amounts and show the relevant maturities of the pension obligations. If benefit claims from the defined benefit plans are covered by plan assets in the form of reinsurance, the fair value of the plan assets is netted with the DBO. Benefit claims that are not covered by plan assets are recognized as pension provisions.

As in the previous year, the calculations did not include salary increases for the active members of the Executive Board. For former members of the Executive Board retirement pensions are valued in accordance with the Act on Adjustments to Compensation and Retirement in Hesse as amended. The calculation of provisions for pensions was based on the 2018G mortality tables by Professor Heubeck.

The service cost and net interest are recognized in personnel expenses.

With regard to the description of the various plans, see note 38.

Provisions for taxes

Provisions for current taxes are recognized for tax expected to be payable in the year under review and/or previous years taking into account anticipated risks.

Other provisions

Provisions represent liabilities that are uncertain with regard to amount and/or maturity. Other provisions are recognized in the amount required to settle the obligations. The amount recognized represents the most probable value.

Provisions are recognized to the extent that there is a current commitment to third parties. In addition, they must be the result of a past event, lead to a future cash outflow, and more likely than not be needed to settle the obligation (IAS 37).

Refund claims toward third parties are capitalized separately from the provisions as “other receivables”, provided that their realization is virtually certain.

Non-current provisions with terms of more than one year are discounted at a capital market interest rate with a matching maturity, taking future cost increases into account, provided that the interest effect is material. This especially applies to the provisions for passive noise abatement, which are discounted over a period until 2023 and according to the expected cash outflow dates of matching interest rates up to –0.61% (previous year: up to –0.59%).

The provision for partial retirement is recognized pursuant to IAS 19. The recognition of the liability from step-ups starts at the time when Fraport can legally and factually no longer withdraw from the liability. The step-up amounts are added to the liability in installments until the end of the active phase on a pro rata basis. The utilization begins with the passive phase.

Contingent liabilities

Contingent liabilities are possible liabilities that are based on past events, and the existence of which is only confirmed by the occurrence of one or more indeterminate future events that are nonetheless beyond Fraport’s control. Furthermore, current obligations may constitute contingent liabilities if the probability of the outflow of resources is not sufficient for a liability to be recognized, or if the extent of the liability cannot be reliably estimated. Contingent liabilities are not recorded in the financial position, but rather shown in the notes.

Liabilities

Financial liabilities, trade accounts payable, and other financial and non-financial liabilities are recorded at their fair value less possible transaction costs upon initial recognition. For current liabilities, this corresponds generally to the nominal value. Non-current low-interest or non-interest-bearing liabilities are carried at their present value at the time of addition less possible transaction costs. Liabilities in foreign currencies are translated at the exchange rate on the balance sheet date.

Subsequent measurement of financial liabilities is based on the effective interest method at amortized acquisition cost. Each difference between the refund amount and the repayment amount is recorded in the income statement over the term of the contract in question using the effective interest method.

Derivative financial instruments, hedging transactions

The Fraport Group basically uses derivative financial instruments to hedge existing and future interest and exchange rate risks. Derivative financial instruments are measured at fair value in accordance with IFRS 9. Positive market values are recognized as other financial assets; negative market values as other financial liabilities. Effective changes of value on cash flow hedges are recorded in shareholders’ equity in the reserve for financial instruments without affecting profit or loss. Corresponding to this, deferred taxes on the fair values of cash flow hedges are also recorded in shareholders’ equity without affecting profit or loss. The effectiveness of the cash flow hedges is assessed on a regular basis. Ineffective cash flow hedges are recorded in the income statement through profit or loss under other financial result.

If the criteria for a cash flow hedge are not no longer met, the hedge accounting is released. In this case, the changes in the fair value and the related deferred taxes are recognized in the income statement (FVTPL). The fair value changes are recorded under “financial result on other items”.

Derivative financial instruments are recognized at the trading date.

Treasury shares

Repurchased treasury shares are deducted from the issued capital and the capital reserve.

Stock options

The value of the remuneration within the scope of the annual employee investment plan is not based on the performance of the shares, which means that the employee investment plan does not fall within the scope of application of IFRS 2.

Virtual stock options

Virtual stock options (“Long-Term Incentive Program”) have been issued since January 1, 2010 as part of the remuneration for the Executive Board and Senior Managers. As of January 1, 2020, virtual performance shares (“Performance Share Plan”) have been allocated to the Executive Board and senior employees. They are paid out in cash immediately at the end of the performance period of four years. The measurement of virtual shares respectively performance shares is at fair value pursuant to IFRS 2. Up to the end of the performance period, the fair value is re-determined on each reporting date and on the date of performance and is recorded in personnel expenses on a pro rata basis.

Judgment and uncertainty of estimates

The presentation of the asset, financial, and earnings position in the consolidated financial statements depends on accounting and valuation methods as well as assumptions and estimates. The assumptions and estimates made by the management in drawing up the consolidated financial statements are based on the circumstances and assessments on the balance sheet date. Although the management assumes that the assumptions and estimates applied are reasonable, there may be unforeseen changes in these assumptions that could affect the Group’s asset, financial, and earnings position.

Balance sheet items for which assumptions and estimates have a significant effect on the reported carrying amount are shown below.

Property, plant, and equipment

Experience, planning, and estimates play a crucial role in determining the useful life of property, plant, and equipment. Carrying amounts and useful lifespans are checked on each reporting date and adjusted as required.

Other financial assets

The valuation of loans included in the other financial assets is based in part on cash flow forecasts.

Receivables from contracts with customers

The determination of the expected payment defaults over the overall term of the receivables depends, among other things, on the assessment of qualitative insights into possible future defaults.

Taxes on income

Fraport is subject to taxation in various countries. In assessing global income tax receivables and liabilities, estimates sometimes need to be made. The possibility cannot be ruled out that the tax authorities will come to a different tax assessment. The associated uncertainty is accounted for by recognizing uncertain tax receivables and liabilities when they are considered by Fraport to have a probability of occurrence of more than 50%. A change to the assessment, for example, as a result of final tax assessments, will have an effect on current and deferred tax items. For uncertain income tax items that have been recognized, the expected tax payment is used as a basis for the best estimate.

Deferred tax assets are recognized if it is probable that future tax benefits can be realized. The actual tax earnings situation in future fiscal years, and therefore the actual usability of deferred tax assets, could differ from the forecasts at the time the deferred tax assets are recognized.

Provisions for pensions and similar obligations

Material valuation parameters for the valuation of provisions for pensions and similar obligations are the discount factor as well as trend factors (see also note 38).

Other provisions

The valuation of the other provisions is subject to uncertainty with regard to estimations of amount and the time of occurrence of future cash outflows. As a result, changes in the assumptions on which the valuation is based could have a material impact on the asset, financial, and earnings position of the Fraport Group. In connection with legal disputes, Fraport draws on information and estimates provided by the Legal Affairs department and any mandated external lawyers when assessing a possible obligation to recognize provisions and when valuing potential outflows of resources. The existing provisions for passive noise abatement as at December 31, 2021 and wake turbulences are substantially dependent with regard to their amounts on the utilization of the underlying programs by the eligible beneficiaries. The existing provisions for compensation in accordance with nature protection laws as at December 31, 2021 are dependent with regard to their amount on the extent and time of implementation of the environmental compensation measures. For further information on significant provisions, please refer to Note 40.

Contingent liabilities

The contingent liabilities are subject to uncertainty with respect to estimations of their amounts and, in particular, the timing of cash outflows. The time of the expected cash outflow is specified if it can be determined sufficiently reliably.

Company acquisitions

When an acquired company is consolidated for the first time, all identifiable assets, liabilities, and contingent liabilities must be recognized at their fair value at the time of acquisition. One of the main estimates relates to the determination of the fair value of these assets and liabilities at the time of acquisition. The measurement is usually based on independent expert reports. Marketable assets are recognized at market or stock exchange prices. If intangible assets are identified, the fair value is usually measured by an independent external expert using appropriate measurement methods which are primarily based on future expected cash flows. These measurements are considerably influenced by assumptions about the developments of future cash flows as well as the applied discount rates. The actual cash flows may differ significantly from the cash flows used as a basis for determining the fair values.

Impairment losses

The impairment test for goodwill and other assets within the scope of IAS 36 is based on assumptions about future developments. Fraport AG carries out these tests annually as well as when there are reasons to believe that goodwill has been impaired. In the case of cash-generating units, the recoverable amount is determined. This corresponds to the higher of fair value less costs to sell and value in use. The measurement of the value in use includes estimates regarding the forecasting and discounting of future cash flows. The underlying assumptions could change on account of unforeseeable events and may therefore impact the asset, financial, and earnings position.

Specific estimates or assumptions for individual accounting and valuation methods are explained in the relevant section. These are based on the circumstances and estimates on the balance sheet date, and in this respect also affect the amount of the reported income and expense amounts of the fiscal years shown.

New standards, interpretations, and changes

Of the new standards, interpretations and changes, Fraport generally applies those for which application was mandatory; i.e. those applicable to fiscal years beginning on or before January 1, 2021.

On August 27, 2020, the IASB adopted amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 related to the reform of reference interest rates (IBOR reform). With regard to the change in contractual cash flows, it has been clarified that in such cases the carrying amount of the financial instruments is not to be adjusted or derecognized. In addition, due to the exemptions in connection with the accounting of hedge relationships that are directly affected by the IBOR reform, the continuation of the hedge relationship remains possible for the most part. The amendments were adopted under EU law on January 13, 2021, and must be applied to fiscal years starting on or after January 1, 2021. Earlier application was permitted. The amendments did not have a substantial impact on the reporting of the asset, financial, and earnings position of the Fraport Group.

On March 31, 2021, the IASB extended the period in which amendments to the IFRS 16 “Leases” shall apply. The exemption provisions for COVID-19-related rental concessions now apply to payments due by June 30, 2022 (previously June 30, 2021). On August 30, 2021, the period of application of the IFRS 16 amendments was adopted under EU law. The effects of applying the amendments to IFRS 16 are presented in the explanations set out in “Significant accounting and measurement effects in connection with the coronavirus pandemic” (see note 1).

Standards which have not been applied prematurely

For the following new or amended standards and interpretations, which the Fraport Group is not obliged to adopt until future fiscal years, the Fraport Group is currently working on implementing the requirements for initial application. Early application is not planned. At this point in time, Fraport expects the effects on the consolidated financial statements described below.

Standards, interpretations, and amendments published and adopted into European law by the European Commission

On May 14, 2020, the IASB published amendments to several IFRS standards. The amendments relate to the following standards: IFRS 3 “Business Combinations” – Reference to the Conceptual Framework; IAS 16 “Property, plant, and equipment” – Proceeds before Intended Use. The amendment specifies that proceeds earned during the period in which an item of property, plant, and equipment is brought to the site and a condition necessary for it to be capable of operating is created may be deducted from the cost of acquisition or production. In addition, amendments were made in connection with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” – Onerous Contracts, Cost of Fulfilling a Contract. According to this amendment, when assessing whether contracts will be unprofitable, both the costs directly related to the contract and costs which would not be incurred without the contract must be taken into account. In addition, the annual “Improvements to IFRS 2018–2020” were published with minor changes to IFRS 1, IFRS 9, IFRS 16, and IAS 41. All the amendments will enter into effect on January 1, 2022, each with different transitional provisions. The amendments were adopted under EU law on July 2, 2021, and must be applied to fiscal years starting on or after January 1, 2022. None of the amendments are expected to have a substantial impact on the reporting of the asset, financial, and earnings position of the Fraport Group in future.

Standards, interpretations, and amendments that have been published, but not yet adopted into European law by the European Commission

On January 23, 2020, the IASB published changes to IAS 1 “Presentation of Financial Statements” regarding the classification of liabilities as current or non-current. Liabilities must be reported as non-current if, at the end of the reporting period, the company has a substantial right to defer the settlement of the debt by at least twelve months after the balance sheet date. On July 15, 2020, the IASB postponed the initial application of the amendments to IAS 1 to January 1, 2022. The amendments must be applied from January 1, 2023. An earlier application is permitted, but this requires EU endorsement. The effects of the application of the new classification of liabilities as current or non-current are currently being analyzed for the reporting of the asset, financial, and earnings position of the Fraport Group.

On February 12, 2021, the IASB adopted amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The amendments to IAS 1 aim to improve the quality of financial reporting by requiring disclosures to be made only on material and no longer on significant accounting policies. Accounting policies are considered to be material when they are necessary in order to understand other material information in the financial statements. This is likely to apply to accounting policies that relate to significant business activities, transactions and other material events in the company. The amendments to IAS 8 concern the definition of accounting estimates. They contain clarifications to better distinguish between accounting policies and accounting estimates. Both amendments must be applied to fiscal years starting on or after January 1, 2023. Earlier application of the amendments is permitted, subject to endorsement. The effects of the application of the amendments to IAS 1 and IAS 8 are currently being studied for the reporting of the asset, financial, and earnings position of the Fraport Group.

On May 7, 2021, the IASB published amendments to IAS 12 “Income Taxes”. The current prohibition on recognizing deferred taxes on initial recognition of an asset or liability should no longer apply to transactions that give rise to equal amounts of deductible and taxable temporary differences. The exemption applies for narrowly defined cases, for example in the case of leases, and disposal or dismantling obligations. If deductible and taxable temporary differences arise in the same amount, both deferred tax assets and liabilities must be recognized. The amendments must be applied for reporting periods from January 1, 2023. An earlier application is permitted, but this requires EU endorsement. The effects of the application of the amendments to IAS 12 are currently being studied for the reporting of the asset, financial, and earnings position of the Fraport Group.

Notes to the Consolidated Income Statement

5 Revenue

Revenue

€ million	2021	2020
Aviation		
Airport charges	361.7	288.6
Security services	194.1	120.2
Other revenue	31.7	32.1
	587.5	**440.9**
Retail & Real Estate		
Real Estate	168.8	163.0
Retail	72.1	78.9
Parking	51.4	43.5
Other revenue	26.8	9.2
	319.1	**294.6**
Ground Handling		
Ground services	221.2	177.9
Infrastructure charges	141.5	119.5
Other revenue	23.7	21.8
	386.4	**319.2**
International Activities & Services		
Aviation	316.6	174.5
Non-Aviation	292.0	223.3
Contract revenue from construction and expansion services (IFRIC 12)	241.7	224.5
	850.3	**622.3**
Total	**2,143.3**	**1,677.0**

In fiscal year 2021, the agreement reached with the German Federal Police in connection with billed aviation security services in recent years had a positive effect of €57.8 million on revenue from security services in the Aviation segment. Information on revenue can be found in the management report under the chapter “Results of Operations” as well as the segment reporting (see note 42).

The Retail & Real Estate segment includes income from operating leases from renting terminal areas, offices, buildings, and properties. No purchase options have been agreed upon. When renting retail space, either minimum rents or variable, revenue-related rents apply, depending on the occurrence of contractually defined conditions. Predominantly variable rents are agreed for these areas. Overall, during the fiscal year, revenue-related rent of €56.9 million (previous year: €55.5 million) was realized. Due to the Covid-19 pandemic, the conditions were adjusted as in the previous year, which provides for a temporary reduction in the minimum leases. The underlying lease contracts in the Retail section for fiscal year 2021 contain contractually agreed minimum lease payments of €16.6 million (previous year: €30.9 million).

Properties were predominantly rented in the form of assigned hereditary building rights. On the reporting date, the remaining term of hereditary building rights contracts is 43 years on average (previous year: 44 years).

The acquisition and production costs of the leased buildings and land amount to €522.4 million (previous year: €487.2 million). Cumulative depreciation and amortization came to €375.6 million (previous year: €370.4 million), of which depreciation and amortization amounted to €4.8 million for the fiscal year (previous year: €5.2 million).

Revenue in the International Activities & Services segment is allocated to the Aviation and Non-Aviation sections as well as contract revenue from construction and expansion services related to airport operating projects. The Aviation revenue includes revenue, in particular, from airport charges as well as security services (€316.6 million; previous year: €174.5 million). Revenue in the Non-Aviation section was €171.7 million (previous year: €123.3 million), resulting from retail and real estate activities as well as parking. In addition, €58.8 million (previous year: €41.3 million) was attributable to infrastructure charges and ground handling services. Contract revenue from construction and expansion services related to airport operating projects in the amount of €241.7 million (previous year: €224.5 million) was attributed to Lima (€190.3 million; previous year: €95.7 million), Greece (€29.9 million; previous year: €79.5 million) as well as Fortaleza and Porto Alegre (€21.5 million; previous year: €49.3 million).

Revenue in the amount of €2,143.3 million (previous year: €1,677.0 million) resulted from €1,484.2 million (previous year: €1,080.1 million from contracts with customers in accordance with IFRS 15. Other revenue relates to particular contract revenue from construction and expansion projects in accordance with IFRIC 12 as well as proceeds from rentals and other leases.

The total amount of future income from minimum lease payments arising from non-cancelable leases is as follows:

Minimum lease payments

€ million	Remaining term						Total
	Due in the 1st subsequent year	Due in the 2nd subsequent year	Due in the 3rd subsequent year	Due in the 4th subsequent year	Due in the 5th subsequent year	Due from the 6th subsequent year	2021
Minimum lease payments	144.9	103.0	85.8	76.9	74.3	1,505.3	1,990.2

€ million	Remaining term						Total
	Due in the 1st subsequent year	Due in the 2nd subsequent year	Due in the 3rd subsequent year	Due in the 4th subsequent year	Due in the 5th subsequent year	Due from the 6th subsequent year	2020
Minimum lease payments	158.8	117.3	98.4	89.4	75.4	1,533.1	2,072.4

The future income from minimum lease payments includes the contractual unconditional minimum rental for the retail areas as well.

6 Other Internal Work Capitalized

Other internal work capitalized

€ million	2021	2020
Other internal work capitalized	38.0	37.9

The other internal work capitalized primarily relates to engineering, planning, and construction services and services of commercial project managers, as well as other performance work. The internal work capitalized primarily arose as part of the expansion program and for the expansion, renovation, and modernization of the existing airport infrastructure at Frankfurt Airport.

7 Other Operating Income

Other operating income

€ million	2021	2020
Compensation claims in connection with Covid 19	320.9	42.4
Gains from disposal of non-current assets	6.5	1.8
Income from compensation payments	5.5	1.5
Releases of allowances	0.9	4.7
Releases of special items for investment grants	0.5	1.1
Others	20.3	30.3
Total	**354.6**	**81.8**

In fiscal year 2021, compensation claims totaling €320.9 million were realized in connection with the coronavirus pandemic. These claims primarily relate to the compensation of €159.8 million granted by both the German Federal Government and the State of Hesse for the holding costs incurred in the first lockdown in 2020 at the Frankfurt site. In addition, agreements were reached at Fraport Greece (€92.8 million) and the Brazilian Group companies (€26.5 million). The waiver of further short-term minimum lease payments among the Group companies of Fraport USA in the amount of €35.2 million also had a positive effect.

8 Cost of Materials

Cost of materials

€ million	2021	2020
Cost of raw materials, consumables, supplies, and real estate inventories	–299.1	–270.9
Cost of purchased services	–451.6	–417.7
Total	**–750.7**	**–688.6**

Among other things, the cost of raw materials, consumables, supplies, and real estate inventories includes the carrying amounts of real estate inventories sold in the fiscal year. The proceeds already realized in this respect are included under revenue in the Retail & Real Estate segment.

In the context of the airport operating projects outside of Germany (see also note 49) the cost of purchased services includes accrued variable concession charges of €77.9 million (previous year: €54.4 million), as well as order costs for construction and expansion services of €241.7 million (previous year: €224.5 million), which were allocated to the cost of raw materials, consumables, supplies, and real estate inventories.

9 Personnel Expenses and Number of Employees

Personnel expenses and average number of employees

€ million	2021	2020
Remuneration for staff	–721.1	–1,037.1
Social security and welfare expenses	–135.9	–138.1
Pension expenses	–27.3	–36.9
Total	**–884.3**	**–1,212.1**

Average number of employees	2021	2020
Permanent employees	18,092	20,765
Temporary staff (interns, students, and partially employed staff)	327	399
Total	**18,419**	**21,164**

The personnel expenses for the 2020 fiscal year included expenses in connection with the “Zukunft FRA – Relaunch 50” program at Fraport AG as well as corresponding measures taken by individual Group companies at the Frankfurt site in the amount of €299.0 million.

Additions to pension provisions and additions to obligations arising from time-account models are included in this item.

In response to the latest global developments in the Covid-19 pandemic, short-time work schedules were introduced for a large part of employees at the Frankfurt site as well as within the scope of local regulations at individual international Group companies. The contributions resulted in a reduction in personnel expenses of €78.0 million (previous year: €119.8 million). Of this amount, €30.9 million (previous year: €48.7 million) was attributable to social security contributions to be reimbursed.

10 Depreciation and Amortization

Depreciation and amortization

€ million	2021	2020
Composition of depreciation and amortization		
Goodwill		
non-regular	0.0	0.0
Investments in airport operating projects		
regular	−104.6	−92.6
Other intangible assets		
regular	−17.4	−19.8
non-regular	−0.9	0.0
Property, plant, and equipment		
regular	−319.7	−343.7
Investment property		
regular	−0.7	−1.4
Total	**−443.3**	**−457.5**

Regular depreciation and amortization

The useful lives of property, plant, and equipment were re-measured in the year under review, resulting in reduced depreciation and amortization of €12.2 million year on year (previous year: €22.1 million) and increased depreciation and amortization of €1.1 million (previous year: €4.2 million).

11 Other Operating Expenses

Other operating expenses

€ million	2021	2020
Insurances	−31.6	−28.9
Consulting, legal, and auditing expenses	−21.4	−15.0
Other taxes	−10.7	−8.3
Rental and lease expenses	−10.2	−10.2
Costs for advertising and representation	−9.6	−10.7
Write-downs of trade accounts receivable	−3.3	−5.0
Losses from disposal of non-current assets	−2.0	−1.2
Others	−55.1	−67.3
Total	**−143.9**	**−146.6**

Rental and leasing expenses result from existing rental and leasing contracts for operating and business equipment as well as technical equipment and machinery. On the grounds of materiality, no rights of use in accordance with IFRS 16 have been set aside for these contracts. As with operating leases, the contracts are recorded in expenses. The future minimum lease payments resulting from the contracts are presented in note 46. For additional comments, see note 4.

Among other things, other operating expenses include: Other administrative expenses (e.g., for office supplies), expenses from environmental protection measures and compensation payments, contributions and fees, as well as travel and training costs.

The consulting, legal, and audit expenses include Group auditor fees (disclosed in accordance with Section 314 (1) no. 9 HGB) amounting to €2.3 million (previous year: €2.1 million). Other certification services provided by the external auditor for Fraport AG related, in particular, to the expert opinion on the chargeable cost basis, as well as to the issue of a comfort letter as part of the bond issue. They are comprised as follows:

Group auditor fees

€ million	2021		2020	
	Fraport AG	Consolidated companies	Fraport AG	Consolidated companies
Audit services	1.4	0.3	1.4	0.2
Other certification services	0.5	0.0	0.3	0.0
Tax audit services	0.0	0.0	0.0	0.0
Other benefits	0.1	0.0	0.2	0.0
Total	**2.0**	**0.3**	**1.9**	**0.2**

12 Interest Income and Interest Expenses

Interest income and interest expenses

€ million	2021	2020
Interest income	43.8	27.4
Interest expenses	–268.7	–193.2

Interest income and interest expenses primarily include interest from non-current loans, promissory notes, bonds, and time deposits as well as interest expenses and interest income from interest cost added back on non-current liabilities, provisions, and non-current assets. The net interest payments of derivative financial instruments as well as interest income from securities are recorded as interest result. The increase in interest income of €16.4 million resulted primarily from an agreement with the German Federal Police regarding outstanding receivables and attributable interest in the amount of €17.5 million.

Interest income and interest expenses for financial instruments that are not recognized in income at fair value

€ million	2021	2020
Interest income from financial instruments	40.9	26.2
Interest expenses from financial instruments	–257.5	–179.5

13 Result from Companies accounted for Using the Equity Method

Result from companies accounted for using the equity method

€ million	2021	2020
Joint Ventures	33.8	–43.8
Associated companies	–15.0	–11.2
Total	**18.8**	**–55.0**

The result from joint ventures accounted for using the equity method (see note 22) contains, inter alia, the result after taxes for Antalya of €16.7 million (previous year: –€32.2 million) and the expenses from a contractually agreed tax settlement payment from Fraport AG to FAR of –€6.7 million (previous year: –€2.5 million).

14 Other Financial Result

The other financial result breaks down as follows:

Other financial result

€ million	2021	2020
Income		
Foreign currency translation rate gains, unrealized	1.1	1.6
Foreign currency translation rate gains, realized	3.0	3.6
Valuation of derivatives	3.1	2.6
Others	7.2	17.6
Total	**14.4**	**25.4**
Expenses		
Foreign currency translation rate losses, unrealized	–1.6	–2.3
Foreign currency translation rate losses, realized	–2.1	–4.3
Valuation of derivatives	–0.5	–0.8
Others	–1.4	–22.3
Total	**–5.6**	**–29.7**
Total other financial result	**8.8**	**–4.3**

Other income included in the financial result is primarily the fair value of the minority shareholder’s option to purchase further shares in the companies Fraport Regional Airports of Greece of €7.1 million (previous year: expense of €17.4 million).

15 Taxes on Income

Income tax expense breaks down as follows:

Taxes on income

€ million	2021	2020
Current taxes on income	–33.4	–33.4
Deferred taxes on income	8.8	276.2
Total	**–24.6**	**242.8**

Current income tax expense consists of current taxes on income for the year under review (€18.9 million, previous year: €13.5 million) and taxes on income for previous years (€14.5 million, previous year: €19.9 million).

The tax expenses include corporation and trade income taxes, the solidarity surcharge of the companies in Germany, and comparable taxes on income of the foreign companies. The effective taxes result from the taxable results of the fiscal year and any revisions to previous assessment periods, to which the local tax rates of the respective Group company are applied.

Deferred taxes are generally valued on the basis of the tax rate applicable in the respective country. A combined income tax rate of around 31% including trade tax has been applied to German companies, just as in the previous year.

Deferred taxes are recognized for all temporary differences between the tax and IFRS financial statements, for utilizable carry-forwards of unused tax losses, as well as for carry-forwards of tax-deductible interest.

The probability of the future use of the losses carried forward is decisive for the evaluation of the recoverability of deferred tax assets and interest. This depends on whether future taxable profits will be available in the periods in which the carry-forward of unused tax losses and interest can be utilized.

As at December 31, 2021, based on current information, the Fraport Group had non-utilizable trade tax losses carried forward of €5.3 million and corporation tax losses carried forward of €0.5 million attributable to taxes (previous year: €20.6 million related to trade taxes and €16.3 million to corporation taxes). The loss carryforwards that are not expected to be utilized result from Fraport

Immobilienservice und -entwicklungs GmbH & Co. KG and FraSec Fraport Security Services GmbH and can be carried forward indefinitely.

The Fraport Group has utilizable loss carryforwards in Germany of €613.2 million (corporation taxes; previous year: €725.5 million) and €679.8 million (trade taxes; previous year: €746.0 million) as well as utilizable losses carried forward aboard of €23.0 million (previous year: €85.6 million).

As at December 31, 2021, based on current information, the Fraport Group had utilizable carry-forwards of tax-deductible interest of €184.6 million (previous year: €129.7 million), which are exclusively attributed to Fraport Greece A and the Fraport Greece B.

For temporary differences in connection with shares in subsidiaries amounting to €529.6 million (previous year: €439.4 million), no deferred tax liabilities were recognized, as Fraport can control the timing of the reversal and it is not expected that these differences will reverse in the foreseeable future. These potential tax liabilities are, however, limited to 1.55% of the difference as well as local withholding taxes in the case of future dividend payments from certain foreign subsidiaries.

In addition, deferred taxes result from consolidation measures. Pursuant to IAS 12, no deferred tax is recognized in the context of initial consolidation with respect to goodwill capitalized or any impairment losses of goodwill.

Deferred tax assets and liabilities are netted insofar as these income tax claims and liabilities relate to the same tax authority and to the same taxable entity or a group of different taxable entities that, however, are assessed jointly for income tax purposes.

Deferred taxes resulting from temporary differences between tax financial valuation and assets/liabilities accounted according to IFRS are assigned to the following financial position items:

Allocation of deferred taxes

€ million	2021		2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Investments in airport operating projects	9.7	–116.4	5.5	–125.3
Other intangible assets	0.0	–15.1	0.0	–14.6
Property, plant, and equipment	2.7	–270.7	0.0	–308.3
Financial assets	1.4	0.0	0.0	–1.6
Accounts receivable and other assets	6.5	–0.3	6.7	–0.5
Provisions for pensions	8.8	0.0	9.8	0.0
Other provisions	51.9	–0.9	45.9	–0.2
Liabilities	232.4	0.0	252.6	0.0
Financial derivatives	1.1	–0.3	2.2	–1.5
Losses and interest carried forward	249.5	0.0	282.4	0.0
Total separate financial statements	**564.0**	**–403.7**	**605.1**	**–452.0**
Offsetting	–384.4	384.4	–431.4	431.4
Consolidation measures	3.0	–18.4	2.1	–19.1
Consolidated Statement of Financial Position	**182.6**	**–37.7**	**175.8**	**–39.7**

The vast majority of the deferred tax assets and liabilities result from non-current assets (investments in airport operating projects, other intangible assets, property, plant, and equipment) and non-current liabilities (primarily concession liabilities), as well as utilizable losses and interest carried forward.

Over the fiscal year, equity-decreasing deferred taxes of €0.4 million (previous year: €0.1 million) from the change in the fair values of financial derivatives and securities were recognized directly in shareholders' equity without affecting profit or loss. Further equity-decreasing deferred taxes resulted primarily from the revaluation of defined benefit plans to the value of €2.0 million (previous year: equity-increasing deferred taxes to the value of €1.8 million).

The following reconciliation shows the relationship between expected tax expense and tax expense in the consolidated income statement:

Tax reconciliation

€ million	2021	2020
Earnings before taxes on income	116.4	–933.2
Expected tax income/expense[1)]	–36.1	289.3
Tax effects from differences in foreign tax rates	5.9	–13.2
Tax credit from tax-free income	5.1	3.6
Taxes on non-deductible operating expenses	–2.0	–2.1
Non-creditable non-German withholding tax	–0.4	–1.7
Permanent differences including non-deductible tax provisions	–11.7	–13.7
Result of companies accounted for using the equity method	0.7	–15.7
Utilization of not balanced tax losses carried forward	5.4	0.0
Non-utilizable tax losses carried forward	0.0	–1.3
Trade effects and other effects from local taxes	–2.8	–2.1
Prior-period taxes	10.1	–1.6
Others	1.2	1.3
Taxes on income according to the income statement	**–24.6**	**242.8**

[1)] Expected tax rate around 31%, for corporation tax 15.0% plus solidarity surcharge 5.5 % and trade tax of around 15.5 % (unchanged from the previous year).

The consolidated tax rate for the 2021 fiscal year is 21.1% (previous year: 26.0%).

16 Earnings per Share

Earnings per share

	2021		2020	
	basic	diluted	basic	diluted
Group result attributable to shareholders of Fraport AG in € million	82.8	82.8	–657.6	–657.6
Weighted number of shares	92,391,339	92,741,339	92,391,339	92,741,339
Earnings per €10 share in €	0.90	0.89	–7.12	–7.09

The basic earnings per share were calculated using the weighted average number of floating shares (the same number of shares as in the previous year), each corresponding to a €10 share of the capital stock. With a weighted average number of 92,391,339 shares in the 2021 fiscal year, the basic earnings per €10 share amounted to €0.90.

As a result of the rights granted to employees to buy shares (authorized capital) within the scope of the employee investment plan, the diluted number of shares amounts to 92,741,339 (weighted average) and the diluted earnings per €10 share are therefore €0.89.

Notes to the Consolidated Financial Position

The composition and development of goodwill, investments in airport operating projects, other intangible assets, property, plant, and equipment, and investment property are shown in the Consolidated Statement of Changes in Non-Current Assets.

17 Goodwill

Goodwill arising from consolidation relates to:

Goodwill Tax reconciliation

€ million	Carrying amount December 31, 2021	Carrying amount December 31, 2020
Fraport Slovenija	18.0	18.0
Fraport USA	1.0	1.0
Media	0.3	0.3
Total	**19.3**	**19.3**

The following table provides an overview of the assumptions incorporated in the main goodwill impairment tests as at December 31, 2021:

Goodwill impairment test

Designation CGU	Discount rate before taxes	Growth rate of perpetual annuity	Average revenue growth in detailed planning period*	Average EBITDA margin in detailed planning period	Detailed planning period
Fraport Slovenija	7.7 %	–	3.8 %	–	2022 to 2053

*The forecast period up to 2026 is characterized by above-average revenue growth due to the recovery of air traffic following the Covid-19 pandemic. The reported average revenue growth is adjusted for the recovery effect and reflects the average growth for the years 2026 to 2053. Over the entire forecast period, the average revenue growth is 6.8%.

The parameters used within the scope of the impairment tests are based on the current plan approved by the Executive Board. This takes account of internal empirical values and external economic framework data.

The revenue forecasts used to determine growth assumptions are based, in particular, on expected air traffic trends derived from external market forecasts.

A variation in the discount rate of +0.5 percentage points or growth forecasts of –0.5 percentage points will not affect the recoverability of the reported goodwill.

The planning period on which the impairment test for Fraport Slovenija is based corresponds to the term of the right derived from a long-term land use contract to operate the airport in Ljubljana.

18 Investments in Airport Operating Projects

Investments in Airport Operating Projects

€ million	December 31, 2021	December 31, 2020
Investments in airport operating projects	3,416.4	3,221.2

Investments in airport operating projects relate to concession rights, which comprise the following items due to the application of IFRIC 12 (see also note 4 and note 49): the initial payment and capitalized minimum concession payments of €1,889.6 million (previous year: €1,938.1 million) as well as capital expenditure of €1,507.4 million (previous year: €1,248.4 million) and prepayments of €19.4 million (previous year: €34.7 million). They relate to terminal operation at the concession airports in Greece at

€1,986.7 million (previous year: €2,034.2 million), Lima at €726.7 million (previous year: €497.9 million), Fortaleza and Porto Alegre at €551.6 million (previous year: €530.4 million), as well as Varna and Burgas at €151.5 million (previous year: €158.7 million).

Loans that were specifically taken out to finance the expansion of the airports in Brazil were accounted for as borrowing costs in the amount of €39.6 million (previous year: €20.2 million), of which €13.8 million (previous year: €9.4 million) were capitalized. Interest rates on loans range from 11.7% and 16.1%. Amounts for loan disbursements that are not yet required for capital expenditure in the expansion of the airports were reinvested. The accrued interest income for these investments amounted to €0.7 million (previous year: €1.0 million).

As part of the expansion at Lima Airport, loans amounting to €61.8 million were raised as part of specific financing and in this context borrowing costs of €3.7 million (previous year: €0.8 million) were capitalized. The loan will accumulate interest at an interest rate of 1.62%.

19 Other Intangible Assets

Other intangible assets

€ million	December 31, 2021	December 31, 2020
Other concession and operator rights	57.4	60.4
Software and other intangible assets	48.4	58.7
Total	**105.8**	**119.1**

The other concession and operator rights include the right derived from an existing, long-term land use contract to operate the airport in Ljubljana (€52.5 million, previous year: €54.0 million) with a remaining term of 32 years (previous year: 33 years), and the concession rights in the retail sector shown in the balance sheet of Fraport USA (€4.9 million, previous year: €6.4 million) with residual terms of up to 8 years (previous year: 9 years).

The other intangible assets as at the reporting date contain internally generated intangible assets with residual carrying amounts of €8.3 million (previous year: €11.6 million). At closing date further €1.8 million (previous year: €1.8 million) were attributable to the development phase. The depreciation and amortization is carried out on a straight-line basis taking into account the scheduled useful lives between 3 and 20 years. Depreciation and amortization in the fiscal year amounted to €4.0 million (previous year: €4.0 million).

20 Property, Plant, and Equipment

Property, Plant, and Equipment

€ million	December 31, 2021	December 31, 2020
Land, land rights, and buildings, including buildings on leased lands	3,244.0	3,174.1
Technical equipment and machinery	1,585.5	1,512.8
Other equipment, operating, and office equipment	194.9	204.8
Construction in progress	2,652.7	2,191.7
Right of use assets leases	221.3	246.9
Total	**7,898.4**	**7,330.3**

Additions in the 2021 fiscal year amounted to €847.0 million (previous year: €876.9 million). Of this, €625.4 million (previous year: €553.7 million) was attributable to projects relating to the capacitive expansion of Frankfurt Airport.

Borrowing costs were capitalized in the amount of €19.4 million (previous year: €15.9 million) for general project financing at Fraport AG. These relate to financing where it is not possible to directly attribute the borrowing costs to the acquisition, construction or production of a qualifying asset. The borrowing cost rate applied averaged around 1.6% (previous year: around 1.6%).

In addition, specific project financing has been concluded for measures related to the construction of Terminal 3. In total, borrowing costs of €3.6 million (previous year: €2.2 million) were capitalized in the financial year. The average financing cost rate was around 0.6% (previous year: around €0.6%).

As at the balance sheet date, property, plant, and equipment with a carrying amount totaling €0.2 million (previous year: €0.2 million) carry mortgages.

Property, plant, and equipment of the Fraport Group comprises land, land rights, and buildings, including those on land leased by Fraport AG and is valued at €3,129.1 million (previous year: €3,072.7 million). As at the balance sheet date of 2021, land with an area of 26.1 million square meters (equivalent to approximately 10.1 sq mi) were owned by Fraport AG. Depending on the location and type of use, the market value of the land included in property, plant, and equipment varies between €1 and €800 per square meter (equivalent to approximately 10.75 sq ft) (land values published by the committees of experts for real estate values of the State of Hesse).

Leases – Right of Use Assets Land and Buildings

Property, plant, and equipment includes rights of use from leases for land and buildings. The development of the rights of use can be found in the Consolidated Statement of Changes in Non-current Assets.

Right-of-use assets from leases

€ million	2021	2020
Carrying amount of right-of-use assets as of December 31	221.3	246.9
Carrying amount of lease liabilities as of December 31	238.5	259
Additions right-of-use assets/ lease liabilities in fiscal year 2020	7.7	5.5
Total cash outflow for leases	43.9	27.3
Expenses related to variable lease payments not included in the measurement of lease liabilities	20.8	6.3
Interest expense on lease liabilities	8.9	10.8
Income from subleasing right-of-use assets	52.5	21.8
Leases not yet commenced to which the lessee is committed	0.1	0.2

Right-of-use assets as at the balance sheet date amounted to €176.3 million (previous year: €196.2 million) primarily relating to the companies of Fraport USA (International Activities & Services segment), which operates and develops commercial terminal space at various US airports as part of rental and concession contracts. Only the fixed minimum lease payments guaranteed to the lessor were included in the measurement of the lease liabilities of the companies of Fraport USA. Sales-related (variable) rental payments to be paid in addition are recognized as expenses in the respective period and are reported in the cost of materials for the companies of Fraport USA. The rental and concession agreements currently in force at Fraport USA generally have a term of ten years and some extension options of five years each, but these cannot be exercised unilaterally and therefore cannot be assessed with sufficient certainty. Therefore, only fixed terms without optional periods are taken into account as lease terms. The longest-running contract with Fraport USA as at the reporting date ends on January 31, 2029.

The variable leasing payments incurred in the fiscal year are entirely attributable to Fraport USA. Future cash outflows from variable lease payments occur if the lease payments for the fiscal year exceed the contractually defined minimum lease payments (base rents) that were included in the measurement of the lease liabilities. The exceeding part is treated as variable lease payment. The total amount of lease payments to be paid depends on the revenue received from subletting the concession areas.

As at the balance sheet date, future nominal payment obligations arising from existing leases amounting to €287.5 million and €2.1 million which were not paid in the past fiscal year as their due date could not yet be finalized with the lessor. A maturity analysis of the lease liabilities is shown in note 47.

In the Fraport Group, income of €35.2 million from the application of the relief provisions to IFRS 16.46 adopted on May 28, 2020 was realized in the fiscal year (rental concessions in connection with the Covid-19 pandemic).

21 Investment Property

Investment property includes land and buildings situated in direct vicinity to Frankfurt Airport, which are classified as follows:

Investment property

in Mio €	Carrying amount December 31, 2021	Carrying amount December 31, 2020	Fair value December 31, 2021	Fair value December 31, 2020
Undeveloped land – Level 2	21.7	24.4	21.3	50.8
Undeveloped land – Level 3	7.4	7.4	14.8	14.8
Developed land – Level 3	59.5	91.5	82.0	174.4
Total	**88.6**	**123.3**	**118.1**	**240.0**

The undeveloped land – Level 2 is undeveloped land in the Kelsterbach district directly next to the Runway Northwest.

The fair value of the undeveloped land – Level 2 is calculated internally using the comparative value procedure pursuant to the Real Estate Valuation Regulation of December 3, 2019 (ImmoWertV) applicable in Germany based on the standard ground values published by a committee of experts.

The fair value of the undeveloped land – Level 3 is also calculated internally using the comparative value procedure. However, the square meter prices of current land transactions in the same construction area are not observable on the market.

The developed land – Level 3 comprises real estate leased for residential purposes from the voluntary purchase program for real estate in Flörsheim in the flight zone of Runway Northwest and commercially leased properties situated in the south of the airport site. The decrease in the carrying amount results from necessary reclassifications to property, plant and equipment.

The fair values of developed land – Level 3 category are calculated partly using the capitalization of earnings method pursuant to ImmoWertV and partly using the discounted cash flow method by independent assessors. Key input parameters in the capitalization of earnings method include the multiplier, depending on the useful life and property yields, and the underlying annual rent. A perpetual annuity is assumed in the discounted cash flow method. The key input parameters here are the discount rate, the sustainable market rent, the assumed remaining useful life, predicted maintenance costs, and the anticipated development in rents.

For major parts of the investment property, foreseeable restrictions on saleability arise from the fact that these areas are located in the immediate vicinity of Runway Northwest.

Net lease revenue from investment property during the 2021 fiscal year amounted to €4.2 million (previous year: €5.1 million). The total costs incurred for the maintenance of investment property amounted to €0.9 million (previous year: €1.0 million), classified as expenses that are not allocatable (excluding depreciation and amortization), and of which €0.1 million was incurred for property for which no lease revenue was earned during the fiscal year.

As at the balance sheet date, obligations exist for the acquisition of investment property amounting to €0.4 million (previous year: €9.9 million).

22 Investments in Companies accounted for Using the Equity Method

Companies that are Group airports outside of Frankfurt are considered to be substantial joint ventures and associated companies in the Fraport Group. This applies to the airports in Antalya, Pulkovo, and Xi’an.

Shares in joint ventures

Fraport TAV Antalya Terminal Isletmeciligi Anonim Sirketi, Antalya/Turkey (operator, see note 2) is a joint venture of Fraport AG and TAV Havalimanlari Holding A.Ş. IC Yatirim Holding A.S. that operates the terminals at Antalya Airport as part of the concession agreement of May 22, 2007 with the Turkish airport authority (DHMI grantor). The concession for the operation of the terminals and thus the right to use all assets listed in the concession agreement runs for a total of 17 years to the end of 2024. In a letter dated February 12, 2021, the Turkish government approved the extension of the concession period for terminal operations at Antalya Airport for an additional two years, to December 31, 2026.

With regard to the authorized use of infrastructure, the company is obligated to perform maintenance and capacity expansions (as required). Distributed over the term of the concession agreement, concession fees of €2.01 billion net must be paid to DHMI. In exchange, the operator receives the right to use the existing and future terminal infrastructure to operate the airport and the right to generate revenue from passenger charges paid by the airlines and from other services related to terminal operations. Passenger charges are regulated by the grantor.

Fraport holds a 51% interest in the company's share capital, though neither party may make a decision unilaterally due to the voting system laid down in the partnership agreement. The division of the variable returns from the company is governed separately in the partnership agreement, according to which both partners are entitled to equal amounts in returns. The company accounts for 50% according to the equity method on the basis of the division of the dividend rights and the joint management and control. Since the company is not listed on a stock exchange, there is no available active market value for the shares.

Financial position data for Antalya

€ million	December 31, 2021	December 31, 2020
Non-current assets	**546.9**	**456.9**
Non-current liabilities	**588.4**	**360.3**
thereof financial liabilities	97.1	74.8
thereof other liabilities (including trade accounts payable)	491.3	285.5
Current assets	**114.8**	**99.2**
thereof cash and cash equivalents	74.8	82.6
thereof other assets	40.0	16.6
Current liabilities	**52.3**	**189.6**
thereof financial liabilities	41.6	82.2
thereof other current liabilities (including trade accounts payable)	10.7	107.4
Net assets	**21.0**	**6.2**
Pro rata share of net assets	10.5	3.1
Goodwill	16.9	16.9
Investment carrying amount	**27.4**	**20.0**

Results data for Antalya

€ million	2021	2020
Revenue	266.6	109.6
EBITDA	202.7	76.2
Regular depreciation and amortization	–110.6	–110.9
Interest income	0.6	0.3
Interest expenses	–36.7	–34.8
Currency translation differences	–12.9	–3.2
Taxes on income	–9.7	7.9
Result after taxes	**33.4**	**–64.5**
Other result	0.2	0.2
Comprehensive income	**33.6**	**–64.3**

The reconciliation for the carrying amount in joint ventures recognized in the Group is shown in the following overview:

Reconciliation for carrying amount in joint ventures

€ million	Antalya		Other joint ventures		Total	
	2021	2020	2021	2020	2021	2020
Investment carrying amount as at January 1 (Fraport share)	**20.0**	**68.8**	**30.2**	**42.1**	**50.2**	**110.9**
Share of annual net profit/losses	16.7	–32.2	17.1	–9.2	33.8	–41.4
Share of other result	0.1	0.1	0.0	0.0	0.1	0.1
Comprehensive income	**16.8**	**–32.1**	**17.1**	**–9.2**	**33.9**	**–41.3**
Dividends	–9.4	–16.7	–6.8	–3.3	–16.2	–20.0
Other adjustments	0.0	0.0	–1.2	0.0	–1.2	0.0
Additions	0.0	0.0	2.2	0.6	2.2	0.6
Investment carrying amount as at December 31 (Fraport share)	**27.4**	**20.0**	**41.5**	**30.2**	**68.9**	**50.2**
Unrecorded pro rata results/losses						
In the reporting period			0.0	–2.5	0.0	–2.5
Cumulative			0.0	–3.4	0.0	–3.4

In connection with financing the concession in Antalya, €82.6 million of bank balances were subject to drawing restrictions in the previous year. Due to the amendment to the financing agreements, bank balances are no longer subject to drawing restrictions.

There are no further significant restrictions pursuant to IFRS 12.

In December 2021, Fraport AG, together with TAV Airports Holding, founded the company Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş. Fraport AG holds 49% of the capital shares. The remaining 51% of the shares in the company are held by TAV Airports Holding. Pursuant to the contractually agreed participation rights, the company is jointly controlled by the shareholders. The company was established in connection with the awarded tender for the new operating concession at Antalya Airport in December 2021. The concession agreement was also concluded in December 2021 between Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş and the Turkish government. The agreement runs until 2051. The concession covers the operation of the terminals and other landside infrastructure, including retail space, parking management, and passenger controls. The operational period under the new agreement will begin in early 2027, after the existing concession expires. For the new operating concession, Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş is required to pay fixed concession charges totaling €7.25 billion net over the term to the Turkish State (DHMI), of which 25% will be paid within 90 days of the conclusion of the concession agreement, i.e., the end of March 2022. The advance payment of €1.81 billion is to be financed by funds from shareholders as well as project financing by Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş. In addition to the fixed concession payments, capital expenditure in infrastructure of €765.3 million will be made, €626.7 million thereof by 2027. Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş has a concession liability of €3.94 billion discounted as at December 31, 2021, as well as a corresponding asset of the same amount. In connection with a contract performance guarantee granted to the Turkish government in the amount of €76.5 million, Fraport AG has provided a financial guarantee in the amount of €38.3 million in favor of TAV Airports Holding. In addition, Fraport AG and TAV Airports Holding are jointly and severally liable to the Turkish State (DHMI) for the concession liability if Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş. is unable to meet its payment obligation. The carrying amount accounted for using the at equity method as at December 31, 2021 was €1,000.

Investments in associated companies

Thalita Trading Ltd. and its wholly owned subsidiary Northern Capital Gateway LLC (NCG) were founded as companies by Fraport AG, the Russian bank VTB, and the Greek Copelouzos Group. NCG develops and operates Pulkovo Airport (St. Petersburg, Russia) as part of a 30-year concession agreement with the city of St. Petersburg. The company is responsible for the entire airport infrastructure. Fraport AG holds 25.0% of the shares in Thalita Trading Ltd.

Xi'an Xianyang International Airport Co., Ltd. (Xi'an) was founded by Fraport AG and three additional Chinese companies. The company operates Xi'an International Airport, China. The company's scope of responsibility includes the operation of the terminal including the commercial areas, as well as certain parts of the landside infrastructure. Fraport holds 24.5% of the shares in Xi'an through its subsidiary, Fraport Asia Ltd. In December 2021, the decision was made to sell the shares allocated to the "International

Activities & Services" segment, likely over the course of fiscal year 2022. With this intention to sell, the valuation using the at equity method was discontinued and the shares were reclassified in accordance with IFRS 5 into "Non-current assets held for sale". The carrying amount accounted for using the at equity method at the time of the reclassification was €114.9 million.

NCG, and Xi'an are not listed companies. There are no available active market values for the shares. In connection with the non-current loan liabilities at NCG, there was again a breach of the financial covenants during the fiscal year. In this context, a waiver with a term until June 30, 2022 was concluded with the facility agent. As a result, the loan liabilities were reported under current financial liabilities, as in the previous year.

The following information shows the IFRS financial statements of the material associated companies. Accounting and valuation differences were adjusted to the requirements of the Group.

Summarized financial position

€ million	Thalita/NCG		Xi'an	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Share of shareholders' equity	**25.00%**	**25.00%**	**24.50%**	**24.50%**
Non-current assets	**503.8**	**485.7**	**573.7**	**541.0**
Non-current liabilities	**723.8**	**638.0**	**28.9**	**28.7**
thereof financial liabilities	659.4	605.8	0.0	0.0
thereof other liabilities (including trade accounts payable)	64.4	32.2	28.9	28.7
Current assets	**64.9**	**81.0**	**131.9**	**143.9**
thereof cash and cash equivalents	43.0	65.1	75.6	107.9
thereof other assets	21.9	15.9	56.3	36.0
Current liabilities	**343.6**	**407.3**	**126.0**	**113.9**
thereof financial liabilities	244.4	339.2	0.0	0.0
thereof other liabilities (including trade accounts payable)	99.2	68.1	126.0	113.9
Net assets	**–498.7**	**–478.6**	**550.7**	**542.3**
Pro rata share of net assets	–124.7	–119.7	134.9	132.9
Adjustments/accumulated impairments	0.0	0.0	–20.0	–20.0
Investment carrying amount	**0.0**	**0.0**	**114.9**	**112.9**

Results data

€ million	Thalita/NCG		Xi'an	
	2021	2020	2021	2020
Revenue	192.5	127.0	187.1	174.5
EBITDA	99.7	52.7	–6.8	–4.9
Regular depreciation and amortization	–31.5	–31.9	–45.8	–47.0
Interest income	0.0	0.0	0.8	1.2
Interest expenses	–84.0	–87.5	0.0	–0.1
Other financial result	14.3	–63.7	2.8	4.2
Taxes on income	–11.8	13.8	0.0	0.0
Result after taxes	**–13.3**	**–116.6**	**–49.0**	**–46.6**
Other result	–4.1	5.2	0.0	0.0
Comprehensive income	**–17.4**	**–111.4**	**–49.0**	**–46.6**

The reconciliation for the carrying amount in associated companies recognized in the Group is shown in the following overview:

Reconciliation for carrying amounts in associated companies

€ million	Thalita/NCG		Xi'an		Other associated companies	
	2021	2020	2021	2020	2021	2020
Investment carrying amount as at January 1 (Fraport share)	**0.0**	**0.0**	**112.9**	**128.5**	**2.3**	**2.8**
Share of annual net profit/losses	0.0	0.0	–11.9	–11.2	0.1	0.1
Share of other result	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	0.0	0.0	13.9	–4.4	0.0	0.0
Comprehensive income	**0.0**	**0.0**	**2.0**	**–15.6**	**0.1**	**0.1**
Dividends	0.0	0.0	0.0	0.0	0.0	–0.6
Impairments	0.0	0.0	0.0	0.0	0.0	0.0
Investment carrying amount as at December 31 (Fraport share)	**0.0**	**0.0**	**114.9**	**112.9**	**2.4**	**2.3**
Unrecorded pro rata results/losses						
In the reporting period	–3.3	–29.2			**–0.8**	**–0.9**
Cumulative	–112.3	–109.0			**–1.7**	**–0.9**

There are no significant restrictions pursuant to IFRS 12.

23 Other Financial Assets

Other financial assets

€ million	Remaining term		Total	Remaining term		Total
	up to 1 year	over 1 year	December 31, 2021	up to 1 year	over 1 year	December 31, 2020
Financial instruments						
Securities	164.1	682.4	846.5	161.6	167.6	329.2
Other investments	0.0	109.2	109.2	0.0	104.4	104.4
Loans						
Loans to joint ventures	12.5	2.0	14.5	9.1	2.1	11.2
Loans to associated companies	0.0	76.1	76.1	0.0	76.1	76.1
Other loans	0.0	62.6	62.6	20.0	0.1	20.1
Insolvency-secured funds	0.0	0.0	0.0	0.0	0.0	0.0
Total	**176.5**	**932.3**	**1,108.8**	**190.7**	**350.3**	**541.0**

In the year under review, investments in securities amounted to €1,077.5 million (previous year: €408.1 million), which partly were already disposed during the year. Other changes resulted from reclassifications to current other financial assets due to securities of €93.9 million maturing in 2022 (previous year: €100.5 million) and changes arising from valuation of –€8.5 million (previous year: –€3.2 million).

The fund units protected against insolvency are exclusively meant to hedge credits from the time-account models and partial retirement claims in particular of Fraport AG employees. There was no change in fund units in the 2021 fiscal year (previous year: €1.0 million). As at the reporting date, acquisition costs amounted to €62.5 million (previous year: €62.4 million). These securities are measured at fair value and credited against the corresponding obligations of €67.0 million (previous year: €66.2 million) (see also note 40). At year-end, there was an underfunding from fund units of €0.7 million (previous year: €0.4 million).

The change in other investments relates to shares in Delhi International Airport Private Ltd., New Delhi, India, for which there was a measured fair value in the year under review.

Loans to associated companies related to a loan issued to Thalita Ltd., Cyprus, in previous years. The interest receivables arising from the interest accrued according to the effective interest method are reported as non-current receivables from associated companies (see note 24).

24 Non-current and Current Other Financial Receivables and Assets

Non-current and current other financial receivables and assets

€ million	Remaining term		Total	Remaining Term		Total
	up to 1 year	over 1 year	December 31, 2021	up to 1 year	over 1 year	December 31, 2020
Accounts receivable from joint ventures	5.6	0.0	5.6	8.1	0.0	8.1
Accounts receivable from associated companies	0.8	79.1	79.9	0.5	63.8	64.3
Accounts receivable from other investments	0.3	0.0	0.3	0.0	0.0	0.0
Other financial assets	23.9	63.6	87.5	19.6	36.4	56.0
Total	**30.6**	**142.7**	**173.3**	**28.2**	**100.2**	**128.4**

Accounts receivable from associated companies primarily include interest receivables from the interest cost added back pursuant to the effective interest method to the loan to Thalita Ltd. recorded under “Other loans” (see note 23). The other assets include, in particular, the recognized compensation claims in connection with the Covid-19 pandemic (see also note 7).

25 Non-current and Current non-financial Other Receivables and Assets

Non-current and current other non-financial receivables and assets

€ million	Remaining term		Total	Remaining Term		Total
	up to 1 year	over 1 year	December 31, 2021	up to 1 year	over 1 year	December 31, 2020
Accruals	9.7	28.6	38.3	9.0	26.2	35.2
Refunds from “Passive noise abatement/wake turbulences”	7.0	71.6	78.6	15.7	74.8	90.5
Other non-financial assets	48.9	33.7	82.6	77.4	32.0	109.4
Total	**65.6**	**133.9**	**199.5**	**102.1**	**133.0**	**235.1**

The item “Refunds from passive noise abatement / wake turbulences” includes the expected full reimbursement amount from noise abatement charges from airlines for passive noise abatement and wake turbulences, which was recognized as other assets in compliance with IAS 37.53 in connection with the provisions created for the obligation of Fraport AG to reimburse costs for noise abatement construction measures, expenses from refund claims for reduced utilization of outdoor facilities, and roof reinforcement measures (wake turbulences). The value was determined at the present value of the estimated expenses for reimbursing the costs of noise abatement construction measures and estimated expenses for refund claims for reduced utilization of outdoor facilities.

The item developed as follows in the fiscal year:

Refunds from “Passive noise abatement/wake turbulences”

€ million	January 1, 2021	Receipts	Disposals	Reclassification	Interest effect	December 31, 2021
Refunds from “Passive noise abatement/ wake turbulences”	90.5	6.0	4.6	0.0	–1.3	78.6

More information about the corresponding other provisions can be found in note 39. The carrying amount of the refund claim depends on the noise abatement charges actually received, and those expected in the future. The carrying amount of the corresponding provision depends on the actual, and future expected cash outflows for passive noise abatement measures and wake turbulences.

The accruals are mainly construction cost subsidies paid by Fraport AG. They are especially paid to public utilities who set up facilities for special requirements of Fraport AG. The utility companies own the utility equipment.

The amounts to be reimbursed for short-time work allowances were taken into account in a corresponding amount in personnel expenses (see note 9). Other non-financial assets include outstanding reimbursement claims.

26 Income Tax Receivables

Income tax receivables

€ million		Remaining term	Total		Remaining term	Total
	up to 1 year	over 1 year	December 31, 2021	up to 1 year	over 1 year	December 31, 2020
Income tax receivables	20.9	0.0	20.9	10.1	0.0	10.1

Income tax receivables as at December 31, 2021 primarily comprised refund claims from the current year or previous years.

27 Deferred Tax Assets

Deferred tax assets

€ million	December 31, 2021	December 31, 2020
Deferred tax assets	182.6	175.8

Deferred tax assets are recognized in accordance with IAS 12. Further explanations are provided in note 15 “Taxes on income”.

28 Inventories

Inventories

€ million	December 31, 2021	December 31, 2020
Raw materials, consumables, and supplies	18.1	16.5
Land and buildings for sale	0.5	5.0
Work-in-process/other	1.7	0.8
Total	**20.3**	**22.3**

Raw materials, consumables, and supplies mainly relate to consumables for the airport operation.

29 Trade Accounts Receivable

Trade accounts receivable

€ million	December 31, 2021	December 31, 2020
From third parties	152.3	125.4

For 2021, as at the reporting date, the maximum default risk without taking securities into account equaled the carrying amount of €152.3 million (previous year: €125.4 million). The following table provides information on the extent of the default risk with regard to the trade accounts receivable.

Default risk analysis

€ million	Carrying amount	Not overdue			Overdue
			< 30 days	30 – 180 days	> 180 days
December 31, 2021	**152.3**	**93.9**	**22.0**	**23.2**	**13.2**
December 31, 2020	125.4	84.3	11.5	19.3	10.3

As at December 31, 2021, 15% (previous year: 45%) of outstanding accounts receivable were due from two customers.

The guarantees received until the reporting date were neither sold nor passed on as security, and will be returned to the respective debtor after termination of the business relationship. The guarantees received will be used only in the event of the debtor’s default.

In addition, commercial credit insurance is taken out for airlines wherever possible. Collateral is taken into account for allowance to be made.

Allowances for trade accounts receivable developed as follows:

Reconciliation of allowances

€ million	2021	2020
Balance as at January 1	**70.8**	**65.7**
Allowances included in other operating expenses	3.3	5.0
Revenue-decreasing allowances	2.4	7.3
Releases included in the other income	–0.9	–4.7
Release of revenue-decreasing allowances	–31.9	0.0
Availments	–24.5	–1.5
Exchange rate differences	1.0	–1.0
Balance as at December 31	**20.2**	**70.8**

In fiscal year 2021, the agreement reached with the German Federal Police in connection with billed aviation security services in recent years, in particular, had an effect on the development of valuation allowances. The settlement of the legal dispute is primarily reflected in increased releases of revenue-decreasing valuation allowances and claims recognized in previous years. For a detailed explanation of the effects on the result, see the combined management report, chapter “Group Results of Operations”.

30 Cash and Cash Equivalents

Cash and cash equivalents

€ million	December 31, 2021	December 31, 2020
Cash in hand, bank balances, and checks	2,662.8	1,864.4

The bank balances mainly include short-term time deposits as well as overnight deposits.

Cash and cash equivalents include time deposits of €2,156.9 million (previous year: €1,549.9 million) with a term of more than three months from the time of acquisition. These funds are not subject to any significant fluctuations in value and can be realized at short notice.

In connection with financing in Greece and Brazil as well as the capital expenditure commitments of Fraport USA, €74.7 million of bank balances were subject to a drawing restriction (previous year: €98.1 million).

31 Equity Attributable to Shareholders of Fraport AG

Equity attributable to shareholders of Fraport AG

€ million	December 31, 2021	December 31, 2020
Issued capital	923.9	923.9
Capital reserve	598.5	598.5
Revenue reserves	2,230.7	2,096.4
Total	**3,753.1**	**3,618.8**

Issued capital

Issued capital (less treasury shares) is fully paid up as at the balance sheet date.

Number of floating shares and treasury shares

Issued capital consisted of 92,391,339 (previous year: 92,391,339) bearer shares with no-par value, each of which accounts for €10.00 of the capital stock.

Development of floating and treasury shares pursuant to Section 160 of the AktG

	Issued shares	Floating shares	Treasury shares		
				Amount of capital stock	Share in capital stock
	Number	Number	Number	in €	in %
As at January 1, 2021	**92,468,704**	**92,391,339**	**77,365**	**773,650**	**0.0837**
Employee investment plan					
Capital increase	0	0			
As at December 31, 2021	**92,468,704**	**92,391,339**	**77,365**	**773,650**	**0.0837**

	Issued shares	Floating shares	Treasury shares		
				Amount of capital stock	Share in capital stock
	Number	Number	Number	In €	In %
As at January 1, 2020	**92,468,704**	**92,391,339**	**77,365**	**773,650**	**0.0837**
Employee investment plan					
Capital increase	0	0			
As at December 31, 2020	**92,468,704**	**92,391,339**	**77,365**	**773,650**	**0.0837**

The shares issued to employees in June 2021 under the employee investment plan had been purchased on the market. The shares were issued at a price of €58.68.

Authorized capital

At the AGM on May 23, 2017 the existing authorized capital was canceled and new authorized capital of €3.5 million was approved, which can be used for issuing shares to employees of Fraport AG and companies controlled by Fraport AG. The Executive Board is entitled, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions by up to a total of €3.5 million until May 22, 2022 by issuing new shares in return for cash. The statutory subscription rights of the shareholders may be excluded.

In the 2021 fiscal year, the shares for issue within the scope of the employee share program were acquired by Fraport AG on the market. The option adopted at the AGM on May 23, 2017, to increase the share capital by issuing new shares in return for cash for use within the scope of the employee share program was therefore not utilized. As of December 31, 2021 there was authorized capital of €3.5 million.

At the Annual General Meeting on June 1, 2021, new authorized capital ("Authorized Capital II") of €458.8 million was approved. The Executive Board is entitled, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions by up to a total of €458.8 million until May 31, 2026 by issuing up to 45,884,352 new no-par value bearer shares in return for cash. When making use of the Authorized Capital II, shareholders have a subscription right that may be excluded by the Executive Board with the consent of the Supervisory Board, insofar as this is necessary to compensate for residual amounts. The new shares may be underwritten by financial institutions with the obligation to offer them to shareholders for subscription. The new shares will participate in the profits from the beginning of the fiscal year in which they are issued, unless the Executive Board decides, with the consent of the Supervisory Board, that they will participate in the profits from the beginning of a fiscal year that has already ended for which no resolution has yet been passed by the Annual General Meeting regarding the utilization of the profits earmarked for distribution.

Contingent capital

On June 1, 2021, the Annual General Meeting also approved an increase in the share capital by up to €120.2 million ("contingent capital"). The contingent capital is used to grant shares to the holders or creditors of convertible bonds and/or bonds with warrants issued by the company up to May 31, 2026. The new shares, issued at the conversion or option price to be determined in accordance with the authorization resolution, will participate in the profits from the beginning of the fiscal year in which they are created by the exercise of conversion or option rights or through the fulfillment of corresponding obligations (fiscal year of origin); in deviation from this, the new shares will participate in the profits from the beginning of the fiscal year preceding the fiscal year in which they were created if the Annual General Meeting has not yet passed a resolution on the utilization of the profit earmarked for distribution from the fiscal year preceding the fiscal year in which they were created.

Capital reserve

The capital reserve contains the premium from the issue of Fraport AG shares.

Revenue reserves

The revenue reserves consist not only of the reserves of Fraport AG (including the statutory reserve of €36.5 million), but also the revenue reserves and retained earnings of the Group companies included in the consolidated financial statements, as well as effects of consolidation adjustments. Furthermore, the revenue reserves include reserves for currency translation differences and financial instruments.

The derivative valuation reserve is –€9.5 million as at the balance sheet date (previous year: –€12.9 million). The reserve for the equity and debt instruments measured at fair value totals €69.9 million (previous year: €67.9 million).

Pursuant to Section 253 (6) sentence 1 of the HGB and in accordance with Section 268 (8) of the HGB, a total of €353.9 million of the shareholders' equity attributable to Fraport AG's shareholders (previous year: €221.3 million) is subject to a distribution block. However, the distribution block did not take effect insofar as sufficient free reserves were available.

In view of the economic consequences of the Covid-19 pandemic, the Executive Board has proposed not to pay a dividend for the past fiscal year.

32 Non-controlling Interests

Non-controlling interests

€ million	December 31, 2021	December 31, 2020
Non-controlling interests (excluding the attributable Group result)	146.9	172.7
Group result attributable to non-controlling interests	9.0	–32.8
Total	**155.9**	**139.9**

Non-controlling interests related to allocated shareholders' equity and earnings of Fraport Twin Star Airport Management AD, FraCareServices GmbH, Media Frankfurt GmbH, Lima Airport Partners S.R.L., and the Fraport Group companies Fraport Greece A, Fraport Greece B and Fraport Regional Airports of Greece Management Company.

33 Non-current and Current Financial Liabilities

Non-current and current financial liabilities

€ million	Remaining term		Total	Remaining term		Total
	up to 1 year	over 1 year	December 31, 2021	up to 1 year	over 1 year	December 31, 2020
Financial liabilities	627.6	9,306.4	9,934.0	810.7	6,936.5	7,747.2

During the year, promissory note loans amounting to €1,056.5 million and a bond with two tranches amounting to €1,148.1 million (nominal value of €1,150.0 million) were issued. For more information, please refer to the presentation of finance management and the asset and financial position in the combined management report for additional explanations of financial liabilities.

34 Trade Accounts Payable

Trade accounts payable

€ million	Remaining term up to 1 year	Remaining term over 1 year	Total December 31, 2021	Remaining term up to 1 year	Remaining term over 1 year	Total December 31, 2020
To third parties	298.8	71.8	370.6	294.6	42.6	337.2

Trade accounts payable include liabilities in connection with compensation measures in connection with nature protection law in the amount of €15.2 million (previous year: €17.0 million). The liabilities relate to the contractual obligations to carry out environmental compensation measures based on the finished work to clear the forest south of the airport and near the Runway Northwest, as was necessary for the airport expansion.

35 Non-current and Current Other Financial Liabilities

Non-current and current other financial liabilities

€ million	Remaining term up to 1 year	Remaining term over 1 year	Total December 31, 2021	Remaining term up to 1 year	Remaining term over 1 year	Total December 31, 2020
To joint ventures	16.3	0.0	**16.3**	5.8	0.0	**5.8**
To associated companies	2.8	0.0	**2.8**	3.4	0.0	**3.4**
Liabilities in connection with concession obligations	27.2	890.8	**918.0**	97.1	817.7	**914.8**
Lease liabilities	46.3	192.2	**238.5**	48.1	210.9	**259.0**
Negative fair values of derivative financial instruments	22.4	9.3	**31.7**	29.5	18.1	**47.6**
Other liabilities	35.1	22.8	**57.9**	46.4	14.3	**60.7**
Total	**150.1**	**1,115.1**	**1,265.2**	**230.3**	**1,061.0**	**1,291.3**

The liabilities in connection with concession obligations relate to obligations to pay fixed and variable airport operation concession fees for the airport operating projects in Greece, Lima, Fortaleza, Porto Alegre, Varna, and Burgas.

36 Non-current and Current Other Non-financial Liabilities

Non-current and current other non-financial liabilities

€ million	Remaining term up to 1 year	Remaining term over 1 year	Total December 31, 2021	Remaining term up to 1 year	Remaining term over 1 year	Total December 31, 2020
Prepayment for orders	2.5	–	2.5	2.0	–	2.0
Investment grants for non-current assets	0.6	7.0	7.6	1.1	5.4	6.5
Other accruals	32.5	58.7	91.2	29.7	65.9	95.6
Other non-financial liabilities	96.5	12.6	109.1	67.3	15.4	82.7
Total	**132.1**	**78.3**	**210.4**	**100.1**	**86.7**	**186.8**

The remaining non-financial other liabilities, inter alia, consist wage and church taxes and other taxes and personnel-related liabilities.

37 Deferred Tax Liabilities

Deferred tax liabilities

€ million	December 31, 2021	December 31, 2020
Deferred tax liabilities	37.7	39.7

Deferred tax liabilities were recognized in compliance with IAS 12 using the temporary concept. Further explanations of deferred tax liabilities can be found under note 15 “Taxes on income”.

38 Provisions for Pensions and Similar Obligations

Defined benefit plans

Within the Fraport Group, there are pension obligations for the members of the Executive Board of Fraport AG and their surviving dependents as well as obligations for Senior Managers and employees not covered by collective bargaining agreements.

Pension obligations primarily include 18 (previous year: 18) vested pension benefits promised in individual pension commitments to members of the Fraport AG Executive Board and their surviving dependents. A reinsurance was already obtained in 2005 to reduce actuarial risks and protect pension obligations for the former and current (in some cases still active) members of the Executive Board against insolvency. This is a group insurance policy with an annual, constant minimum insurance amount for the entire group. The pension benefits from the reinsurance correspond to the total achievable retirement, occupational disability, and widow’s/widower's benefits in accordance with the pension commitments. Reinsurance benefits are recognized at the active value reported by the insurance company to the value of €24.5 million (previous year: €24.7 million), of which €1.0 million (previous year: €1.1 million) is attributable to reserved trust assets. The reinsurance is not traded on an active market. Plan assets are invested in shares, real estate, fixed-interest securities, and other assets. Reinsurance installments of €0.0 million have been paid for 2021 (previous year: €0.3 million) and €0.0 million is expected for the next year (previous year: €0.9 million). In addition, €0.0 million (previous year: €0.04 million) were paid in the reinsurance in fiscal year 2021 through deferred compensation. The average weighted term of the members of the Executive Board’s defined benefit plans is 14.2 years (previous year: 15.5 years) for pensions with reinsurance and 8.1 years (previous year: 8.4 years) for pensions without reinsurance.

The Executive Board members are entitled to pension benefits and provision for surviving dependents. An Executive Board member is generally entitled to a retirement pension if he or she becomes permanently unable to work or retires from office during the term of, or upon expiry of, his or her employment agreement. If an Executive Board member dies, benefits are paid to his or her surviving dependents. These amount to 60% of the retirement pension for the widower or widow; children entitled to receive benefits receive 12% each. If no widow’s pension is paid, the children each receive 20% of the retirement pension.

Upon retirement, income from active employment as well as retirement pension payments from previous or, where applicable, later employment relationships shall be credited against accrued retirement pay up until reaching 60 years of age, insofar as without such credit the total of these emoluments and the retirement pension would exceed 75% of the fixed salary (100% of the fixed salary if Fraport AG wishes the employment to be terminated or not be extended). Effective January 1 of each year, the retirement pensions are adjusted at discretion, taking into account the interests of the former Executive Board member and the company’s economic situation. The adjustment obligation is considered to be satisfied if the adjustment does not fall below the increase in the consumer price index for the cost of living for private households in Germany.

The retirement pension of an Executive Board member is defined by the percentage of a contractually agreed basis of assessment, with the percentage rising annually by 2% up to a limit of 75%, dependent on the duration of time an Executive Board member is appointed.

As at December 31, 2021, Dr. Schulte is entitled to a retirement pension of 74.0% and Prof. Dr. Zieschang to 58.0% of the respective contractually agreed basis of assessment.

In the event of occupational disability, the pension rate for Dr Schulte and Prof Dr Zieschang amounts to at least 55% of their respective fixed annual gross salaries or of the contractually agreed basis of assessment.

For Executive Board members appointed from 2012 onwards, the pension benefits, provision for surviving dependents, and provision for long-term occupational disability are governed by a separate benefit agreement. This calls for the payment of a one-time pension capital or lifelong retirement pension after the insured event. The pension capital is generated when Fraport AG annually credits 40% of the fixed annual gross salary paid to a pension account. The pension capital accumulated at the end of the previous year pays interest annually at the interest rate used for the valuation of the pension obligations in the German balance sheet of Fraport AG at the end of the previous year pursuant to Section 253 (2) of the HGB, which is at least 3% and at most 6%. This is increased by 1% on January 1 of each year for lifelong retirement payments. No further adjustment is made. If the pension capital reached is less than €600 thousand when retirement benefits fall due as a result of long-term occupational disability, Fraport AG will increase it to this amount. In the event of long-term occupational disability within the first five years of their activities performed as members of the Executive Board, it is foreseen that Executive Board members can postpone the receipt of a monthly retirement pension payment by a maximum of five years from the start of the employment contract. Until the postponed start of the pension benefit payments, they will receive a monthly benefit of €2.5 thousand. The risk of pension payments in the increase phase and of payments for the increase has been reinsured by an occupational disability insurance policy. The full amount of all income pursuant to the Income Tax Act from employment or self-employment is credited against the retirement pension paid until the end of the month in which the Executive Board member reaches the age of 62.

Benefits for surviving dependents of Executive Board members appointed from 2012 onwards are regulated as follows: If there is no prior event giving rise to retirement benefits, the widow or widower receives the pension capital generated so far. If there is no widow or widower entitled to benefits, each half-orphan receives 10% and each full orphan receives 25% of the pension capital generated so far as a one-time payment. If the pension capital reached is less than €600 thousand upon death, Fraport will increase it to this amount. The payment risk of this increase has been reinsured by a term life insurance policy. If an Executive Board member dies while collecting retirement pensions, the widow or widower is entitled to 60% of the last retirement pensions paid. Half-orphans receive 10% and full orphans receive 25% of the last retirement pensions paid. If there are no surviving dependents as set forth above, the heirs receive a one-time death grant in the amount of €8.0 thousand.

Moreover, each member of the Executive Board has entered into a two-year post-contractual restrictive covenant. For this period, appropriate ex gratia compensation in the amount of 50% of the contractual benefits last received by the member of the Executive Board is granted (within the meaning of Section 74 (2) of the HGB); when calculating compensation, the performance-based remuneration components shall be taken into account according to the average of the last three completed fiscal years. If the current remuneration system has not existed for three fiscal years at the end of the contract, the average performance-based remuneration is determined based on the duration of the contract in accordance with the current remuneration system (within the meaning of Section 74b (2) of the HGB). Payment shall be made in monthly installments. The compensation shall be generally credited against any retirement pension owed by Fraport AG, insofar as the compensation together with the retirement pension and other generated income exceeds 100% of the last annual gross remuneration received. Payments on the occasion of premature termination of the membership on the Executive Board are credited to the compensation for the period of leave.

No other benefits have been promised to Executive Board members should their employment be terminated.

The retirement pension payments entitlement of former Executive Board members is determined by a percentage of a contractually agreed fixed basis of assessment.

For Senior Managers and employees not covered by collective bargaining agreements who joined the company as Senior Managers or employees not covered by collective bargaining agreements after December 31, 1997 or who will join in future, the pension benefits and benefits for surviving dependents on the monthly compensation liable to top-up pension payments, for which contributions are payable, are restricted to the upper limit defined in Section 38 of the ATV-K in the amount of 1.133 times of the payment group 15 level 6 of the collective bargaining agreement for civil servants (TVöD). In addition to said limited pension benefits and benefits for surviving dependents, there exists a supplementary company retirement benefit for these persons. Accordingly, Fraport AG makes an annual contribution in the amount of 13% of the eligible income as capital components into an individually managed pension account. The period of contribution began on January 1, 1998 for employees who entered into an employment not covered by a collective bargaining agreement before January 1, 2000. Furthermore, this applies to employees who changed from an employment covered by a collective bargaining agreement to one not covered by a collective bargaining agreement after December 31, 1997 or who entered into an employment not covered by a collective bargaining agreement after December 31, 1997, effective as at the time of the change in status. There were 633 benefits (of which 597 vested) as at the end of the year. The present value of the non-vested benefits amounted to €0.1 million (previous year: €0.5 million); the present value of the vested benefits amounted to €14.5 million in the 2021 annual financial statements (previous year: €14.2 million). Future obligations amount to €9.8 million for active employees and €4.8 million for former and retired employees. No significant provision amounts were paid this fiscal year due to the young age structure. The obligations for Senior Managers and employees not covered by collective bargaining agreements had an average weighted term of 9.3 years (previous year: 10.2 years).

Furthermore, senior managers not covered by collective bargaining have had the opportunity to participate in an employee-financed company pension scheme (“deferred compensation”). The employee contribution is generated through converting a portion that can be chosen freely each year. This portion is converted into an insured sum and is accumulated by Fraport AG and accrues interest. At the end of the fiscal year, there were 23 vested pension commitments totaling €8.4 million (previous year: €8.7 million). Obligations amount to €6.5 million for active employees (previous year: €7.6 million); obligations amount to

€1.9 million for former and retired employees (previous year: €1.1 million). The average weighted term of the employee-financed company pension scheme was 8.3 years (previous year: 9.0 years).

Guidelines nos. 2 and 3 as well as company agreement BV 47 were replaced with a new version of company agreement BV 47 and an amalgamated guideline 2 effective January 1, 2017. The new version differs from the previously valid version in that the interest on contributions from January 1, 2017 is no longer accrued at a fixed interest rate of 6% nor is direct interest attributed based on age factors but rather at an annual rate based on the market rate, which is no less than 2% p.a. and no more than 6% p.a. Contributions that have been paid in by December 31, 2016 still accrue interest according to the previous version.

The valuation of pension obligations is based on the provisions of IAS 19. The pension obligations as at December 31, 2021 were calculated on the basis of actuarial opinions. Changes to the obligations outlined above were as follows:

Pension obligations (2021)

€ million	Present value of the obligation	Plan assets	Total
As at January 1, 2021	**71.4**	**–24.7**	**46.7**
Service cost			
Current service cost	2.3	0.0	**2.3**
Supplementary service cost	0.0	0.0	**0.0**
Gains and losses on compensation	0.0	0.0	**0.0**
Total service cost	**2.3**	**0.0**	**2.3**
Net interest income/expense			
Interest income and interest expenses	**0.3**	**–0.1**	**0.2**
Remeasurements			
Income on plan assets, excluding interest	0.0	–0.6	**–0.6**
Actuarial gains and losses from changes in demographic assumptions	0.0	0.0	**0.0**
Actuarial gains and losses from the adjustment of the obligation based on experience	–2.3	0.0	**–2.3**
Actuarial gains and losses from changes in financial assumptions	–3.5	0.0	**–3.5**
Total remeasurements	**–5.8**	**–0.6**	**–6.4**
Impacts of exchange rate differences	0.0	0.0	**0.0**
Contributions of the employer to the plan	0.1	0.0	**0.1**
Contributions of the employee to the plan	0.0	0.0	**0.0**
Payments from the plan	–2.0	0.8	**–1.2**
Overfunding	0.0	0.0	**0.0**
As at December 31, 2021	**66.3**	**–24.6**	**41.7**

Pension obligations (2020)

€ million	Present value of the obligation	Plan assets	Total
As at January 1, 2020	**64.5**	**–24.3**	**40.2**
Service cost			
Current service cost	1.9	0.0	**1.9**
Supplementary service cost	0.0	0.0	**0.0**
Gains and losses on compensation	0.0	0.0	**0.0**
Total service cost	**1.9**	**0.0**	**1.9**
Net interest income/expense			
Interest income and interest expenses	**0.5**	**–0.2**	**0.3**
Remeasurements			
Income on plan assets, excluding interest	0.0	–0.7	**–0.7**
Actuarial gains and losses from changes in demographic assumptions	0.0	0.0	**0.0**
Actuarial gains and losses from the adjustment of the obligation based on experience	4.3	0.0	**4.3**
Actuarial gains and losses from changes in financial assumptions	2.3	0.0	**2.3**
Total remeasurements	**6.6**	**–0.7**	**5.9**
Impacts of exchange rate differences	0.0	0.0	**0.0**
Contributions of the employer to the plan	0.4	–0.3	**0.1**
Contributions of the employee to the plan	0.0	0.0	**0.0**
Payments from the plan	–2.5	0.8	**–1.7**
Overfunding	0.0	0.0	**0.0**
As at December 31, 2020	**71.4**	**–24.7**	**46.7**

Offsetting

Pension obligations are offset against the plan assets reserved for insolvency insurance below:

Offsetting

€ million	2021	2020
Offsetting		
Reconciliation to assets and liabilities recognized in the financial position		
Present value of an obligation funded through a reinsurance/trust assets	30.1	32.8
Fair value of plan assets	–24.6	–24.7
Overfunding (not included in the net liability)/underfunding	5.5	8.1
Present value of an obligation not funded through a reinsurance/trust assets	36.2	38.6
(Net) liabilities recognized in the financial position	**41.7**	**46.7**

Significant actuarial assumptions

	2021	2020
Salary trend	2.25%	2.25 %
Interest rate	0.90%	0.40 %
Pension growth	1,75 %/2,25 %	1,75 %/2,25 %
Mortality	Mortality tables 2018 G of Prof. Dr. Heubeck	Mortality tables 2018 G of Prof. Dr. Heubeck
Retirement age	Termination of contract period, earliest pension-able age in pension commitments	Termination of contract period, earliest pension-able age in pension commitments

The significant actuarial assumptions relate to the pension obligations of the Fraport Group. All pension obligations largely have the same assumptions where the adjustment to pensions is only calculated on pension obligations of the Executive Board members.

Sensitivity analysis

The sensitivity analysis is based on changes in the assumptions while other factors remained constant. In practice, it is unlikely that only one actuarial assumption would change. Changes in actuarial assumptions may correlate with other actuarial assumptions. The method for determining the sensitivity analysis did not change. The pension provision would vary by the following amounts in the event of a change in assumptions:

Sensitivity analysis (December 31, 2021)

€ million	2021	
	Decrease in interest rate by 0.5%	Increase in interest rate by 0.5%
Interest rate	3.6	–3,4
	Decrease in pension growth by 0.25%	Increase in pension growth by 0.25%
Pension growth	–1,0	1.0
	Reduction by one year	
Mortality	0.0	
	Increase by one year	
Retirement age [1)]	1.8	

[1)] The obligation would increase by €1.8 million for all beneficiaries as a result of a one-year increase in the retirement age.

Sensitivity analysis (December 31, 2020)

€ million	2020	
	Decrease in interest rate by 0.5%	Increase in interest rate by 0.5%
Interest rate	4.3	–3,9
	Decrease in pension growth by 0.25%	Increase in pension growth by 0.25%
Pension growth	–1,3	1.3
	Reduction by one year	
Mortality	0.0	
	Increase by one year	
Retirement age [1)]	2.1	

[1)] The obligation would increase by €2.1 million for all beneficiaries as a result of a one-year increase in the retirement age.

The retirement age has no influence on the pensions received by members of the Executive Board and was only calculated for other pensions. Due to the structure of the respective pension plans, the salary adjustment has no effect on pension obligations.

In connection with the defined benefit plans, the Group is exposed to the actuarial risks mentioned above as well as the interest rate risk. Due to the liquidity available in the Group, there is no risk with regard to fulfillment of non- reinsured obligations.

Multi-employer plans

Fraport AG has insured its employees for purposes of granting a company pension under the statutory insurance scheme based on a collective bargaining agreement (Altersvorsorge-TV-Kommunal [ATV-K]) with the Zusatzversorgungskasse for local authority and municipal employers in Wiesbaden (ZVK). The contributions are collected based on a pay-as-you-go model. As in the previous year, the contribution rate of the ZVK is 7.0% on compensation liable to top-up pension payments; thereof, the employer pays 5.3%, with the contribution paid by the employee amounting to 1.7%. In addition, a tax-free restructuring fee of 1.4% of the remuneration liable to top-up pension payments is levied by the employer in accordance with Section 63 of the ZVK Statutes (ZVKS). An additional contribution of 9.0% is paid for some employees included in the statutory social security insurance scheme (generally employees exempted from collective bargaining agreements and Senior Managers) for the consideration subject to ZVK that, according to Section 38 ATV-K, exceeds the upper limit defined in the collective bargaining agreement. The amounts subject to contributions amounted to €349.5 million. The obligations carried out via the ZVK are indirect pension obligations for which no provisions have been established pursuant to Article 28 (1) sentence 2 of the Introductory Act to the German Commercial Code (EGHGB).

This plan is a multi-employer plan (IAS 19.8), since the companies involved share the risk of the investment and also the biometric risk. Reference is also made to the collective bargaining agreement risks arising from the ZVK insurance in the Risk and Opportunities Report in the management report.

The ZVK insurance is generally to be classified as a defined benefit plan (IAS 19.30). Because there is not sufficient information on the plan and the company also covers the risks of other insuring companies with its contributions (IAS 19.34), only the current contributions are accounted for as if it were a defined contribution plan. Due to its structure, the ZVK does not provide any information to participating companies that would allow the allocation of obligations, plan assets, service costs, and, if applicable, over- or underfunding or the extent of Fraport's participation in the plan. In the consolidated financial statements of Fraport, the consideration of contributions corresponds to defined-contribution pension commitments. Along with the remaining member companies, Fraport AG is obliged to finance accrued obligations not covered by assets as well as future obligations. The precise share of the remaining extent of the obligation cannot be determined. In the event of Fraport AG withdrawing from the multi-employer plan (for example, through terminating the agreement), compensation in the amount of the present value of the obligation at the point of the membership being terminated is to be paid to the ZVK. This amount cannot be determined due to only insufficient information being available. Should the multi-employer plan be dissolved by a resolution of the administrative committee, no share in any possible remaining overfunding will be due to Fraport.

In the fiscal year, €19.2 million (previous year: €25.7 million) was recorded as contributions to defined contribution plans for ZVK. Furthermore, due to statutory provisions, contributions are also made to state-administered pension funds in Germany. Contributions in the amount of €22.1 million are expected for the following financial year.

In addition, contributions are paid to state pension insurance institutions in Germany on the basis of statutory provisions. The current contributions are shown as expense for the respective year. Employer contributions made by the Fraport Group to statutory insurance schemes totaled €68.4 million (previous year: €65.6 million).

39 Non-current and Current Income Tax Provisions

Non-current and current income tax provisions

€ million	Remaining term		Total	Remaining term		Total
	up to 1 year	over 1 year	December 31, 2021	up to 1 year	over 1 year	December 31, 2020
Provisions for taxes on income	29.4	83.7	**113.1**	43.1	51.0	**94.1**

Tax provisions amounting to €113.1 million (previous year: €94.1 million) were accrued for unassessed corporation tax and trade taxes, as well as for tax audit risks.

40 Non-current and Current Other Provisions

The development in the non-current and current provisions is shown in the following tables.

Non-current and current personnel-related provisions

€ million	January 1, 2021	Use	Release	Additions	December 31, 2021
Personnel	**377.2**	**–270.3**	**–6.2**	**63.2**	**163.9**
thereof non-current	81.6				63.1
thereof current	295.6				100.8

The utilization of personnel provisions relates, in particular, to provisions in connection with the "Zukunft FRA – Relaunch 50" program at Fraport AG as well as corresponding measures taken by individual subsidiaries at the Frankfurt site. The partial

The provision for the company-wide program to develop the personnel structure initiated in fiscal year 2016 "Future Contract Plus (FC Plus)" amounted to €5.0 million as at the balance sheet date (previous year: €8.8 million).

Other provisions

€ million	January 1, 2021	Use	Release	Additions	Interest effect	December 31, 2021
Environment	35.3	–1.7	–0.1	8.3	–1.1	**40.7**
Passive noise abatement	39.2	–3.0	–4.6	0.0	–0.2	**31.4**
Nature protection law compensation	15.1	–0.5	–0.5	0.0	–0.2	**13.9**
Wake turbulences	20.3	–3.0	0.0	0.0	–0.4	**16.9**
Others	92.4	–15.6	–19.6	26.2	0.0	**83.4**
Total	**202.3**	**–23.8**	**–24.8**	**34.5**	**–1.9**	**186.3**
thereof non-current	114.9					97.6
thereof current	87.4					88.7

Environmental provisions have been formed largely for probable restructuring costs for the elimination of groundwater contamination on the Frankfurt Airport site in Frankfurt/Main, as well as for environmental pollution in the southern section of the Airport. As at December 31, 2021, estimated cash outflows (present value) amounted to €2.4 million within one year (previous year: €2.3 million), €10.0 million after one to five years (previous year: €9.1 million), and €26.8 million after five years (previous year: €22.1 million).

The “passive noise abatement” provision includes obligations to refund the passive noise abatement expenses of owners of private and commercial land and obligations to pay outdoor living and commercial area compensation. The obligations result from the planning approval notice made by the Hessian Ministry of Economics, Energy, Transport and Living (HMWEVW) on December 18, 2007 in conjunction with the Act for Protection against Aircraft Noise (Aircraft Noise Act), and the planning approval notice of April 30, 2013. As at December 31, 2021, estimated cash outflows (present value) amounted to €21.4 million within one year (previous year: €14.7 million), €10.0 million after one to five years (previous year: €24.5 million), and €0.0 million after five years (previous year: €0.0 million). There is a corresponding refund claim reported under other accounts receivable for all obligations reported under “passive noise abatement” as at the reporting date (see also note 25). The carrying amount of the refund claim depends on the actually collected, and future expected noise abatement charges. The carrying amount of the corresponding provision depends on the actual, and future expected cash outflows for passive noise abatement measures and wake turbulences.

A provision for environmental protection compensating measures was created in previous years due to the long-term obligation to implement ecological compensating measures resulting from the work performed to clear the land in the southern part of the airport and in the area of Runway Northwest required for the airport expansion. As at December 31, 2021, estimated cash outflows (present value) amounted to €0.8 million within one year (previous year: €0.9 million), €3.2 million after one to five years (previous year: €7.6 million), and €10.0 million after five years (previous year: €6.6 million).

The wake turbulence protection program concerns the protection of roofs in the defined entitlement areas to protect against damage to roof cladding due to gusts of wind caused by wake turbulences. The obligations result from the corresponding supplementation decision dated May 10, 2013 and May 26, 2014. As at December 31, 2021, estimated cash outflows (present value) amounted to €1.2 million within one year (previous year: €1.5 million), €8.1 million after one to five years (previous year: €9.2 million), and €7.6 million after five years (previous year: €9.6 million). There is a corresponding refund claim, reported under other accounts receivable, for the obligations (see also note 25).

The remaining provisions include provisions for rebates and refunds of €25.1 million (previous year: €22.5 million), provisions for interest related to expected back tax payments of €16.8 million (previous year: €22.8 million), provisions for development measures still to be implemented in connection with the sale of real estate inventories (also see note 28) of €5.7 million (previous year: €7.4 million), as well as claim events and other risks. Cash flow used in the other provisions are primarily expected within one year.

41 Financial Instruments

Disclosures on Carrying Amounts and Fair Values

The following table presents the carrying amounts, fair values and measurement categories of the hierarchy pursuant to IFRS 13 of the financial instruments as at December 31, 2021:

Financial instruments as at December 31, 2021

€ million	Carrying Amount				Fair Value	Measurement categories pursuant to IFRS 13		
	Measured at amortized costs	FVOCI (without recycling)	FVOCI (with recycling)	FVTPL		Level 1 Quoted prices	Level 2 Derived prices	Level 3 Prices that cannot be derived
Financial assets								
Cash and cash equivalents	2,662.8				2,662.8	N/A	N/A	N/A
Trade accounts receivable	152.3				152.3	N/A	N/A	N/A
Other financial receivables and assets	173.3				185.5		94.2	91.3
Other financial assets								
Non current securities			846.5		846.5	751.4	95.1	
Other investments		109.2			109.2			109.2
Loans to joint ventures	14.5				14.5		14.5	
Loans to associated companies	76.1				87.8			87.8
Other loans	62.6				62.6		62.6	
Total	**3,141.6**	**109.2**	**846.5**	**0.0**	**4,121.2**	**751.4**	**266.4**	**288.3**
Financial liabilities								
Trade accounts payable	370.6				370.6		370.6	
Other financial liabilities	995.0				1,335.3		1,335.3	
Financial liabilities	9,934.0				9,993.9	2,208.7	7,785.1	
Derivative financial liabilities								
Hedging derivative					4.7		4.7	
Other derivatives				4.6	4.6		4.6	
Share option				22.4	22.4			22.4
Total	**11,299.6**	**0.0**	**0.0**	**27.0**	**11,731.5**	**2,208.7**	**9,500.3**	**22.4**

The following table presents the carrying amounts, fair values and measurement categories of the hierarchy pursuant to IFRS 13 of the financial instruments as at December 31, 2020:

Financial instruments as at December 31, 2020

€ million	Carrying Amount				Fair Value	Measurement categories pursuant to IFRS 13		
	Measured at amortized costs	FVOCI (without recycling)	FVOCI (with recycling)	FVTPL		Level 1 Quoted prices	Level 2 Derived prices	Level 3 Prices that cannot be derived
Financial assets								
Cash and cash equivalents	1,864.4				1,864.4	N/A	N/A	N/A
Trade accounts receivable	125.4				125.4	N/A	N/A	N/A
Other financial receivables and asset	128.4				142.7		64.6	78.1
Other financial assets								
Non current securities			329.2		329.2	279.2	50.0	
Other investments		104.4			104.4			104.4
Loans to joint ventures	11.2				11.2		11.2	
Loans to associated companies	76.1				93.1			93.1
Other loans	20.1				20.1		20.1	
Total	**2,225.6**	**104.4**	**329.2**	**0.0**	**2,690.5**	**279.2**	**145.9**	**275.6**
Financial liabilities								
Trade accounts payable	337.2				340.3		340.3	
Other financial liabilities	984.6				1,366.4		1,366.4	
Financial liabilities	7,747.2				7,879.7	1,048.5	6,831.2	
Derivative financial liabilities								
Hedging derivative					11.7		11.7	
Other derivatives				6.4	6.4		6.4	
Share option				29.5	29.5			29.5
Total	**9,069.0**	**0.0**	**0.0**	**35.9**	**9,634.0**	**1,048.5**	**8,556.0**	**29.5**

Given the short terms, the carrying amounts of cash and cash equivalents, trade accounts receivable, and current other financial receivables and assets as at the reporting date correspond to the fair value.

The fair values of listed securities are identical to the stock market prices on the reporting date. The valuation of unlisted securities was based on market data applicable on the valuation date using reliable and specialized sources and data providers. The values are determined using established valuation models.

The fair values of loans to joint ventures and associated companies, as well as other non-current financial assets, are determined as the present value of future cash flows. Discounting was applied using the current maturity-linked interest rate as at the balance sheet date. The fair value of the loan including interest receivables to NCG is mainly affected by cash flow forecasts and interest rate developments.

The carrying amounts of other loans correspond to the respective fair values. The other loans are subject to a market interest rate, and their carrying amounts therefore represent a reliable valuation for their fair values. Part of the other loans are promissory note loans with a remaining term of more than one year. Due to the lack of an active market, no information is available on the risk premiums of their respective issuers. As the promissory note loans are mainly floating interest rate loans, their carrying amounts were used as the most reliable value for their fair values.

Non-current liabilities are recognized at their present value. To determine fair value, the respective cash outflows are discounted at interest rates with similar terms and with the Fraport credit risk as at the reporting date. The carrying amounts of current liabilities are equal to the fair value. There is a general interest rate risk for fixed-interest loans that are extended at the ends of their terms.

In order to determine the fair value of financial liabilities, the future expected cash flows are determined and discounted based on the yield curve on the reporting date. The market-driven and maturity-linked risk premium of the respective borrower as at the reporting date is added to the cash flows.

The derivative financial instruments relate to interest rate hedging transactions, two of which contain floors. The fair values of these interest swaps are determined on the basis of discounted future expected cash flows, using market interest rates corresponding to the terms to maturity. The calculation of the fair market value of the floors is based on a standard option pricing model.

The other investments categorized as Level 3 relate to the shares in Delhi International Airport Private Ltd. Until December 31, 2016, the fair value of the shares in Delhi International Airport Private Ltd. was determined based on a current bid and taking current exchange rates into account, and categorized as Level 2. Since June 30, 2017, the fair value has been determined based on a discounted cash flow valuation. The share option in Level 3 relates to shares in Fraport Greece A and Fraport Greece B. Fraport holds a short position. Another shareholder has the possibility to exercise his option for shareholders' equity shares once in the next two years.

The substantial non-observable input factors, both for the share option and the shares in Delhi International Airport Private Ltd., for determining the fair value, are the forecast cash flows, which are based on the company’s future earnings and planned capital expenditure, as well as the discount factor that is applied. The discount factor used was the WACC (country-specific, weighted average capital cost after taxes).

Fair value hierarchy level 3 reconciliation 2021 (values determined using valuation techniques)

€ million	January, 1 2021	Additions	Gains/losses in income statement	Transfers into level 3	Gains/losses in OCI	December, 31 2021
Share option	–29.5	0.0	7.1	0.0	0.0	–22.4
Other investments	104.2	0.0	0.0	0.0	4.6	108.8

Fair value hierarchy level 3 reconciliation 2020 (values determined using valuation techniques)

€ million	January, 1 2020	Additions	Gains/losses in income statement	Transfers into level 3	Gains/losses in OCI	December, 31 2020
Share option	–46.9	0.0	17.4	0.0	0.0	–29.5
Other investments	131.6	0.0	0.0	0.0	–27.4	104.2

The following amounts generated from the fair value in the event of changes in assumptions are:

Sensitivities 2021

€ million	Sensitivities with regard to unobservable input parameters					Currency rate sensitivity (INR)	
		Discount rate		Growth forecasts			
		+0.5%	–0.5%	+0.5%	–0.5%	+0.5%	–0.5%
Share option	6.8 %	–15.4	–34.2	–23.9	–20.8	N/A	N/A
Other investments	11.0 %	85.9	134.7	111.4	106.2	108.3	109.4

Sensitivities 2020

€ million	Sensitivities with regard to unobservable input parameters					Currency rate sensitivity (INR)	
		Discount rate		Growth forecasts			
		+0.5%	–0.5%	+0.5%	–0.5%	+0.5%	–0.5%
Share option	6.6 %	–23.5	–37.1	–30.7	–28.2	N/A	N/A
Other investments	10.8 %	82.6	128.6	108.6	99.7	103.6	104.7

The following table shows the net result for 2021 and 2020 according to IFRS 9:

Net results of the measurement categories

€ million	2021	2020
Financial assets		
At amortized cost	–2.0	–12.5
FVOCI with Recycling	–2.5	–8.6
FVOCI without Recycling	4.7	–27.4
Financial liabilities		
At amortized cost	–0.6	0.3
FVTPL	8.9	19.3

The net result consists of changes in fair values recognized through profit or loss, impairment losses, and write-ups recognized through profit or loss, exchange rate changes, and gains and losses of disposals.

Interest and dividend income from financial instruments held at FVOCI are also included in the calculation of the net result. Interest and dividend income of the other categories are not included in the net result disclosed.

In addition to the recognized fair value changes, gains on financial liabilities FVTPL also include the fair values of an interest rate swap for which there were no hedged items in the course of the 2021 fiscal year. In addition, the recognized change in the share option was included in this position.

Derivative financial instruments and hedge accounting

With regard to the items in its statement of financial position and planned transactions, Fraport is, in particular, subject to interest rate and currency exchange risks. Fraport covers interest rate risks by establishing naturally hedged positions, in which the values or cash flows of primary financial instruments offset each other in their timing and amount, and/or by using derivative financial instruments to hedge the business transactions. Derivatives are not used for trading or speculative purposes.

Interest rate risks arise in particular from the capital requirements associated with capital expenditure and from existing floating interest rate financial liabilities and assets. As part of the interest rate risk management policy, interest swaps and interest swaps with embedded floors were concluded in order to limit the interest rate risk arising from financial instruments with floating interest rates and assure planning security.

An expense of €7.2 million was accrued within the scope of the acquisition valuation of derivatives in connection with the commitment in Greece in April 2017. In the year under review, the value from €4.5 million increased by €0.8 million to €5.3 million due to an adjustment of the proportional release.

The Group holds three interest rate swaps as at the reporting date (previous year: three).

Derivative financial instruments

€ million	Nominal volume		Fair value		Credit risk	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Interest rate swaps	160.7	164.4	–9.3	–18.1	0.0	0.0
thereof hedge accounting	130.7	134.4	–4.7	–11.7	0.0	0.0
thereof trading	30.0	30.0	–4.6	–6.4	0.0	0.0
Share option	0.0	0.0	–22.4	–29.5	0.0	0.0

The fair values of the derivative financial instruments are recorded as follows in the statement of financial position:

Fair values of derivative financial instruments

€ million	Other assets		Other liabilities	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Interest rate swaps - cash flow hedges	0.0	0.0	4.7	11.7
Interest rate swaps - trading	0.0	0.0	4.6	6.4
Share option	0.0	0.0	22.4	29.5

Two interest rate swaps (previous year: two) are already assigned to existing floating interest-bearing liabilities and accounted as cash flow hedges in accordance with IFRS 9. Changes in the fair values of these instruments are recorded in a shareholders' equity sub-account without affecting profit or loss. This economic relationship results from the compensation amount and thus the effectiveness of these cash flow hedges. The effectiveness is confirmed and documented at regular intervals; the hedge ratio of the securities is 1:1. In general, the recorded hedging relationships can become ineffective if a gap arises in the material measurement parameters between the hedged item and hedging instrument. They are calculated on the basis of the dollar offset method. Due to a very low level of ineffectiveness, the change in value of hedging instruments corresponds to change in value of the underlying hedged item. These changes in value arise from the unrealized losses that were recorded in shareholders' equity during the fiscal year. One interest rate swap (previous year: one) are classified as FVTPL. All changes in value resulting from this classification are recorded through profit or loss.

The payments under the cash flow hedges become due in the following years. This is also the time when the respective hedged item affects profit or loss.

Interest rate swaps (2021 hedge accounting)

€ million				December 31, 2021
Beginning of term	End of term	Nominal value	Fair value	Average interest rate
2017	2034	130.7	–4.7	1.6 %
Total		**130.7**	**–4.7**	

There were the following time periods as at December 31, 2020:

Interest rate swaps (2020 hedge accounting)

€ million				December 31, 2020
Beginning of term	End of term	Nominal value	Fair value	Average interest rate
2017	2034	134.4	–11.7	1.6 %
Total		**134.4**	**–11.7**	

Unrealized gains of €6.2 million were recorded in shareholders' equity from the change in fair value of derivatives in the 2021 fiscal year (previous year: €5.1 million losses). During the year under review, gains of €0.1 million before taxes (previous year: €4.9 million losses) were transferred from shareholders' equity to the financial result. This results in changes in deferred tax assets of €1.3 million and a balance of –€2.2 million (previous year: –€6.7 million).

Notes to the Segment Reporting

42 Notes to the Segment Reporting

Segment reporting in the Fraport Group according to IFRS 8 is based on internal reporting to the Executive Board as principle decision-maker and is attached as an appendix to the notes.

The same accounting principles as those used in the consolidated financial statements underlie segment reporting.

The strategic business units of Fraport AG at the Frankfurt site are clearly assigned to the Aviation, Retail & Real Estate, Ground Handling and International Activities & Services segments. In addition, these segments include Group companies integrated in the business processes at the Frankfurt site.

The Aviation segment incorporates the strategic business unit “Aviation” as well as the Group companies involved in the processes at the Frankfurt site. The “Airside & Terminal Management, Corporate Safety & Security” strategic business unit was also renamed “Aviation” in the fiscal year 2021.

The Retail & Real Estate segment consists of the strategic business unit “Retail and Properties”, comprising the retailing activities, parking facility management, and the rental and marketing of real estate at the Frankfurt site. In addition, the Group companies integrated into these activities on the Frankfurt site are allocated to this segment.

The Ground Handling segment combines the “Ground Services” strategic business unit and the Group companies involved in these operations at the Frankfurt site.

The International Activities & Services segment encompasses in aggregate, due to the similarity of the economic criteria, the Group companies that are not integrated in the processes at the Frankfurt site, and Group companies that carry out their business operations outside the Frankfurt site (International Activities). The business operations of these companies consist of the operation of airports outside the Frankfurt site or the provision of airport-related services, and are primarily aimed at the users of airport infrastructure. In subareas, they are subject to country-specific regulatory requirements for the operation of airport infrastructure. In addition, the internal service units Integrated Facility Management, Corporate Infrastructure Management, Airport Expansion South, Information and Telecommunication and their Group companies and the strategic business unit Global Investments and Management are assigned to the segment because they primarily provide internal services for the Fraport Group. Revenue of €61.6 million, EBITDA of €35.7 million and EBIT of €7.5 million result from the internal service units and their investments as well as the acquisitions and investments section.

Corporate data at Fraport AG is divided into market-oriented business and service units on the one hand and into central units on the other hand. All the business and service units are allocated clearly to one segment each. The central units are categorized appropriately.

The data about the Group companies that are not integrated in the processes at the Frankfurt site and Group companies that carry out their business operations outside the Frankfurt site are allocated to the International Activities & Services segment during reporting. The Group companies that are integrated in the processes at the Frankfurt site are allocated to the relevant segment according to their business operations.

Inter-segment revenue is primarily generated by the allocation of rent for land, buildings and space, as well as maintenance services and energy supply within Fraport AG. The corresponding assets are allocated to the Retail & Real Estate segment. The relevant units are charged on the basis of the costs incurred, including imputed interest.

Inter-segment income also reflects income that has been generated between the companies included from different segments.

Goodwill from business mergers and the appropriate impairment losses, where applicable, have been allocated clearly to a segment according to this segment structure.

The reconciliation of segment assets/segment liabilities column includes the income tax assets/liabilities (including the deferred tax assets/liabilities) of the Group.

In the additional disclosures “Geographical Information”, allocation takes place according to the current main areas of operation: Germany, Rest of Europe, Asia, and America. The figures shown under “Asia” relate mainly to Turkey and the People’s Republic of China. The figures shown under “America” relate mainly to the United States, Peru, and Brazil. The two Brazilian companies achieved revenue in the amount of €68.3 million in 2021 (previous year: €88.3 million). The investments in airport operating projects according to IFRIC 12 increased from €530.4 million in the previous year to €551.6 million as at December 31, 2021. The revenue of Lima Airport Partners S.R.L., Lima, Peru, amounted to €345.2 million in 2021 (previous year: €214.3 million). The company holds non-current intangible assets in connection with the accounting pursuant to IFRIC 12 of around €726.7 million as at the balance sheet date (previous year: €497.9 million). In the “Rest of Europe” region, the two Greek companies contributed a total of €255.4 million (previous year: €185.0 million) to revenue (see also note 2). The investments in airport operating projects according to IFRIC 12 amounted to €1,986.7 million as at December 31, 2021 (previous year: €2,034.2 million).

The addition to the fully consolidated subsidiaries relates to the company Fraport Antalya Havalimanı İşletme ve Yatırım A.Ş, Istanbul, Turkey (International Activities & Services segment). In addition, Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş., Istanbul, Turkey (International Activities & Services segment) was added to the joint ventures. Both additions are related to the awarded tender for the operating concession at Antalya Airport. The aforementioned changes had no substantial impact on the segment reporting.

Segment assets of the Retail & Real Estate segment include real estate inventories of €0.5 million (previous year: €5.0 million).

During the 2021 fiscal year, revenue of €467.8 million was generated in all four segments with one customer (previous year: €345.8 million). Further explanations about segment reporting can be found in the management report.

Notes to the Consolidated Statement of Cash Flows

43 Notes to the Consolidated Statement of Cash Flows

Cash flow from operating activities

Due to the positive result, which was influenced, among other things, by the cash effects in connection with compensation received for holding costs incurred and the agreement reached with the German Federal Police concerning billed aviation security services in recent years, the cash flow from operating activities was €392.6 million (previous year: cash outflow of €236.2 million), despite the severance payments in the “Zukunft FRA – Relaunch 50” program.

Cash flow used in investing activities

At –€1,133.2 million, the cash flow used in investing activities excluding investments in cash deposits and securities was only slightly below the previous year’s level (previous year: –€1,141.4 million). Increased cash outflows for expansion and extension measures at the Frankfurt site and capital expenditure in airport operating projects were offset by higher cash inflows from dividends from companies accounted for using the equity method.

Including capital expenditure from the cash inflows, in particular from the bonds issued and loans in the time deposits with a remaining term of more than three months, as well as capital expenditure and proceeds from other monetary and securities investments, the cash flow used in investing activities amounted to –€2,304.2 million (previous year: –€2,528.2 million).

Cash flow from financing activities

In order to ensure liquidity and finance the ongoing expansion projects, the cash flow from financing activities was €2,095.4 million, which remained at a very high level as in the previous year (2020: €2,471.0 million). The cash flow from financing measures amounted to €2,798.4 million (previous year: €2,692.3 million) from the assumption of non-current financial liabilities and €703.0 million (previous year: €220.7 million) from repayments of non-current and other changes in current financial liabilities.

The following overviews show the composition of cash and cash equivalents and non-cash changes to the liabilities from financing activities. With regard to the development of the leasing liabilities, see note 20.

Reconciliation to the cash and cash equivalents as shown in the consolidated statement of financial position

€ million	December 31, 2021	December 31, 2020
Bank and cash balances	220.4	161.9
Time deposits with a remaining term of less than three months	210.8	54.5
Cash and cash equivalents as at the consolidated statement of cash flows	**431.2**	**216.4**
Time deposits with a remaining term of more than three months	2,156.9	1,549.9
Restricted cash	74.7	98.1
Cash and cash equivalents as at the consolidated statement of financial position	**2,662.8**	**1,864.4**

Changes in liabilities from financing activities

€ million	January 1, 2021	Cash inflow from non-current financial liabilities	Repayment of non-current financial liabilities	Cash-effective changes in current financial liabilities	Non cash-effective changes				December 31, 2021
					Accrued interest	Foreign currency translation effects	Changes in fair value	Reclassifications and other changes	
Non-current financial liabilities	6,936.5	2,798.4	0.0	0.0	12.3	–4.4	7.2	–443.6	9,306.4
Current financial liabilities	810.7	0.0	–424.2	–244.6	42.1	0.0	0.0	443.6	627.6
Other financing activities	40.3	0.0	–9.5	0.0	0.0	0.0	0.0	0.0	30.8

Other Disclosures

44 Long-Term Incentive Program (from 2020 Performance Share Plan)

Long-Term Incentive Program

The Long-Term Incentive Program (LTIP) for the Executive Board and Senior Managers was introduced effective January 1, 2010.

A certain number of virtual shares (so-called performance shares) is allocated annually depending on certain performance objectives. Target achievement is measured over four years (performance period); payment in cash takes place immediately at the end of the four-year performance period.

The number of virtual shares actually allocated depends on the extent to which two performance targets are met:

> Earnings per Share (EPS) (target weighting 70%)
This internal performance target is determined by comparing the actual average EPS in the performance period with the weighted average plan EPS at the time of awarding.

> Rank Total Shareholder Return MDAX (TSR) (target weighting 30%)
The TSR measures the development of shares over a certain period of time subject to dividends and share price developments. Therefore, it constitutes a market-dependent performance target.

On January 1 of the years 2016 to 2019, the Executive Board and Senior Managers in the Fraport Group were each promised a tranche. The tranches for the Executive Board and for Senior Managers differ in the calculation of the extent to which objectives have been reached for the targets in the weighting of the individual years of the performance period.

Performance Share Plan

Effective January 1, 2020, the Long-Term Incentive Program (LTIP) used to determine the long-term performance remuneration for the Executive Board has been replaced by the Performance Share Plan (PSP), which maintains the performance period of four years. The Long-Term Strategy Award based on a three-year period was initially transferred to the previous LTIP in order to make the remuneration even more sustainable for the long term.

The long-term performance remuneration component consists of a performance share plan with a four-year performance period. At the start of the plan, each member of the Executive Board is promised a target amount in euros specified in their employment contract as an allocation value. This amount is divided by the initial fair value (i.e., the financially determined fair value according to the accounting standard IFRS 2, “Share-Based Payment”) per performance share at the beginning of the performance period, resulting in the provisional number of virtual performance shares allocated to each case.

The achievement of the performance share plan is determined by two performance criteria, Earnings Per Share (EPS) and the Total Shareholder Return (TSR) to the companies in the MDAX.

- The Earnings Per Share (EPS) criterion is used as an internal financial performance target and is taken into account with a weighting of 70%. The EPS performance criterion provides incentives to operate profitably. This forms the basis for the sustainable and long-term growth of Fraport AG and ensures the financing capacity of necessary capital expenditure and thus the achievement of important strategic goals. Long-term growth helps Fraport AG to achieve its objective of establishing itself as Europe’s best airport operator and also to set global standards among the competition. In determining the achievement of the EPS target, a target value derived from strategic planning is compared with the actual EPS value achieved. This compares the average of the annual actual EPS values determined during the performance period with the average target EPS. If the average actual EPS value is equal to the average target EPS (target value), the target achievement rate is 100%. If the average actual EPS value is 25% below the target value, the target achievement rate is 50%. If the average actual EPS value is more than 25% below the target value, the target achievement rate is 0%. If the average actual EPS value is 25% or more above the target value, the target achievement rate is 150%. Between these values, the degree of achievement follows a straight-line development.

- As a further performance criterion, the relative Total Shareholder Return (TSR) uses an external performance criterion geared to the capital market, which is weighted at 30%. The relative TSR takes into account the development of the Fraport share price plus fictitious reinvested gross dividends compared to a predefined comparison group. The relative TSR links the interests of the Executive Board and shareholders and integrates a relative measurement of success into the remuneration system for the Executive Board. This creates an incentive to outperform the relevant comparison group in the long term. Fraport AG pursues the goal of being an attractive investment for shareholders and therefore provides an incentive for above-average success on the capital market. Achieving the target for the relative TSR is based on a comparison with the MDAX. The Supervisory Board considers the MDAX to be an appropriate benchmark group, as Fraport AG is listed in this index and the MDAX consists of companies of a comparable size. To calculate the TSR in the performance period of the Fraport AG share and the MDAX, the arithmetic average of the closing prices over the last 30 trading days before the beginning of a year of the performance period and over the last 30 trading days before the end of a year of the performance period is determined and then averaged relative to the four years of a performance period. In determining the arithmetic average of closing prices at the end of the performance period, a fictitious amount of reinvested gross dividends is also taken into account. The target achievement is 100% if the TSR performance of the Fraport AG share corresponds to the TSR performance of the comparison group. If the TSR performance of the Fraport AG share is 25% below the TSR performance of the MDAX, the target is 50%. If the TSR performance of the Fraport AG share is more than 25% below the TSR performance of the MDAX, the target is 0%. If the TSR performance of the Fraport AG share is 25% or more below the TSR performance of the MDAX, the target is 150%. Achieving the targets between the defined target achievement points follows a straight-line development.

For all performance shares allocated between fiscal years 2014 and 2019, the LTIP payment is limited to 150% of the product of the performance shares of the target tranche multiplied by the “relevant share price at the time of issuance”. The “relevant share price at the time of issuance” corresponds to the weighted average of the company’s closing share prices in XETRA or a similar trading system replacing XETRA at the Frankfurt Stock Exchange during the month of January of the fiscal year, in which the relevant performance period begins.

Performance shares awarded from the 2020 fiscal year onwards will be defined for the four-year performance period at the start of the plan. The performance criteria allow a target to be achieved in the range of 0% to 150%. At the end of the four-year performance period, the achievement of the performance criteria is determined and the final number of virtual performance shares is determined. The distributed amount is calculated by multiplying the final number of performance shares determined by the average price at that time of the Fraport AG share in the last 3 months prior to the end of the performance period plus dividends paid per share during the performance period. The value of the performance shares to be distributed therefore depends on the achievement of the performance criteria and the share price relevant for the distribution. The maximum payout amount is limited to 150% for each tranche to the Executive Board and 125% for executives to the allocation value applicable at the start of the plan.

A total of 106,360 virtual shares were issued in the 2021 fiscal year. A provision for the current LTIP tranches of €5.2 million and the PSP in the amount of €1.6 million was reported as at December 31, 2021.

Due to the market dependence of the fair value measurement, there was an effect on profit and loss of €5.8 million in the past fiscal year 2021 (previous year, income: €3.7 million), which was recognized in personnel expenses. Of this amount, €3.8 million is attributable to the Executive Board (previous year, income: €1.9 million) and €2.0 million attributable to Senior Managers of Fraport AG (previous year, income: €1.8 million).

Development of the fair values of the virtual shares for the Executive Board and Senior Managers

Tranche All figures in €	Fair value December 31, 2021 Executive Board	Fair value December 31, 2021 Senior Managers	Fair value December 31, 2020 Executive Board	Fair value December 31, 2020 Senior Managers
Fiscal year 2018	61.61	59.54	10.92	10.92
Fiscal year 2019	52.10	56.60	13.55	13.55
Fiscal year 2020[1)]	17.06	16.11	11.89	13.42
Fiscal year 2021[2)]	46.95	35.72	38.25	31.35

[1)] Fair value for the Executive Board has been calculated under the PSP as of fiscal year 2020
[2)] Fair value for the Senior Managers calculated for the first time under the PSP in fiscal year 2021

On January 1 of the years 2017 to 2019, the Executive Board and Senior Managers in the Fraport Group were each promised a tranche. The tranches for the Executive Board and for Senior Managers differ in the calculation of the extent to which objectives have been reached for the targets in the weighting of the individual years of the performance period. From the 2020 fiscal year onwards, the weighting of the individual tranches will be the same for both the Executive Board and Senior Managers.

The achievement of the targets for the respective performance criteria of the tranches from fiscal year 2020 will be published in the subsequent compensation report after the end of the plan (2023).

Virtual share conditions

The virtual shares in the 2021 tranche were issued on January 1, 2021. Their term is four years ending on December 31, 2024.

The payout per virtual share corresponds to the weighted average closing prices of the Fraport share in the XETRA trading system on the first 30 stock market trading days immediately following the last day of the performance period. As of the 2021 fiscal year, the amount of the payout from the PSP shall be equal to the weighted average of the closing prices of the Fraport share in XETRA trading on the last three calendar months prior to the end of the performance period plus dividends paid during the performance period.

Entitlement to the PSP payment is established by approval by the Supervisory Board of the consolidated financial statements for the last fiscal year of the performance period. Payments are made within one month.

The valuation of the virtual shares takes place on the basis of the fair value per share for a tranche. A Monte Carlo simulation is used to determine the fair value. A simulation of the log-normal distributed processes is carried out for the Fraport share price to determine the relevant payment according to the respective performance targets.

The fair value of virtual shares to be measured in fiscal years 2018 to 2021 was calculated based on the following assumptions:

The basis of the computations on the respective valuation date was a continuous zero interest rate. The interest rates were computed from the interest rate structures of government bonds maturing between one and ten years.

The computation basis for future dividend payments is public estimates made by ten banks. The arithmetic mean of these estimates is taken to determine the dividends.

Historic volatility is used for the calculations. The calculations are based on the daily XETRA closing price for the Fraport AG share and beginning in fiscal year 2020 also for the MDAX.

The remaining term of the LTIP or the PSP is used as the time horizon to determine volatility.

45 Contingent Liabilities

Contingent liabilities

€ million	December 31, 2021	December 31, 2020
Guarantees	2.5	2.5
Warranties	673.5	610.2
thereof contract performance guarantees	585.0	558.2
Other contingent liabilities	79.6	34.2
Total	**755.6**	**646.9**

The warranties concluded mainly result from the respective contract terms in connection with national and international investment projects.

The guarantees primarily contain contract performance guarantees of €585.0 million, the most important of which are explained below.

As at the balance sheet date December 31, 2021 there were contract performance guarantees in connection with the two service concession agreements concluded in 2015 for the 14 Greek Regional Airports (€37.8 million; previous year: €44.6 million), the corresponding construction activities (€29.4 million; previous year: €51.4 million) and financing (€7.3 million; previous year: €7.3 million).

In December 2021, Fraport AG and its partner company TAV Airports Holding were awarded the tender for the new concession to operate the Turkish Antalya Airport (see note 22). With the signing of the concession agreement on December 28, 2021, each of the two shareholders had to provide a contract performance guarantee in the amount of €38.3 million. The beneficiary of the contract performance guarantee provided by Fraport AG is our partner company TAV Airports Holding.

In connection with the existing concession at Antalya Airport, Turkey, in which Fraport AG owns a 50% share, an existing loan was increased by €55 million in February 2021. As part of the adjustment and increase to this financing with the Turkish Akbank, the shareholder guarantees were increased from €75.0 million (€37.5 million Fraport share) to a total of €150.0 million (€75.0 million Fraport share).

The concession agreements in Porto Alegre and Fortaleza, Brazil, resulted in performance guarantees of €376.4 million (previous year: €363.3 million).

A performance guarantee, excluding recourse against Fraport AG, was signed between GMR Holdings Private Ltd., Fraport AG, and ICICI Bank Ltd. to the amount of INR3.000 million or €35.6 million (previous year: €33.5 million) to modernize, expand, and operate Delhi Airport (India). If, however, the party to the contract, GMR Holdings Private Ltd., fails to meet its contractual obligations, Fraport AG’s liability may not be excluded given the fact that Fraport AG is party to the contract.

The performance guarantee relating to the concession agreement for the operation of the airport in Lima, Peru, amounted to €14.6 million as at the balance sheet date (previous year: €13.0 million).

The Group companies of Fraport USA have obligations which are amounting to €6.8 million (previous year: €28.9 million) in connection with the operation and development of commercial terminal areas at various US airports.

Fraport Twin Star Airport Management AD is guaranteed to the amount of €7.5 million (previous year: €7.5 million) in the context of operating the airports in Varna and Burgas, Bulgaria.

The other contingent liabilities include among others that Fraport AG is held liable to the amount of €7.1 million for rentals payable by Lufthansa Cargo Aktiengesellschaft to ACC Animal Cargo Center Frankfurt GmbH if Lufthansa Cargo Aktiengesellschaft exercises an extraordinary right to terminate the contract (previous year: €7.7 million) as well as contingent liabilities at Lima from tax risks to the amount of €13.1 million (previous year: €12.9 million).

Other contingent liabilities in 2021 also include possible claims by the local authorities against the Brazilian Fraport company in Porto Alegre for the relocation/construction of alternative residential buildings for the residents of the “Vila Nazaré” settlement adjacent to the airport site. The relocation has been completed. Despite a possible capitalization of these expenses, they are to be presented under contingent liabilities. In total, this figure amounts to the equivalent of €52.9 million.

The above mentioned contingent liabilities contain commitments in connection with investments in joint ventures in the amount of €120.1 million (previous year: €49.6 million) and €35.6 million (previous year: €34.5 million) obligations in connection with associated companies.

46 Other Financial Obligations

As at the balance sheet date, there were other obligations amounting to €48.4 million (previous year: €47.7 million). These relate largely to obligations arising from a long-term heat and cold supply contract (€24.0 million, previous year: €18.0 million) with Mainova AG. The other obligations include €5.3 million (previous year: €5.3 million) of obligations to joint ventures.

Revenue-related concession fees and additional obligations for capital expenditure of unspecified amounts on airport infrastructure have been agreed based on the existing concession agreements relating to the operation of the airports in Varna and Burgas, Bulgaria; Lima, Peru; Fortaleza and Porto Alegre, Brazil; and the 14 Greek Regional Airports (see also note 49).

In addition to order commitments, other financial obligations also include future expenses from existing rental and leasing contracts for operating and office equipment as well as technical systems and machines. No right-of-use assets in accordance with IFRS 16 were recognized for these contracts for reasons of materiality. Contracts are recorded as expenses like operate leases.

Order commitments for capital expenditure

€ million	December 31, 2021	December 31, 2020
Orders for capital expenditure in property, plant, and equipment and intangible assets	1,234.3	1,587.2

Order commitments for intangible assets comprise an insignificant portion of the total amount.

Operating leases

€ million	December 31, 2021	December 31, 2020
Rental and lease contracts		
up to 1 year	6.9	7.0
more than 1 up to 5 years	8.0	8.2
more than 5 years	0.0	0.0
Total	**14.9**	**15.2**

47 Risk management

Fraport is exposed to market price risks mainly due to changes in exchange rates and interest rates. The Group is additionally exposed to credit risks. There are also liquidity risks arising in connection with credit and market price risks or resulting from a worsening of the operating business or disturbances on the financial markets. It is the objective of financial risk management to monitor and limit these risks by means of current operating and finance-related activities. Depending on a risk assessment, selected hedging instruments are used for these purposes. In general, Fraport hedges only those risks that affect the Group’s cash flows. Recently concluded derivative financial instruments are used exclusively as hedging instruments; i.e. they are not used for trading purposes.

Reporting to the Executive Board of risk positions is made once per quarter as part of the early risk recognition system. In addition, the Chief Financial Officer receives a current financial report each month with all important financial risk positions. These are also part of the monthly Treasury Committee Meetings (TCM) in which the Chief Financial Officer and representatives of the financial department participate. The processes of risk control and the use of financial instruments, among others, are regulated as part of the Group's financial guidelines. These regulations also include requirements for the unambiguous segregation of functions in respect of operating financial activities, their settlement and accounting, and the controlling of the financial instruments. The guidelines, which are the basis of the risk management processes, aim to limit and control the risks appropriately and monitor them. Both the guidelines and the systems are regularly reviewed and adjusted to current market and product developments.

For further details, please refer to the opportunity and risk reporting in the combined management report.

Credit risk

Fraport is subject to default risks from its operating business and certain financial positions. The default risks arising from financial positions are controlled by a broad diversification of counterparties and issuers, as well as regular verification of their credit ratings and the limits derived from this. It is the company's risk policy that financial assets and derivative transactions are in principle only carried out with issuers and counterparties with a credit rating of at least "BBB–". If the credit rating is downgraded to a grade worse than "BBB–" during the asset's holding period or the term of the derivative, a decision will be made on a case-by-case basis on how to deal with the asset or derivative in future, taking into account the remaining term. A low credit risk is expected, unless the debtor of a financial asset shows an external rating with "investment grade" upon initial recognition or on the balance sheet date.

The maximum credit risk on the balance sheet date is mainly reflected in the carrying amounts of the assets reported in the financial position. The amount of the debt instruments corresponds to the credit risks of the securities and promissory note loans. On the balance sheet date, the material securities and promissory note loans were broken down as follows:

Classification of debt instruments

€ million	December 31, 2021	December 31, 2020
Debt instruments	901.5	349.2

The gross carrying amount of securities and promissory note loans have the following long-term issuer ratings:

Issuer ratings of securities and promissory note loans

€ million	December 31, 2021	December 31, 2020
AAA	0.0	0.0
AA+	5.5	0.0
AA	29.1	15.0
AA–	45.1	0.0
A+	76.4	53.5
A	197.7	80.5
A–	66.3	38.1
BBB+	191.7	87.6
BBB	228.1	69.4
BBB–	61.6	5.1
BB	0.0	0.0
Not rated	0.0	0.0
Total	**901.5**	**349.2**

The credit risk on liquid funds (gross carrying amount) applies solely with regard to banks. Here, current cash deposits are maintained with banks. The banks where liquid funds are deposited have the following long-term issuer ratings:

Issuer ratings of liquid funds

€ million	December 31, 2021	December 31, 2020
AAA	0.0	0.0
AA+	0.0	0.0
AA	0.0	0.0
AA–	210.0	199.4
A+	713.2	58.9
A	332.4	689.1
A–	1,016.2	566.6
BBB+	181.0	177.3
BBB	2.7	2.2
BBB–	0.4	0.9
BB+	0.0	0.0
BB	0.0	0.0
BB–	9.9	20.7
B+	0.0	0.0
B	0.9	144.6
B–	193.9	0.0
CCC+	0.0	0.0
Not rated	2.3	4.7
Total	**2,662.9**	**1,864.4**

Liquidity risk

Fraport generates financial funds mainly through its operating business and external financing. The funds are primarily used to finance capital expenditure for items of property, plant, and equipment and intangible assets.

The operating cash flow, the available liquid funds (including cash and cash equivalents and current realizable securities and other financial instruments), as well as current and non-current credit lines and loan commitments, give sufficient flexibility to ensure the liquidity of the Fraport Group.

Given the diversity both of the financing sources, and the liquid funds, and financial assets, there is no risk of concentration in the liquidity.

The operating liquidity management comprises a cash concentration process, which, on a daily basis, combines the liquid funds of most of the Group companies headquartered in Germany. This allows optimum control of liquidity surpluses and requirements in line with the needs of individual Group companies. Short and medium-term liquidity management includes the maturities of financial assets and financial liabilities and estimates of the operating cash flow.

The following list of maturities shows how the liability cash flows as at December 31, 2021 influence the Group’s future liquidity.

Liquidity profile as at December 31, 2021

€ million	Total	2022		2023		2024 – 2028		2029 – 2033		2034 et seqq.	
		Interest	Payment	Interest	Payment	Interest	Payment	Interest	Payment	Interest	Payment
Primary financial instruments											
Financial liabilities	**11,366.4**	182.0	555.9	174.9	862.8	701.3	6,069.3	279.2	1,889.1	125.7	526.2
Lease liabilities	**289.6**		49.3		42.8		154.8		10.6		32.1
Concessions payable	**2,519.4**		24.6		41.3		288.2		357.3		1,808.0
Trade accounts payable	**370.6**		298.8		57.4		12.0		2.4		–
Other financial liabilities	**76.5**		55.8		10.5		–		–		10.2
Derivative financial instruments											
Interest rate swaps	**17.4**	4.1		3.2		7.8		2.2		0.1	
Thereof trading	**4.5**	1.4		1.3		1.8		–		–	
Thereof hedge accounting	**12.9**	2.7		1.9		6.0		2.2		0.1	

The liquidity profile as at December 31, 2020 was as follows:

Liquidity profile as at December 31, 2020

€ million	Total	2021		2022		2023 – 2027		2028 – 2032		2033 et seqq.	
		Interest	Payment	Interest	Payment	Interest	Payment	Interest	Payment	Interest	Payment
Primary financial instruments											
Financial liabilities	**9,066.9**	146.1	777.7	138.4	445.1	588.3	3,941.8	293.1	1,907.9	149.0	679.5
Finance leases	**350.5**		71.0		44.0		175.8		27.5		32.2
Concessions payable	**2,524.0**		86.6		45.7		255.9		336.6		1,799.2
Trade accounts payable	**337.2**		294.6		28.6		11.7		2.3		–
Other financial liabilities	**42.0**		27.8		0.8		4.1		2.0		7.3
Derivative financial instruments											
Interest rate swaps	**27.6**	4.3		4.2		14.2		4.5		0.4	
Thereof trading	**6.3**	1.4		1.4		3.5		–		–	
Thereof hedge accounting	**21.2**	2.9		2.8		10.6		4.5		0.4	

All financial instruments that are subject to agreements as at the reporting date were included to determine the undiscounted payments. If a contractual partner can release a payment at different points of time, the earliest deadline was taken into account. The respective forward interest rates derived from the interest curve as at the balance sheet date were used to determine the interest payments on primary financial liabilities bearing interest at floating rates and the net payments on derivative financial instruments. The respective forward interest rates were used to determine the interest payments on primary financial liabilities in foreign currency.

For project-financing arrangements of foreign Group companies, credit clauses typical for this type of financing have been agreed. These clauses include regulations under which certain debt service coverage ratios and control indicators for leverage and credit terms must be complied with. Failure to comply with the agreed credit clauses may lead to restrictions on the distribution of dividends and/or to the early redemption of loans or to the additional payment of shareholders' equity. Furthermore, there are loans with contractually agreed credit clauses. These clauses relate, among other things, to changes in the shareholder structure, and control of the company. If these changes have a proven negative effect on the credit rating of Fraport AG, the creditors have, above a certain threshold, the right to call the loans due ahead of time.

As at the reporting date, most companies were in compliance with the provisions of the financing agreements. For companies that were not able to maintain the required financial key figures, agreements were reached with the financing banks effective December 31, 2021, which were in line with the arrangements provided for this purpose in the respective financing contracts.

Currency risk

The international focus of the Fraport Group makes its operating business, the financial results reported, and the cash flows subject to foreign currency fluctuation risks. Within the Group, foreign currency risks mainly arise from revenue in foreign currencies, which are not covered by expenses in matching currencies. This results in a cash flow risk between foreign currency revenue and functional currency revenue. Only the transaction risks affecting cash flows are actively controlled. These mainly apply between the US Dollar (US$) and the Peruvian Nuevo Sol (PEN). To reduce the foreign currency effects in the operating business, the transaction risk is assessed on an ongoing basis and hedged where necessary by using derivative financial instruments. Entering into financial instrument transactions is the responsibility of the Group companies in close coordination with the Treasury department of Fraport AG. The transaction risks are assessed by means of sensitivity analyses. The calculation rates on which the analyses are based are the result of the mean value for the respective exchange rate in the period under review, less or in addition to a standard deviation. Taking these assumptions as a basis with a deviation of 10%, the result for the period would have been affected in the year under review as follows:

Currency rate sensitivity

Risk in € million	December 31, 2021		December 31, 2020	
	Net income before tax	Loss before tax	Net income before tax	Loss before tax
US$/PEN	0.26	0.26	1.00	1.00

In addition, there are effects in the Group from the translation of foreign currency assets or liabilities into euros and/or from the consolidation of Group companies not accounted for in euros. These translational risks are met as far as possible by applying natural hedging.

Interest rate risk

The Fraport Group is exposed to interest rate risks on a variety of primary and derivative financial assets and liabilities, as well as future planned capital requirements.

In regard to assets and liabilities that are currently held, the objective of refinancing at matching maturities is generally pursued. The interest rate risk arising in the next twelve months is relevant for control. Therefore, it is assessed every quarter and reported to the financial risk committee. Sensitivity analyses are prepared to determine the risk. These show the effects of changes in market interest rates on interest payments, interest income and expenses, other profit or loss portions, and shareholders’ equity. Interest rate changes are defined to be the maximum fluctuation of the key interest rate in the past for the respective currency and the respective period of time and/or the maximum fluctuation of the ten-year euro swap rate in the past. Here, the deviation in absolute terms is taken into consideration.

To limit the interest rate risks, derivative financial instruments, such as interest rate swaps, floors, and swaptions, are used.

The sensitivity analyses are based on the following assumptions:

Changes in market interest rates of primary financial instruments with fixed interest rates affect profit or loss, or shareholders’ equity, only if the instruments are measured at fair value. The sensitivity analysis for these financial instruments assumes a parallel shift of the interest rate curve by 169 basis points over a period of twelve months.

The financial instruments measured at amortized acquisition cost with fixed interest rates do not affect the result for the period or the shareholders’ equity of the Fraport Group.

Market interest rate changes of primary floating-rate financial instruments that are not designated hedged items in a cash flow hedge of interest rate exposures affect the interest result and are therefore included in the calculation of profit or loss related sensitivities. The respective net financial position for each currency is taken into account in the process. The interest rate sensitivity analysis is based on the following assumptions: in €: 3.25 percentage points; US Dollar (US$): 4.00 percentage points; Turkish Lira (TRY): 15.75 percentage points; Peruvian Nuevo Sol (PEN): 6.70 percentage points; Saudi Riyal (SAR): 3.50 percentage points; Bulgarian Lew (BGN): 5.22 percentage points; Hong Kong Dollar (HKD): 5.25 percentage points; Brazilian Real (BRL): 10.52 percentage points. The individual sensitivities are then aggregated to become one profit or loss related sensitivity in €.

Changes in market interest rates of financial instruments which were designated as hedging instruments in an interest rate related cash flow hedge affect shareholders’ equity and are therefore included in the equity-related sensitivity computations. The maximum variability is taken to be a parallel shift of the interest rate curve by 169 basis points over a period of twelve months.

Changes in market interest rates of interest rate derivatives which are not part of a hedging relationship pursuant to IFRS 9 affect the other financial result and are therefore included in the profit or loss related sensitivities. The maximum variability is taken to be a parallel shift of the interest rate curve by 169 basis points over a period of twelve months.

Based on the portfolios and the structure of the consolidated statement of financial position as at December 31, 2021 and the assumptions made, the profit or loss-related sensitivity is 28.2 million in the event of an increase (decrease) in the market interest rate (previous year: €8.2 million). This means that the financial result could hypothetically have increased (decreased) by €28.2 million. This hypothetical effect on the result would have resulted from the potential effects of interest rate derivatives of €1.7 million (previous year: €2.3 million) and an increase (decrease) in the interest result from primary floating-rate net financial positions of €26.5 million (previous year: €5.9 million).

Interest sensitivity on the financial result (169 basis points)

	Interest sensitivity in € million	Thereof from derivative financial instruments	Thereof from primary financial instruments
December 31, 2021	**28.2**	**1.7**	**26.5**
December 31, 2020	8.2	2.3	5.9

The equity-related sensitivity is €47.9 million (previous year: €15.6 million). By applying the assumptions made, an increase (decrease) in interest rates would have resulted in an increase (decrease) in shareholders' equity of €47.9 million.

Assuming a parallel shift in the interest rate curve of 33 basis points (previous year: 56 basis points) over a twelve-month period in the current interest rate environment gives the following results-oriented interest sensitivity:

Interest sensitivity on the financial result in the current interest rate environment

	Interest sensitivity in € million	Thereof from derivative financial instruments	Thereof from primary financial instruments
December 31, 2021	**26.8**	**0.3**	**26.5**
December 31, 2020	6.7	0.8	5.9

The equity-related sensitivity for 33 basis points (previous year: 56 basis points) is –€9.4 million (previous year: –€5.2 million). By applying the assumptions made, an increase (decrease) in interest rates would have resulted in an increase (decrease) in shareholders' equity of –€9.4 million.

Capital management

The Group's objectives with a view to capital management are ensuring the company's continued existence and a sustained increase in the company's value. As a capital market-oriented company with continuing capital expenditure requirements, Fraport monitors the development of its financial debt using ratios that relate EBITDA to net financial debt and/or interest expense and also very closely monitors developments in the various financing markets.

The components of the control indicators are defined as follows:

Components of the control indicators

Net financial debt	Current financial liabilities + Non-current financial liabilities
	– Liquid funds
	– Current realizable assets in "other financial assets" and "other receivables and financial assets"
EBITDA	Operating result + depreciation and amortization
Interest expense	Interest expense

The financial ratios developed as follows in the period under review:

Financial debt ratios

Key figures	Corridor	December 31, 2021	December 31, 2020
Net Debt/EBITDA	Max. 5 x	8.4	−22.1
EBITDA/interest expense	Min. 3 – 4 x	2.8	−1.3

Due to the unpredictable extent of the Covid-19 pandemic and the significant negative financial development, the ranges or thresholds presented in relation to the financial debt ratios could not be met. In the 2022 fiscal year, a further increase in net financial debt is expected in view of the continuing low level of operating development and the advancing construction activities, in particular at the Frankfurt site and in Lima. Therefore, the net financial debt to EBITDA ratio will increase noticeably. However, this key figure is expected to return to the target value of five due to the expected improvement in Group EBITDA.

On the basis of a financial institution license, Fraport Malta Business Ltd. finances both companies controlled by Fraport AG and joint ventures and associated companies in the Group. There are minimum capital requirements due to regulatory requirements in connection with the existing financial institution license. In particular, with regard to lending to companies in which Fraport AG directly or indirectly only holds a minority interest, special minimum capital requirements in relation to the amount lent complied with by the company as at the balance sheet date are to be observed per loan. The minimum capital requirements were consistently met during fiscal year 2021. Capital management is performed by the company taking account of the regulatory conditions set by the EU and the Maltese financial supervisory authority.

48 Related Party Disclosures

Relationships with related parties and the State of Hesse

Alongside the Group companies included in the consolidated financial statements, in the context of the course of ordinary business operations, the Group is also related to parties that are not included as well as associated companies and joint ventures, which are parties related to the Group according to IAS 24. Thus, Fraport AG has numerous business relationships with the State of Hesse and the City of Frankfurt and their majority-owned investments. Related companies and authorities with which major business relationships are maintained include Mainova AG and its subsidiaries. In addition, other operating income in the fiscal year 2021 included the compensation granted by both the German Federal Government and the State of Hesse for the holding costs incurred in the first lockdown in 2020 (see also note 7). The compensation payment approved by the State of Hesse in this context amounted to €79.9 million.

All transactions with related parties have been concluded under conditions customary in the market as with unrelated third parties. The services rendered to authorities are generally based on cost prices. The following table shows the scope of the respective business relationships:

Relationships with related parties and the State of Hesse

€ million		Majority shareholders		Joint Ventures	Associated companies	Companies controlled and significantly influenced by majority shareholders
		State of Hesse	Stadtwerke Frankfurt am Main Holding GmbH			
	2021	**0.8**	**0.4**	**87.7**	**6.2**	**19.0**
Revenue	2020	1.4	0.6	63.5	5.4	18.5
	2021	**1.3**	**8.1**	**10.9**	**12.8**	**47.6**
Purchased goods and services	2020	2.2	9.0	6.3	13.2	62.6
	2021	**0.0**	**0.0**	**0.2**	**15.3**	**0.0**
Interest	2020	0.0	0.0	0.2	8.5	0.0
	2021	**0.0**	**0.1**	**5.6**	**79.9**	**0.0**
Accounts receivable	2020	0.5	0.1	8.1	64.3	0.0
	2021	**0.0**	**0.0**	**14.5**	**76.1**	**0.0**
Loans	2020	0.0	0.0	11.2	76.1	0.0
	2021	**0.0**	**0.2**	**16.3**	**2.8**	**4.1**
Liabilities	2020	0.1	0.5	5.8	3.4	4.6

Receivables from associated companies primarily relate to deferred interest receivables from issued loans.

Regarding contingent liabilities and other financial obligations to joint ventures, please refer to note 45 and note 46. Regarding other obligations to related parties, see note 46.

Relationships with related persons

The Executive Board, Supervisory Board, and their family members are defined as related persons pursuant to IAS 24.

Remuneration for management in key positions in accordance with IAS 24 comprises the remuneration of the active Executive Board and Supervisory Board.

These were compensated as follows:

Remuneration of management

€ million	2021	2020
Salaries and other short-term employee benefits	4.3	5.8
Termination benefits	0.0	0.0
Post-employment benefits	1.4	1.7
Other long-term benefits	0.0	0.0
Share-based remuneration	3.2	3.2
Total	**8.9**	**10.7**

Information regarding salaries and other short-term employee benefits for employee representatives on the Supervisory Board exclusively includes remuneration for their Supervisory Board activities. In addition, they receive remuneration customary for the market in the context of their work as employees.

Post-employment benefits include service costs from pension provisions for the active members of the Executive Board.

The statement of share-based remuneration includes the granted amount for the Performance Share Plan (PSP) awarded in the fiscal year 2021 (see also note 53).

At the end of the fiscal year, there were outstanding balances for the Executive Board members' bonuses amounting to €3.3 million (previous year: €0.0 million).

49 Operating Permit and Service Concession Agreements

The following Group companies in the Fraport Group have been granted service concessions or similar permits, which give the public access to important economic and social facilities:

Fraport AG

In agreement with the German Federal Minister of Transport, the Minister of Labor, Economics, and Transport for the State of Hesse approved operations at Frankfurt Main Airport in accordance with Section 7 as amended on August 21, 1936, of the German Air Traffic Act on December 20, 1957. This permit does not expire at any specific time and was last amended by the decision of October 29, 2012 based on the outcome of the planning approval notice for the expansion of the airport, in particular regarding Runway Northwest, taking into account the relevant ruling of the German Federal Administrative High Court.

The right to operate the airport is linked to various obligations that are specified in the permit. According to this, Fraport AG is required, among other things, to keep the airport in good operating condition at all times, to provide and maintain the equipment and signs needed to monitor and control air traffic at the airport, and to guarantee the availability of fire prevention and protection systems that take account of the special operating conditions. The restrictions on night flight traffic that were initially imposed in 1971 and subsequently updated have been tightened by the aforementioned amendment and extension to the permit. Also daytime operational restrictions on aircraft for civil aviation purposes at Frankfurt Main Airport that do not comply with the International Civil Aviation Organization (ICAO) noise protection regulations have been further tightened. Furthermore, there are statutory requirements for passive noise abatement and outdoor living area compensation as a result of the construction work for the airport expansion around Runway Northwest.

The company charges airlines that fly to Frankfurt Airport what are known as “traffic charges” for provision of the transport infrastructure. These traffic charges are broken down into airport charges that require approval and other charges that do not require approval.

> The airport charges that require approval according to Section 19b of the German Air Traffic Law (LuftVG) are divided into takeoff and landing charges, including noise components and emission charges, parking charges, and passenger and security charges, as well as charges for the financing of passive noise abatement measures (noise surcharges) as of July 1, 2012. The amount of the charges is specified in a related charge table.

  In the airport charge table applicable from January 1, 2021, only a further spread of noise-related charges and an increase in the surcharges during nighttime and off-peak hours have been taken into account. On January 1, 2022, a new charge table will enter into effect, which provides for an average increase in airport charges of 4.3%. In addition, the new charge table includes the incentive program “Recovery Program FRA 2022”, with the aim of promoting a rapid recovery of passenger volumes at Frankfurt Airport following the pandemic-related slumps.

  The new charge table approved by the HMWEVW on December 13, 2021 was published in the Air Transport Bulletin (NfL).

  Airport charges accounted for 28.97% (previous year: 27.15%) of Fraport AG’s revenue in the year under review.

> The remaining charges not subject to approval are classified as charges for central ground service infrastructure facilities and ground service charges. In accordance with EU regulations, ground services on the apron were opened up to competition on November 1, 1999 (opened up in practice on April 15, 2000), by issuing a permit to another third-party ground handling company along with Fraport AG. The services in the area of central ground service infrastructure facilities continue to be excluded from competition (monopoly sector) and are completely segregated from the ground services when they are offset with the airlines. Of Fraport AG’s revenue in 2021, 17.60% was generated by ground services (previous year: 16.64%) and 11.33% by infrastructure charges (previous year: 11.25%).

Above and beyond the traffic charges, Fraport AG generates revenue essentially from revenue-based payments, renting and parking, and security services. The proceeds from these operations which do not require approval accounted for 42.10% (previous year: 44.96%) of Fraport AG’s entire revenue in the year under review.

Fraport Twin Star Airport Management AD

Fraport Twin Star Airport Management AD (operator) and the Republic of Bulgaria (grantor), represented by its Minister of Transport, signed a concession agreement on September 10, 2006, for the operation and management of the Bulgarian airports in Varna and Burgas on the Black Sea.

According to the concession agreement, the operator is obligated to render various airport services and to improve services in line with international standards, national laws, and the provisions stipulated in the concession agreement. Moreover, the operator has capital expenditure obligations of unspecified amounts for the expansion and a capacity increase of the airports in Varna and Burgas and to maintain the assets ceded for use. In addition, the operator pays an annual concession fee of 19.2% of total revenue, at least 19.2% of BGN57 million (€29.1 million), adjusted for the development of the national inflation rate, to the grantor.

The operator paid an additional non-recurring concession fee in the amount of €3.0 million to the grantor after the agreement was signed. In return, the operator receives the right to use the existing and future infrastructure for airport operations and the right to generate revenues, in particular through airport charges (passenger, landing, and parking fees), and for ground handling services. Airport charges are regulated by the grantor.

The concession agreement started on November 10, 2006, and has a duration of 35 years. There are no options for renewal.

Contract performance guarantees must be granted to the grantor depending on the phase of the project (also see note 45).

At the end of the concession term, the infrastructure pursuant to the contract that is essential for airport operations must be returned to the grantor in proper operating condition without receiving any consideration in return.

Lima Airport Partners S.R.L. (LAP)

On February 14, 2001, LAP (operator) and the Peruvian government (grantor) signed the concession agreement for Jorge Chavez International Airport on the operation, expansion, maintenance, and use of the Jorge Chavez International Airport in Lima (Peru).

The term of the concession agreement was extended in 2017 from 30 to 40 years, until 2041. There is also an option to extend it by an additional ten-year period, to end in 2051. By concluding the amendments, the land required for the airport expansion was handed over to the company, and in return it is obliged to invest in the airport infrastructure. In this regard, 2021 saw substantial progress in the construction of the new runway and air traffic control tower, which are scheduled to be completed by the end of 2022. The concession agreement provides for the completion and inauguration of the new passenger terminal in the first quarter of 2025. Due to the size and complexity of the project, various risks are associated with the expansion program. For further details, please refer to the opportunity and risk reporting in the combined management report.

In addition to the capital expenditure, the company has additional obligations in connection with the operation and maintenance of airport infrastructure.

The operator is obligated to pay concession fees. The concession fee is the higher of two amounts: either the contractually fixed minimum payment (basic payment of US$15 million per year, adjusted by US CPI) or 46.511% of total revenue after deduction and transfer to Corpac (Aviation Regulatory Authority) of 50% of landing charges and 20% of the international passenger charges (TUUA). In addition, a regulatory charge of 1% of the same assessment basis is payable. In return, the operator receives the right to use the existing and future infrastructure for airport operations and the right to generate revenue, in particular through airport charges (passenger, landing, and parking fees), and for ground handling and other services. Airport charges are regulated by the grantor.

Contract performance guarantees must be granted to the grantor depending on the phase of the project (also see note 45).

At the end of the contract term, the infrastructure pursuant to the contract that is essential for airport operations must be returned to the grantor by the operator in the contractually defined operational condition. The operator has the right to have the residual carrying amount of said infrastructure reimbursed by the grantor for a limited period of time. This does not apply if the concession agreement is terminated early.

Fraport Regional Airports of Greece

The two concession agreements, each for the operation of seven Greek regional airports, were signed between Fraport AG and its Greek consortium partner with the Hellenic Republic Asset Development Fund (HRADF) on December 14, 2015. After fulfilling all conditions precedent, the take-over of the operating business of the 14 Greek regional airports took place on April 11, 2017. The initial term of each concession agreement is 40 years.

In return for the right to operate the Greek airports, an initial one-time fee of €1,234 million was paid. Initial annual minimum concession payments of €11.3 million per annum for Fraport Greece A and €11.6 million per annum for Fraport Greece B were agreed over the term of the concessions. The minimum concession payments will be adjusted for inflation. In addition, from the beginning of the concession an additional levy of approximately €1 per departing passenger is payable to the grantor for the entire term. According to the concession agreement, from 2021 a variable concession fee of 28.2% of the EBITDA of Fraport Greece A and 28.9% of the EBITDA of Fraport Greece B will also be charged. In connection with the damage caused by the coronavirus pandemic, the Greek Parliament has ratified a compensation agreement for the operational losses incurred over the past year. Depending on passenger development, the compensation is made through the waiver of fixed concession payments and a deferment of the variable concession fee, which is also to be paid. Due to the waiver of the fixed concession payments for the years 2019 to 2022, there was a positive effect on other operating income totaling €92.8 million in fiscal year 2021.

Furthermore, the consortium partners are obliged to invest in measures to upgrade and expand the airport infrastructure. The construction work was completed in April 2021, as agreed in the concession agreement. In addition, additional capital expenditure for the maintenance of the airports and transport-related capacity expansions will be made in subsequent years.

In return, the operator is entitled to charge fees for its services, in particular state-regulated airport charges (passenger, landing, and parking fees) as well as other non-regulated levies related to air traffic and other services.

Following the completion of the construction work under the 40-year concession, the charges at the remaining three airports Kos, Santorini, and Thessaloniki were also raised in April 2021 to an average of €18.50 per departing passenger plus local inflation developments, as agreed in the concession agreement.

Contract performance guarantees must be granted to the grantor depending on the phase of the project (also see note 45).

At the end of the concession term, the operator must return the airports to the grantor, including any capital expenditures made, in a defined and proper operating condition. There will be no consideration given in return.

Fraport Brasil Aeroporto de Fortaleza and Fraport Brasil Aeroporto de Porto Alegre

The Fraport Group and the Brazilian Government signed concession agreements on July 28, 2017 for the operation and further development of the Brazilian airports of Fortaleza and Porto Alegre. After paying the initial one-off fees, adjusted for inflation, of BRL291.8 million (€73.5 million) for Porto Alegre and BRL426.9 million (€107.5 million) for Fortaleza as well as fulfilling other conditions precedent, the term of the concession agreements of 30 years for Fortaleza Airport and of 25 years for Porto Alegre Airport started at the end of August 2017. The Fraport Group took over operations of both airports on January 2, 2018.

In addition to the paid initial concession fees, additional acquisition costs of approximately €54.2 million were incurred by the Fraport Group within the scope of acquiring the concession.

In addition to the aforementioned payments, additional fixed minimum concession payments plus inflation-related adjustments in the initial amount of BRL10.4 million for both airports must be made from 2023. Also, an annual variable concession payment of 5% of revenue must be effected. An agreement was again reached with the competent authorities to compensate for the effects associated with the coronavirus pandemic for fiscal year 2021. The resulting reimbursement claim of €26.5 million (previous year: €30.6 million) will also be offset against variable and fixed concession payments due in subsequent years, as well as a temporary increase in airport charges.

Furthermore, the concession agreements stipulate investment obligations for the modernization and expansion of the current airport infrastructure as well as construction of new airport infrastructure. These were almost completed in the 2020 fiscal year, in compliance with the budget. After the expansion of the terminal in Porto Alegre was inaugurated at the end of 2019, the terminal expansion in Fortaleza followed in the first quarter of 2020. In addition, the extension of the runway in Fortaleza has been completed. Capital expenditure in the past fiscal year was limited to the bare minimum due to the coronavirus pandemic. In this context, for example, the inauguration of the extended runway in Porto Alegre was postponed to 2022.

The companies also laid out other contractually defined standards and obligations relating to the operation, availability, use, and maintenance of the airports.

Contract performance guarantees must be granted to the grantor depending on the phase of the project (also see note 45).

In return for the right to operate the two airports, the operator is entitled to charge fees for its services, in particular state-regulated airport charges (passenger, landing and parking fees) as well as other non-regulated levies related to air traffic and other services.

At the end of the concession term, the operator must return the airport infrastructure to the grantor in a condition that guarantees the proper continued operation of the airports. There will be no consideration given in return.

50 Significant Events after the Balance Sheet Date

Subject to conditions precedent, FraSec Fraport Security Services GmbH will transfer 26% of the shares in FraSec Luftsicherheit GmbH to Dr. Sasse Group in a first step, effective January 1, 2022. In a second step, a further 25% will be transferred effective January 1, 2023. From that point on, Dr. Sasse Group will hold a majority stake of 51% in FraSec Luftsicherheit GmbH. Accordingly, the assets and liabilities of FraSec Luftsicherheit GmbH will be recorded separately in the statement of financial position as “Non-current assets held for sale” (€4.3 million) and “Liabilities in the context of non-current assets held for sale” (€8.1 million).

Due to the increasing escalation of the military conflict between Russia and Ukraine, the Executive Board of Fraport AG extended the supplementary reporting on March 14, 2022. On February 24, 2022, an invasion of Ukraine by Russian forces began. In response to this invasion, far-reaching European and international sanctions were and are being imposed against Russia, Russian companies, and Russian citizens. The consequences of the military conflict and the sanction measures already imposed are difficult to assess for the Fraport Group at the present time. They depend on the further development of the sanction measures in particular and possible Russian countersanctions. Negative effects on traffic patterns are possible, particularly at the international Group airports with a high proportion of Russian passengers. Against this background, the Executive Board has prepared an updated forecast as of March 14, 2022, which relates to adjustments, in particular, in the sections "Forecast business development 2022" and "Forecast earnings situation 2022". Beyond these adjustments, there are major uncertainties regarding the recoverability of financial assets in the low three-digit million range in connection with the investment in the St. Petersburg Airport operating company. This may have a noticeable negative impact on the development of the asset, financial, and earnings position of the Fraport Group.

No further significant events occurred after the balance sheet date for the Fraport Group.

51 Exemption pursuant to Section 264 (3) of the HGB

The following German subsidiaries and sub-subsidiaries claim the exemptions under Section 264 (3) of the HGB for the 2021 fiscal year:

> AirIT Services GmbH
> Airport Assekuranz Vermittlungs-GmbH
> Airport Cater Service GmbH
> Flughafen Kanalreinigungsgesellschaft mbH
> Frankfurter Kanalreinigungsgesellschaft mbH
> Fraport Ausbau Süd GmbH
> Fraport Brasil Holding GmbH
> Fraport Casa GmbH
> Fraport Passenger Services GmbH
> FraSec Fraport Security Services GmbH
> FraSec Services GmbH
> FRA - Vorfeldkontrolle GmbH

The following German subsidiaries and sub-subsidiaries claim the exemptions under Section 264 (3) of the HGB for the 2021 fiscal year regarding the provisions of the First Subsection (annual financial statements of the corporation and management report) and the Fourth Subsection (disclosure):

> FraGround Fraport Ground Handling Professionals GmbH (formerly: FraGround Fraport Ground Services GmbH)
> FraSec Flughafensicherheit GmbH

52 Information on Investments pursuant to the German Securities Trading Act (WpHG)

Fraport AG did not receive any notifications pursuant to Section 33 and 34 of the WpHG in fiscal year 2021.

As at December 31, 2021, the shareholder structure of Fraport AG was as follows:

The total voting rights in Fraport AG held by the State of Hesse and Stadtwerke Frankfurt am Main Holding GmbH calculated in accordance with Section 34 (2) of the WpHG amounted to 52.02% as at December 31, 2021. They were attributed as follows: State of Hesse 31.31% and Stadtwerke Frankfurt am Main Holding GmbH 20.71%.

The voting rights in Fraport AG owned by the City of Frankfurt/Main are held indirectly via the Stadtwerke Frankfurt am Main Holding GmbH subsidiary.

According to the last official report in accordance with the WpHG or disclosures by individual shareholders, the other voting rights in Fraport AG were attributable as follows (as at December 31, 2021, shares ≥3,0%): Deutsche Lufthansa AG 8.44% and British Columbia Investment Management Corporation 3.05%. The relative ownership interests were adjusted to the current total number of shares as at the balance sheet date and may therefore differ from the figures given at the time of reporting or from the respective shareholders' own disclosures.

There are no reports for the remaining 36.49% (free float).

53 Statement Issued by the Executive Board and the Supervisory Board of Fraport AG pursuant to Section 161 of the AktG

On December 16, 2021, the Executive Board and the Supervisory Board of Fraport AG issued the Statement of Compliance with the German Corporate Governance Code pursuant to Section 161 of the AktG and made it available to the public on a permanent basis on the company website www.fraport.com/corporategovernance.

54 Information Concerning the Executive Board, Supervisory Board, and Economic Advisory Board

Remuneration of the Executive Board and Supervisory Board in fiscal year 2021

The essential features of the remuneration system, and the information on the individualized remuneration of the Executive Board and the Supervisory Board, are shown in the remuneration report.

In addition to the service costs for pensions of €1,389.8 thousand (previous year: €1,686.5 thousand) the total remuneration of the Executive Board composed as follows:

Total remuneration of the Executive Board

EUR thousands				2021	2020
	Not Performance-related components	Performance-related components	Components with long-term incentive effect	Total remuneration	Total remuneration
Dr. Stefan Schulte	734.6	1,855.7	939.2	2,590.3	1,662.2
Anke Giesen	533.8	1,371.6	707.1	1,905.4	1,216.5
Michael Müller	544.3	1,371.6	707.1	1,915.9	1,226.3
Dr. Pierre Dominique Prümm	536.4	729.1	429.1	1,265.5	931.2
Prof. Dr. Matthias Zieschang	587.4	1,469.1	707.1	2,056.5	1,284.4
Total	**2,936.5**	**6,797.1**	**3,489.6**	**9,733.6**	**6,320.6**

The non-performance-related components include the fixed remuneration and fringe benefits of the respective members of the Executive Board. The performance-related components include the bonus granted (allocation to bonus provision 2021), the PSP tranche 2021 at the time of reward and the LSA tranche 2019 at fair value on the balance sheet date. The column “components with long-term incentive effect” includes the 2021 PSP tranche and the 2019 LSA tranche.

Expenses recorded for LSA and LTIP

in Tsd €	2021			2020
	LSA	LTIP resp. PSP	Total	Total
Dr. Stefan Schulte	65.2	1,061.9	1,127.1	–538.7
Anke Giesen	43.5	809.2	852.7	–417.9
Michael Müller	43.5	811.7	855.2	–413.2
Dr. Pierre Dominique Prümm	31.0	387.9	418.9	–120.4
Prof. Dr. Matthias Zieschang	43.5	769.7	813.2	–402.8
Total	**226.7**	**3,840.4**	**4,067.1**	**–1,893.0**

Recognized expenses from LSA and LTIP (from the 2020 tranche: PSP) includes the accrued additions and redemptions to the provisions for all LSA and LTIP tranches not yet disbursed (from the 2020 tranche: PSP). In fiscal year 2020, the redemption amounts from LTIP or PSP were posted in personnel expenses recognized in profit and loss.All active members of the Supervisory Board received total remuneration of €1,378.5 thousand in the 2021 fiscal year (previous year: 1,287.3 thousand).

No loans or advances were granted to members of the Executive Board or the Supervisory Board in the fiscal year.

Former Executive Board members and their surviving dependents received €1,548 thousand (previous year: €1,699 thousand). The pension obligations towards active members of the Executive Board as at the balance sheet date were €17,351 thousand (previous year: €18,686 thousand) and towards former Executive Board members and their surviving dependents €21,897 thousand (previous year: €25,268 thousand).

The information concerning the members of the Executive Board and Supervisory Board is presented in note 55 and note 56.

Remuneration of the Economic Advisory Board in fiscal year 2021

In the 2021 fiscal year, aggregate remuneration of the Economic Advisory Board amounted to €108.0 thousand (previous year: €84.0 thousand).

Notifications pursuant to Article 19 of the Market Abuse Regulation (MAR)

Pursuant to Article 19 of the MAR, members of the Executive Board and Supervisory Board of Fraport AG are required to disclose transactions with shares of Fraport AG or any related financial instruments to the company and the German Federal Financial Supervisory Authority (BaFin) within three business days. This also applies to persons who are closely related to members of the Executive Board and Supervisory Board as defined in Article 19 of the MAR. These transactions have been published by Fraport AG in accordance with the deadlines under Article 19 of the MAR.

55 Executive Board

Mandates of the Executive Board

Members of the Executive Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Chairman of the Executive Board **Dr. Stefan Schulte**	**Chairman of the Supervisory Board:** > Fraport Ausbau Süd GmbH **Member of the Supervisory Board:** > Deutsche Post AG **Chairman of the Board of Group companies:** > President of the Board of Directors Fraport Regional Airports of Greece (A S.A., B S.A., Management Company S.A.) > Chairman of the Supervisory Board Fraport Brasil S.A. Aeroporto de Porto Alegre > Chairman of the Supervisory Board Fraport Brasil S.A. Aeroporto de Fortaleza
Executive Director Retail & Real Estate **Anke Giesen**	**Member of the Supervisory Board:** > AXA Konzern AG > Fraport Ausbau Süd GmbH
Executive Director Labor Relations **Michael Müller**	**Member of the Supervisory Board:** > Fraport Ausbau Süd GmbH **Member of the Shareholders' Meeting:** > Airport Cater Service GmbH > Medical Airport Service GmbH > Terminal for Kids gGmbH **Member of the Administrative Board:** > Zusatzversorgungskasse für die Gemeinden und Gemeindeverbände in Wiesbaden **Member of the Presidium:** > Vereinigung der kommunalen Arbeitgeberverbände
Executive Director Aviation & Infrastructure **Dr. Pierre Dominique Prümm**	**Chairman of the Supervisory Board:** **> FraSec Fraport Security Services GmbH (until October 31, 2021)** **Board Director:** **> Société International de Télécommunication Aéronautiques (SITA) SRL (from June 21, 2021)** **Member of the Supervisory Board:** **> Fraport Ausbau Süd GmbH** **Member of the Executive Board:** **> Flughafen Forum und Region** **> Vice-Chariman Air Cargo Community Frankfurt e.V. (ACCF)**
Executive Director Controlling & Finance **Prof. Dr. Matthias Zieschang**	**Member of the Supervisory Board:** > Fraport Ausbau Süd GmbH **Member of the Board of Group companies:** > Member of the Board of Directors Fraport Regional Airports of Greece (A S.A., B S.A., Management Company S.A.) **Member of the Administrative Board:** > Frankfurter Sparkasse **Chairman of the Stock Exchange Council:** > FWB Frankfurter Wertpapierbörse

56 Supervisory Board

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Chairman of the Supervisory Board **Michael Boddenberg** Finance Minister of the State of Hesse (Remuneration 2021: €133,000; 2020: €78,000)	**Member of the Executive Board:** > Fleischer Innung Frankfurt/Darmstadt/Offenbach **Chairman of the Supervisory Board:** > Hessische Staatsweingüter GmbH Kloster Eberbach > Zentralgenossenschaft des europäischen Fleischergewerbes (Zentrag eG) **Member of the Supervisory Board:** > Messe Frankfurt GmbH, Frankfurt a. M. **Membership in comparable control bodies:** > Landesbank Hessen-Thüringen Girozentrale, Frankfurt a.M. / Erfurt (2. Vice-Chairman of the Administrative Board) > Hessenstiftung – Familie hat Zukunft > Hessische Kulturstiftung > Leibniz-Institut für Finanzmarktforschung SAFE (LIF-SAFE) e.V. > Stiftung Europäische Akademie der Arbeit in der Universität Frankfurt am Main > Stiftung Kloster Eberbach > Stiftung Sigmund-Freud-Institut > Stifterversammlung der Polytechnischen Gesellschaft e.V. > Rheingau Musik Festival > Institute for Law and Finance (from November 5, 2021)
Vice-Chairwoman **Claudia Amier** Chairperson of the Works Council (until June 9, 2021) Advisor to the works council office, Frankfurt (from June 10, 2021) (until February 10, 2022; from February 16, 2022) (Remuneration 2021: €83,500; 2020: €74,500)	**Member of the Supervisory Board:** > operational services GmbH & Co. KG (until December 31, 2021) **Member of the Representative Assembly:** > Raiffeisen-Volksbank Aschaffenburg (from March 1, 2021)
Devrim Arslan Chairman of the Works Council of FraGround Fraport Ground Handling Professionals GmbH (until February 10, 2022; from February 16, 2022) (Remuneration 2021: €67,000; 2020: €59,000)	**Vice-Chairman of the Supervisory Board:** > FraGround Fraport Ground Handling Professionals GmbH
Uwe Becker Mayor and City Treasurer of the City of Frankfurt am Main (until September 8, 2021) Representative of the Hessian State Government for Jewish Life and the Fight against Anti-Semitism (until January 1,2022) State Secretary for European Affairs (from February 1, 2022) (Remuneration 2021: €62,000; 2020: €65,000)	**Membership in mandatory control bodies:** > Stadtwerke Verkehrsgesellschaft Frankfurt am Main mbH (until August 31, 2021) > Mainova AG > Messe Frankfurt GmbH (until September 8, 2021) > Stadtwerke Frankfurt am Main Holding GmbH (until August 31, 2021) > Süwag Energie AG (until December 31, 2021) **Membership in comparable control bodies:** > Hafen- und Marktbetriebe der Stadt Frankfurt am Main (until September 8, 2021) > Kommunale Kinder-, Jugend- und Familienhilfe Frankfurt am Main (until September 8, 2021) > Stadtentwässerung Frankfurt am Main (Vice Chairman) (until September 8, 2021) > Kita Frankfurt (until September 8, 2021) > Städtische Kliniken Frankfurt am Main-Höchst (Vice Chairman) (until September 8, 2021) > Volkshochschule Frankfurt am Main (until September 8, 2021) > Dom Römer GmbH (Vice Chairman) (until September 17, 2021) > Gateway Gardens Projektentwicklungs-GmbH (until September 8, 2021) > Nassauische Sparkasse (until August 31, 2021) > Member of the Board of Directors of Zweckverband Nassauische Sparkasse (from September 1, 2021) > Kliniken Frankfurt-Main-Taunus GmbH (until September 8, 2021) > Sportpark Stadion Frankfurt am Main Gesellschaft für Projektentwicklungen mbH (until September 8, 2021) > Tourismus- und Congress GmbH Frankfurt am Main (until September 8, 2021) > RMA Rhein-Main Abfall GmbH (until September 8, 2021) > RTW Planungsgesellschaft mbH (until September 8, 2021)

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Hakan Bölükmese Member of the Works Council relieved of duty (until June 30, 2021) Chairperson of the Works Council (from July 1,2021) (until February 10, 2022; from February 16, 2022) (Remuneration 2021: €67,000; 2020: €65,000)	**Membership in comparable control bodies:** > Member of the Board of Trustees of the Hans-Böckler-Stiftung
Hakan Cicek Member of the Works Council (until February 10, 2022; from Febraury 16) (Remuneration 2021: €56,500; 2020: €55,500)	
Yvonne Dunkelmann Aviation Manageress (from July 1, 2021 until February 10, 2022) (Remuneration 2021: €24,750)	
Peter Feldmann Lord Mayor of the City of Frankfurt am Main (Remuneration 2021: €39,000; 2020: €42,000)	**Chairman of the Supervisory Board:** > ABG FRANKFURT HOLDING Wohnungsbau- und Beteiligungsgesellschaft mbH > Mainova AG > Messe Frankfurt GmbH (Chairman) > Stadtwerke Frankfurt am Main Holding GmbH (Chairman) > Thüga Holding GmbH & Co. KG aA (Chairman) **Membership in Supervisory Boards and comparable control bodies of business enterprises:** > Alte Oper Frankfurt Konzert- und Kongresszentrum GmbH (Chairman) > FrankfurtRheinMain GmbH International Marketing of the Region (Chairman) > Nassauische Heimstätte Wohnungsbau- und Entwicklungsgesellschaft mbH (Vice Chairman) > Rhein-Main-Verkehrsverbund GmbH (Chairman) > Schirn Kunsthalle Frankfurt am Main GmbH (Chairman) > Tourismus- und Congress GmbH Frankfurt am Main (Chairman) > Frischezentrum Frankfurt am Main - Großmarktgesellschaft mit beschränkter Haftung (from Septermber 20, 2021) > Kulturgesellschaft Bergen-Enkheim mbH (from December 13, 2021) > Stadtwerke Verkehrsgesellschaft Frankfurt am Main mbH (from September 9, 2021) > traffiQ Lokale Nahverkehrsgesellschaft Frankfurt am Main mbH (from September 20, 2021) **Member of the Advisory Board:** > Thüga AG
Peter Gerber Chairman of the Executive Board of Lufthansa Cargo AG (until February 28, 2021) Chairman of the Executive Board of Brussels Airlines (from March 1, 2021) (Remuneration 2021: €41,000; 2020: €37,000)	**Chairman of the Supervisory Board:** > Albatros Versicherungsdienste GmbH **Member of the Executive Board:** > Bundesvereinigung Logistik e.V. (until March 1, 2021) > Bundesverband der Deutschen Fluggesellschaften (until March 1, 2021) **Presidium membership:** > Bundesverband der Deutschen Luftverkehrswirtschaft e.V. > Chair of IATA Cargo Advisory Committee (CAC) (until March 1, 2021)
Dr. Margarete Haase Independent corporate consultant (Remuneration 2021: €103,000; 2020: €99,000)	**Member of the Supervisory Board:** > OSRAM Licht AG (until June 30, 2021) > OSRAM GmbH (until June 30, 2021) > ams OSRAM AG (from June 2, 2021) > ING Groep N.V. and ING Bank N.V. Amsterdam > Marquard & Bahls AG
Frank-Peter Kaufmann Member of the Hessian State Parliament (Remuneration 2021: €72,000; 2020: €62,000)	

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Dr. Ulrich Kipper Head of Central Infrastructure Management (until February 10, 2022; from February 16, 2022) (Remuneration 2021: €56,500; 2020: €50,500)	**Chairman of the Supervisory Board:** > FraSec Fraport Security Services GmbH (from Dezember 15, 2021) **Member of the Supervisory Board:** > operational services GmbH & Co. KG
Lothar Klemm Former Hessian State Minister (Remuneration 2021: €86,500; 2020: €79,500)	**Chairman of the Supervisory Board:** > Dietz AG **Non executive Director:** > European Electrical Bus Company GmbH (Frankfurt) **Chairman of the Supervisory Board:** > Arbeitsmarkt- und Beschäftigungsförderung des Main-Kinzig-Kreises
Birgit Kother Member of the Works Council (until June 30, 2021) (Remuneration 2021: €27,250; 2020: €53,500)	
Ramona Lindner Aviation Security Assistant FraSec Luftsicherheit GmbH (from February 16, 2022)	
Mira Neumaier **Federal Section Leader Air Transport, ver.di Federal Administration** **(from March 4, 2021)** **(Remuneration 2021: €46,104.17)**	**Member of the Supervisory Board:** > Lufthansa Cargo AG **Vice President of the Civil Aviation Section:** > European Transport Workers' Federation **Full member of the Civil Aviation Section Committee:** > International Transport Workers' Federation
Michael Odenwald State Secretary (retired) (Remuneration 2021: €67,000; 2020: €67,000)	**Chairman of the Supervisory Board:** > Deutsche Bahn AG **Member of the Supervisory Board:** > DB Stiftung gGmbH
Matthias Pöschko Member of the Works Council (from January 1, 2021 until February 10, 2022; from February 16, 2022) (Remuneration 2021: €62.875)	
Qadeer Rana Chairperson of the Works Council FraSec Fraport Security Services GmbH (until October 10, 2021) Chairman of the Central Works Council FraSec Luftsicherheit GmbH (from October 27, 2021) (until February 10, 2022; from February 16, 2022) (Remuneration 2021: €68,000; 2020: €62,000)	**Vice-Chairman of the Supervisory Board:** > FraSec Fraport Security Services GmbH
Mathias Venema ver.di Hessen (until February 10, 2022; from February 16, 2022) (Remuneration 2021: €84,500; 2020: €30,112.50)	**Member of the Supervisory Board:** **> Amadeus Fire AG (until May 27, 2021)**
Sonja Wärntges **DIC Asset AG - Chief Executive Officer** **(Remuneration 2021: €67,000; 2020: €12,862.50)**	**Chairwoman of the Supervisory Board:** **>** DIC Real Estate Investments GmbH & Co. KGaA
Prof Dr. Katja Windt Member of the Management Board SMS Group GmbH (Remuneration 2021: €64,000; 2020: €65,000)	**Member of the Executive Board:** > Bundesvereinigung Logistik (BVL) e.V. **Member of the Supervisory Board:** > Deutsche Post AG

57 Disclosures of Shareholding According to Section 313 (2) of the HGB

Subsidiaries

Name and registered office		Shareholding in %	Shareholders' equity (pursuant to IFRS) in € thousand	Result (pursuant to IFRS) in € thousand
	2021	100	6	–42 [1]
Afriport S.A., Luxembourg/Luxembourg	2020	100	19	0 [1]
	2021	100	2,283	863 [2]
AirIT Services GmbH, Lautzenhausen	2020	100	2,249	486 [2]
	2021	100	0	0 [1]
AIRMALL Boston Inc., Boston/USA	2020	100	0	0
	2021	100	–583	0
AIRMALL Inc., Pittsburgh/USA	2020	100	–538	0
	2021	100	–4,451	–4,336
AIRMALL USA Inc., Pittsburgh/USA	2020	100	73	–3,623
	2021	100	162,591	3,126 [2]
Airport Assekuranz Vermittlungs-GmbH, Neu Isenburg	2020	100	162,575	3,682 [2]
	2021	100	26	90 [2]
Airport Cater Service GmbH, Frankfurt am Main	2020	100	26	90 [2]
	2021	100	0	0 [1] [9]
Daport S.A., Dakar/Senegal	2020	100	425	–10 [1]
	2021	100	25	578 [2]
Flughafen Kanalreinigungsgesellschaft mbH, Kelsterbach	2020	100	25	387 [2]
	2021	51	849	–21
FraCareServices GmbH, Frankfurt am Main	2020	51	871	–180
	2021	100	1,298	–19,888 [2]
FraGround Fraport Ground Handling Professionals GmbH, Frankfurt am Main	2020	100	1,162	–21,935 [2]
	2021	100	25	125 [2]
Frankfurter Kanalreinigungsgesellschaft mbH, Kelsterbach	2020	100	25	127 [2]
Fraport Antalya Havalimanı İşletme ve Yatırım A.Ş Istanbul, Türkei	2021	100	500	0 [4]
	2021	100	103,932	957
Fraport Asia Ltd., Hong Kong/China	2020	100	98,113	674
	2021	100	–94	10 [2]
Fraport Ausbau Süd GmbH, Frankfurt am Main	2020	100	–101	–20 [2]
	2021	100	64	–1
Fraport Beteiligungsgesellschaft mbH, Neu-Isenburg	2020	100	66	–2
	2021	100	69	–1
Fraport Beteiligungs-Holding GmbH, Kelsterbach	2020	100	70	–1
	2021	100	24	0 [2]
Fraport Brasil Holding GmbH, Frankfurt am Main	2020	100	24	0 [2]
	2021	100	97,975	–13,624
Fraport Brasil S.A. Aeroporto de Fortaleza, Fortaleza/Brazil	2020	100	110,547	–864
	2021	100	137,584	–1,677
Fraport Brasil S.A. Aeroporto de Porto Alegre, Porto Alegre/Brazil	2020	100	137,741	2,370
	2021	100	7	–3 [1]
Fraport Bulgaria EAD, Sofia/Bulgaria	2020	100	10	–40 [1]
	2021	100	42,020	1,379 [2]
Fraport Casa GmbH, Neu-Isenburg	2020	100	42,024	1,167 [2]
	2021	100	6,637	3,390
Fraport Casa Commercial GmbH, Neu-Isenburg	2020	100	3,247	–17
	2021	100	4,845	1,213
Fraport Cleveland Inc., Cleveland/USA	2020	100	3,299	211
	2021	100	14,375	16,923 [2] [3]
Fraport Immobilienservice- und Entwicklungs GmbH & Co. KG, Frankfurt am Main	2020	100	14,085	4,573 [2] [3]
	2021	100	428,436	8,413
Fraport Malta Business Services Ltd., St. Julians/Malta	2020	100	432,823	4,387
	2021	100	25,586	–9
Fraport Malta Investment Ltd., St. Julians/Malta	2020	100	25,595	–16
	2021	100	453,366	18,538
Fraport Malta Ltd., St. Julians/Malta	2020	100	434,828	–189

Subsidiaries

Name and registered office		Shareholding in %	Shareholders' equity (pursuant to IFRS) in € thousand	Result (pursuant to IFRS) in € thousand
Fraport Maryland Inc., Maryland/USA	**2021**	**100**	**24,452**	**5,738**
	2020	100	17,020	–10,618
Fraport New York Inc., New York/USA	**2021**	**100**	**–1,124**	**9,197**
	2020	100	–9,899	–6,677
Fraport Newark LLC., Newark, USA	**2021**	**100**	**1,415**	**690**
	2020	100	640	688
Fraport Objekt Mönchhof GmbH, Frankfurt am Main	**2021**	**100**	**31**	**1**
	2020	100	30	1
Fraport Objekte 162 163 GmbH, Frankfurt am Main	**2021**	**100**	**31**	**1**
	2020	100	30	1
Fraport (Philippines) Services, Inc., Manila/Philippines	**2021**	**99.99**	**0**	**0** [1]
	2020	99.99	0	0 [1]
Fraport Peru S.A.C., Lima/Peru	**2021**	**100**	**851**	**321**
	2020	100	635	403
Fraport Passenger Services GmbH, Frankfurt am Main	**2021**	**100**	**350**	**43** [2]
	2020	100	350	–1,109 [2]
Fraport Pittsburgh Inc., Pittsburgh/USA	**2021**	**100**	**14,544**	**391**
	2020	100	13,036	–4,144
Fraport Real Estate Mönchhof GmbH & Co. KG, Frankfurt am Main	**2021**	**100**	**7,506**	**12,628** [2] [3]
	2020	100	7,076	171 [2] [3]
Fraport Real Estate Verwaltungs GmbH, Frankfurt am Main	**2021**	**100**	**45**	**0**
	2020	100	43	2
Fraport Real Estate 162 163 GmbH & Co. KG, Frankfurt am Main	**2021**	**100**	**7,228**	**4,711** [2] [3]
	2020	100	7,036	4,726 [2] [3]
Fraport Regional Airports of Greece A S.A. Athens/Greece	**2021**	**73.4**	**76,701**	**12,871**
	2020	73.4	61,124	–52,254
Fraport Regional Airports of Greece B S.A. Athens/Greece	**2021**	**73.4**	**55,941**	**10,310**
	2020	73.4	43,833	–57,154
Fraport Regional Airports of Greece Management Company S.A. Athens/Greece	**2021**	**73.4**	**5,966**	**1,559**
	2020	73.4	4,402	1,081
Fraport Saudi Arabia for Airport Management and Development Services Company Ltd., Riyadh/Saudi Arabia	**2021**	**100**	**4,299**	**–286** [1]
	2020	100	4,240	–1,129 [1]
Fraport Slovenija, d.o.o. Zgornji Brnik/Slovenia	**2021**	**100**	**197,133**	**–2,558**
	2020	100	199,572	–11,292
Fraport Tennessee Inc., Nashville/USA	**2021**	**100**	**–7,662**	**–774**
	2020	100	–6,319	–5,479
Fraport Turkey Havalimani Yatirimlari Anonim Sirketi, Antalya, Türkei	**2021**	**100**	**11,576**	**3,617**
	2020	100	16,773	4,316
Fraport Twin Star Airport Management AD, Varna/Bulgaria	**2021**	**60**	**95,920**	**868**
	2020	60	95,228	–12,538
Fraport USA Inc., Pittsburgh/USA	**2021**	**100**	**3,301**	**–1,624**
	2020	100	4,610	3,405
FraSec Flughafensicherheit GmbH, Frankfurt am Main	**2021**	**100**	**7,449**	**–10,220** [2]
	2020	100	25	0
FraSec Fraport Security Services GmbH, Frankfurt am Main	**2021**	**100**	**–6,971**	**–18,744** [2]
	2020	100	3,341	–5,751
FraSec Luftsicherheit GmbH, Frankfurt am Main	**2021**	**100**	**12,725**	**31,041**
	2020	100	25	0
FraSec Services GmbH, Frankfurt am Main	**2021**	**100**	**1,039**	**–3,566** [2]
	2020	100	25	0
FraSec VG GmbH, Frankfurt am Main	**2021**	**100**	**25**	**0**
	2020	100	25	0
FRA – Vorfeldkontrolle GmbH, Kelsterbach	**2021**	**100**	**51**	**109** [2]
	2020	100	30	88 [2]
GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/ Main KG, Frankfurt am Main	**2021**	**100**	**1,849**	**3,373** [3]
	2020	100	4,283	3,061 [3]
Lima Airport Partners S.R.L., Lima/Peru	**2021**	**80.01**	**383,499**	**11,544**
	2020	80.01	342,533	5,267
Media Frankfurt GmbH, Frankfurt am Main	**2021**	**51**	**7,294**	**–521**
	2020	51	7,814	246
VCS Verwaltungsgesellschaft für Cleaning Service mbH, Frankfurt am Main	**2021**	**100**	**45**	**1**
	2020	100	44	–1

Joint ventures

Name and registered office		Shareholding in %	Shareholders' equity (pursuant to IFRS) in € thousand	Result (pursuant to IFRS) in € thousand
	2021	**50**	**5,279**	**2,027**
AirITSystems GmbH, Hanover	2020	50	3,252	–1,644
	2021	**50**	**5,533**	**55**
D-Port Logistik GmbH, Bensheim	2020	50	1,188	–37
	2021	**49**	**5,310**	**11,584**
FCS Frankfurt Cargo Services GmbH, Frankfurt am Main	2020	49	–5,147	–5,084
	2021	**50**	**20,381**	**6,922**
Frankfurt Airport Retail GmbH & Co. KG, Hamburg	2020	50	13,459	–14,249
	2021	**50**	**21**	**1**
Frankfurt Airport Retail Verwaltungs GmbH, Frankfurt am Main	2020	50	20	1
	2021	**51/50**	**–4,321**	**39,169** [5]
Fraport TAV Antalya Terminal Isletmeciligi A.S., Antalya/Turkey	2020	51/50	–25,700	–55,885 [5]
Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş., Istanbul, Türkei	**2021**	**49**	**1**	**0** [4]
	2021	**33.33**	**5,906**	**2,040**
Grundstücksgesellschaft Gateway Gardens GmbH, Frankfurt am Main	2020	33.33	3,866	1,240
	2021	**50**	**17,798**	**3,795**
Medical Airport Service GmbH, Mörfelden-Walldorf	2020	50	16,694	3,619
	2021	**50**	**25**	**12,215**
M-Port GmbH & Co. KG, Neu-Isenburg	2020	50	3,533	–201
	2021	**50**	**24**	**–1**
M-Port Verwaltungs GmbH, Neu-Isenburg	2020	50	24	–1
	2021	**52**	**8,092**	**451**
N*ICE Aircraft Services & Support GmbH, Frankfurt am Main	2020	52	8,127	–1,888
	2021	**50**	**7,157**	**2,350**
Pantares Tradeport Asia Ltd., Hong Kong/China	2020	50	6,633	765
	2021	**50**	**220**	**–95**
Shanghai Frankfurt Airport Consulting Services Co., Ltd., Shanghai/China	2020	50	289	–27
	2021	**50**	**3,919**	**28**
Terminal for Kids gGmbH, Frankfurt am Main	2020	50	3,891	664

Associated companies

Name and registered office		Shareholding in %	Shareholders' equity (pursuant to IFRS) in € thousand	Result (pursuant to IFRS) in € thousand
	2021	**40**	**5,498**	**341**
Airmail Center Frankfurt GmbH, Frankfurt am Main	2020	40	5,444	838
	2021	**49**	**–6,301**	**–1,624**
ASG Airport Service Gesellschaft mbH, Frankfurt am Main	2020	49	–1,910	–2,547
	2021	**50**	**31,141**	**14,655**
operational services GmbH & Co. KG, Frankfurt am Main	2020	50	30,058	12,573
	2021	**24.5**	**550,758**	**–48,579**
Xi'an Xianyang International Airport Co., Ltd., Xianyang City/China	2020	24.5	542,344	–46,042
Thalita Trading Ltd., Lakatamia/Zypern;	**2021**	**25**	**–498,700**	**–13,300**
Northern Capital Gateway LLC, St. Petersburg/Russia	2020	25	–478,600	–116,700

Other investments

Name and registered office		Shareholding in %	Shareholders' equity (according to local regulation) in € thousand	Result (according to local regulation) in € thousand
Delhi International Airport Private Ltd., Neu Delhi/India	**2021**	**10**	**279,540**	**–75,105** [6]
	2020	10	332,663	–3,861 [6]
Flughafen Parken GmbH, Frankfurt am Main	**2021**	**16.7**	**295**	**22**
	2020	16.7	43	–95
Gateways for India Airports Private Ltd., Bangalore/India	**2021**	**13.51**	**0**	**0** [1]
	2020	13.51	0	0 [1]
Ineuropa Handling Alicante, U.T.E., Madrid/Spain	**2021**	**20**	**0**	**0** [1) 7) 8)]
	2007	20	–575	–786 [1) 8) 9)]
Ineuropa Handling Madrid, U.T.E., Madrid/Spain	**2021**	**20**	**0**	**0** [1) 7) 8)]
	2007	20	–1,282	–2,604 [1) 8) 9)]
Ineuropa Handling Mallorca, U.T.E., Madrid/Spain	**2021**	**20**	**0**	**0** [1) 7) 8)]
	2007	20	871	270 [1) 8) 9)]
Ineuropa Handling Teneriffa, U.T.E., Madrid/Spain	**2021**	**20**	**0**	**0** [1) 7) 8)]
	2007	20	1,642	–762 [1) 8) 9)]
Perishable-Center Verwaltungs-GmbH Zentrum für verderbliche Güter Frankfurt, Frankfurt am Main	**2021**	**10**	**0**	**0** [9]
	2020	10	2,103	708
The Squaire GmbH & Co. KG, Frankfurt am Main	**2021**	**5.1**	**0**	**0** [9]
	2019	5.1	–617,250	–52,640

1) Company inactive or in liquidation.
2) IFRS result before consolidation.
3) In the shareholders' equity of commercial partnerships, capital shares as well as shares in profit and loss of the limited partners are recognized (according to IAS 32, these represent debt).
4) Additions to the consolidated companies in 2021
5) 51% capital shares, 50% dividend rights.
6) Fiscal year of the company ends on March 31.
7) There is no influence on financial and business policies.
8) Shareholders' equity has been largely or wholly repaid.
9) Current financial statements not yet available.

Frankfurt/Main, February 25, 2022 / March 14, 2022

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. Schulte Giesen Müller Dr. Prümm Prof. Dr. Zieschang

Further Information

Further Information

Responsibility Statement

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the asset, financial, and earnings position and profit or loss of the Group. Furthermore, the combined management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Frankfurt/Main, February 25, 2022 / March 14, 2022

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. Schulte Giesen Müller Dr. Prümm Prof. Dr. Zieschang

Independent Auditor´s Report

To Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021**,** and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Fraport AG Frankfurt Airport Services Worldwide, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the non-financial statement pursuant to § [Article] 289b Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and § 315b Abs. 1 HGB.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the non-financial statement referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Recoverability of goodwill and non-current assets

❷ Deferred taxes on deductible temporary differences and on tax loss carryforwards

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Recoverability of goodwill and non-current assets

① In the Company's consolidated financial statements non-current assets in a total amount of EUR 11.6 billion (71,4 % of total assets) are reported under the balance sheet items "Goodwill", "Investments in airport operating projects", “Other intangible assets”, “Property, plant and equipment”, “Investment property” and “Investment in companies accounted for using the equity method”. While goodwill must be tested for impairment ("impairment test") on an annual basis and if there are indications that goodwill may be impaired, such a test needs only to be carried out for other non-current assets if there are indications that these assets may be impaired ("triggering events"). The impairment test is performed at the level of the cash-generating units. The carrying amount of the relevant cash-generating unit is compared with the corresponding recoverable amount for the purposes of the impairment test. The calculation of the recoverable amount generally employs the value in use. The present value of the future cash flows from the respective cash-generating unit normally serves as the basis of measurement. The present values are calculated using discounted cash flow models. Within the Fraport Group, this is generally based on the approved medium-term plan (for the 2022 to 2027 financial years). Due to the long-term investment plans at the Frankfurt location, the plans for the cash-generating units in this location are projected on an aggregated level from 2028 to 2030 and then based on assumptions about long-term rates of growth. In cases involving cash-generating units with fixed-term airport concessions, the plans are taken as a basis in line with the term of the respective concession agreements. Expectations relating to future market developments and assumptions about the development of macroeconomic factors as well as the expected effects of the ongoing Corona crisis on the business activities of the Group are also taken into account. The discount rate used is the weighted average cost of capital for the relevant cash-generating unit. The impairment test determined that write-downs in a total amount of EUR 0.9 million were necessary.

The outcome of this valuation is dependent on the estimates made by the executive directors with respect to the future cash flows of the respective cash-generating unit, the discount rate used, the rate of growth and other assumptions and is therefore, also against the background of the effects of the Corona crisis, subject to corresponding uncertainty. Against this background and due to the complex nature of the valuation, these matters were of particular significance in the context of our audit.

② As part of our audit, we evaluated, among other things, the methodology used for the purposes of testing the recoverability of goodwill and non-current assets. After matching the future cash flows used for the calculation against the adopted business plan of the Group, we assessed the appropriateness of the calculation, in particular by agreeing it to general and sector-specific market expectations. In this connection, we also evaluated the assessment of the executive directors regarding the effects of the Corona crisis on the business activities of the Group and examined how they were taken into account in determining the future cash flows. We discussed supplementary adjustments to the plan for the purposes of the impairment tests with the departments responsible and evaluated their appropriateness. We also assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value calculated using this method, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company and carried out our own additional sensitivity analyses with respect to those cash-generating units with low headroom (recoverable amount compared with the carrying amount). We verified that the necessary disclosures were made in the notes to the consolidated financial statements relating to cash-generating units for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating units including the allocated goodwill.

Overall, the measurement parameters and assumptions used by the executive directors are in line with our expectations and are within the ranges considered by us to be reasonable.

③ The Company's disclosures pertaining to impairment testing are contained in sections 4, 10, 13, 17, 18 and 19 of the notes to the consolidated financial statements.

❷ Deferred taxes on deductible temporary differences and on tax loss carryforwards

① In the consolidated financial statements of the Company deferred tax assets amounting to EUR 182.6 million after netting are reported. Deferred tax assets amounting to EUR 564.0 million are recognized before netting with matching deferred tax liabilities. The deferred tax assets were recognized to the extent that the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the deductible temporary differences and unused tax losses carryforwards to be utilized. For this purpose, insofar as sufficient deferred tax liabilities are not available, future taxable profits are projected on the basis of the adopted business plan including the expected effects of the ongoing Corona crisis.

From our point of view, the accounting treatment of deferred taxes was of particular significance in the context of our audit, as it depends to a large extent on the estimates and assumptions made by the executive directors and is therefore, also against the background of the effects of the Corona crisis, subject to uncertainties.

② As part of our audit, we assessed, among other things, the internal processes and controls for recording tax matters as well as the methodology used for the determination, accounting treatment and measurement of deferred taxes. We also assessed the recoverability of the deferred tax assets relating to deductible temporary differences and unused tax losses interest carryforwards on the basis of the Company's internal forecasts of its future earnings situation, and the appropriateness of the underlying estimates and assumptions. In this connection, we also evaluated the assessment of the executive directors regarding the effects of the Corona crisis on the business activities of the Company and examined how they were taken into account in determining the future earnings situation.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

③ The Company’s disclosures pertaining to deferred taxes are contained in sections 4, 15 and 28 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the non-financial statement pursuant to § 289b Abs. 1 HGB and § 315b Abs. 1 HGB as an unaudited part of the group management report, which we obtained prior to the date of our auditor’s report.

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB, which we obtained prior to the date of our auditor’s report

- all remaining parts of the annual report, which are expected to be made available to us after the date of the auditor’s report, excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Fraport_AG_KA_LB_ESEF-2021-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents

- Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 1 June 2021. We were engaged by the supervisory board on 18 January 2022. We have been the group auditor of the Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main, without interruption since the financial year 2013.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter – use of the Auditor’s Report

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

Note on Supplementary Audit

We issue this auditor’s report on the amended consolidated financial statements and the amended group management report as well as on the amended electronic rendering of the consolidated financial statements and the group management report contained in the file “Fraport_AG_KA_LB_ESEF-2021-12-31.zip” and prepared for publication purposes, on the basis of our audit, duly completed as at 25 February 2022 and our supplementary audit completed as at 14 March 2022, related to the amendments of disclosures in section “Events after the Balance Sheet Date” of the notes to the consolidated financial statements and in sections “Events after the Balance Sheet Date”, “Risk and Opportunities Report” and “Outlook Report” of the group management report as well as to the respective amendments in the ESEF documents. We refer to the presentation of the amendments by the executive directors in the amended notes to the consolidated financial statements, section "Events after the Balance Sheet Date", as well as the amended group management report, sections "Events after the Balance Sheet Date", "Risk and Opportunities Report" and "Outlook Report".

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Guido Tamm.

Frankfurt am Main, February, 25, 2022/ limited to the amendments statet at the “Note on Supplementary Audit” section above: March, 14, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Tamm

Rainer Kroker	Guido Tamm
Wirtschaftsprüfer	Wirtschaftsprüfer
[German public auditor]	[German public auditor]

Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting[1]

To Fraport AG, Frankfurt am Main

We have performed a limited assurance engagement on the combined non-financial statement of Fraport AG, Frankfurt am Main, (hereinafter the "Company") for the period from 1 January to 31 December 2021 (hereinafter the "Combined Non-financial Statement") included in section "Combined non-financial statement" of the combined management report.

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined Non-financial Statement.

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Combined Non-financial Statement in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section 'Information on the EU Taxonomy Regulation' of the Combined Non-financial Statement.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Combined Non-financial Statement that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section 'Information on the EU Taxonomy Regulation' of the Combined Non-financial Statement. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

[1] PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the combined non-financial statement and issued an independent practitioner`s report in German language, which is authoritative. The following text is a translation of the independent practitioner`s report.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Combined Non-financial Statement based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Combined Non-financial Statement, other than the external sources of documentation or expert opinions mentioned in the Combined Non-financial Statement, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section 'Information on the EU Taxonomy Regulation' of the Combined Non-financial Statement.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

> Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
> Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Non-financial Statement about the preparation process, about the internal control system relating to this process and about disclosures in the Combined Non-financial Statement
> Identification of likely risks of material misstatement in the Combined Non-financial Statement
> Analytical procedures on selected disclosures in the Combined Non-financial Statement
> Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and in the combined management report
> Evaluation of the presentation of the Combined Non-financial Statement
> Evaluation of the process to identify taxonomy-eligible economic activities and the corresponding disclosures in the Combined Non-financial Statement
> Inquiries on the relevance of climate-risks

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Non-financial Statement of the Company for the period from 1 January to 31 December 2021 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section 'Information on the EU Taxonomy Regulation' of the Combined Non-financial Statement.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Non-financial Statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 25 February, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Guido Tamm
Wirtschaftsprüfer
[German public auditor]

Nicolette Behncke
Wirtschaftsprüfer
[German public auditor]

Ten-Year Overview

Consolidated income statement[1)]

€ million	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues	**2,143.3**	**1,677.0**	**3,705.8**	**3,478.3**	**2,934.8**	**2,586.2**	**2,598.9**	**2,394.6**	**2,375.7**	**2,442.0**
Change in work-in-process	0.0	0.0	0.4	0.3	0.4	0.4	0.5	0.6	0.6	0.5
Other internal work capitalized	38.0	37.9	37.9	35.9	36.3	34.9	29.9	28.3	32.3	44.0
Other operating income	354.6	81.8	40.9	88.2	38.9	332.9	49.8	42.5	32.5	55.8
Total revenue	**2,535.9**	**1,796.7**	**3,785.0**	**3,602.7**	**3,010.4**	**2,954.4**	**2,679.1**	**2,466.0**	**2,441.1**	**2,542.3**
Cost of materials	–750.7	–688.6	–1,197.4	–1,089.1	–720.4	–621.9	–610.4	–533.3	–595.2	–558.1
Personnel expenses	–884.3	–1,212.1	–1,222.8	–1,182.3	–1,092.9	–1,066.7	–1,026.7	–970.4	–928.9	–942.9
Other operating expenses	–143.9	–146.6	–184.5	–202.3	–193.9	–211.7	–193.2	–172.2	–184.1	–192.6
EBITDA	**757.0**	**-250.6**	**1,180.3**	**1,129.0**	**1,003.2**	**1,054.1**	**848.8**	**790.1**	**732.9**	**848.7**
Depreciation and amortization	–443.3	–457.5	–475.3	–398.5	–360.2	–360.4	–328.3	–307.3	–294.3	–352.7
Operating result/EBIT	**313.7**	**–708.1**	**705.0**	**730.5**	**643.0**	**693.7**	**520.5**	**482.8**	**438.6**	**496.0**
Interest result	–224.9	–165.8	–165.0	–168.4	–157.5	–106.9	–125.6	–141.1	–136.0	–174.1
Result from companies accounted for using the equity method	18.8	–55.0	46.1	98.8	30.9	–4.6	37.6	43.5	18.5	11.7
Other financial result	8.8	–4.3	3.9	9.5	–10.3	–0.8	1.3	–10.5	10.4	30.5
Financial result	**–197.3**	**–225.1**	**–115.0**	**–60.1**	**–136.9**	**–112.3**	**–86.7**	**–108.1**	**–107.1**	**–131.9**
Result from ordinary operations/EBT	**116.4**	**–933.2**	**590.0**	**670.4**	**506.1**	**581.4**	**433.8**	**374.7**	**331.5**	**364.1**
Taxes on income	–24.6	242.8	–135.7	–164.7	–146.4	–181.1	–136.8	–122.9	–95.8	–112.6
Group result	**91.8**	**–690.4**	**454.3**	**505.7**	**359.7**	**400.3**	**297.0**	**251.8**	**235.7**	**251.5**
thereof profit attributable to non-controlling interests	9.0	–32.8	33.6	31.8	29.5	24.9	20.5	17.1	14.7	13.3
thereof profit attributable to shareholders of Fraport AG	**82.8**	**–657.6**	**420.7**	**473.9**	**330.2**	**375.4**	**276.5**	**234.7**	**221.0**	**238.2**
Earnings per €10 share in € (basic)	**0.90**	**–7.12**	**4.55**	**5.13**	**3.57**	**4.07**	**3.00**	**2.54**	**2.40**	**2.59**
Earnings per €10 share in € (diluted)	**0.89**	**–7.09**	**4.54**	**5.11**	**3.56**	**4.06**	**2.99**	**2.54**	**2.39**	**2.58**

Key figures	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating cash flow	392.6	–236.2	952.3	802.3	818.7	583.2	652.2	506.2	454.2	553.0
Free cash flow	–772.3	–1,400.0	–373.5	6.8	393.1	301.7	393.6	246.8	34.3	–162.4
EBITDA margin in %	35.3	–14.9	31.9	32.5	34.2	40.8	32.7	33.0	30.8	34.8
EBIT margin in %	14.6	–42.2	19.0	21.0	21.9	26.8	20.0	20.2	18.5	20.3
Return on revenue in %	5.4	–55.6	15.9	19.3	17.2	22.5	16.7	15.6	14.0	14.9
Fraport assets in € million	10,208.6	9,249.3	8,952.4	7,688.8	6,965.8	6,069.2	6,071.0	5,830.5	5,061.7	5,152.3
ROFRA in %	3.4	–8.3	8.8	11.1	10.0	11.4	9.4	9.2	8.7	9.6
Year-end closing price of the Fraport share in €	59.18	49.36	75.78	62.46	91.86	56.17	58.94	48.04	54.39	43.94
Dividend per share in €	0.00	0.00	0.00	2.00	1.50	1.50	1.35	1.35	1.25	1.25
Passenger numbers Frankfurt	24,812,849	18,768,601	70,556,072	69,510,269	64,500,386	60,786,937	61,032,022	59,566,132	58,036,948	57,520,001
Average number of employees	18,419	21,164	22,514	21,961	20,673	20,322	20,720	20,395	20,481	20,963

Financial position key figures	31.12.2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Profit earmarked for distribution in € million	0.0	0.0	0.0	184.9	138.7	138.7	124.7	124.7	115.4	115.5
Net financial debt in € million	6,369.7	5,533.5	4,147.0	3,545.4	3,512.4	2,355.9	2,774.3	3,012.8	2,870.6	2,934.5
Capital employed in € million	10,122.8	9,152.3	8,590.1	7,540.8	7,241.8	5,957.5	6,086.9	6,109.2	5,808.3	5,731.5
Net debt/EBITDA	8.4	–22.1	3.5	3.1	3.5	2.2	3.3	3.8	3.9	3.5
Gearing ratio in %	169.7	152.9	93.3	88.7	94.2	65.4	83.8	97.3	97.7	104.9
Debt-to-equity ratio in %	39.2	39.3	32.8	31.0	32.4	26.6	31.4	33.4	32.6	30.4
Dynamic debt ratio in %	16.2	-23.4	435.5	441.9	444.2	404.0	425.4	595.2	632.0	530.7
Working capital in € million	2,608.3	1,675.6	558.4	717.9	575.1	840.9	606.0	626.6	797.6	1,057.8
Liquidity	3,564.3	2,213.7	1,156.3	1,163.2	1,018.6	1,247.5	1,043.1	1,179.6	1,368.1	1,663.1

[1)] Due to new accounting policies, and shifts in Group definitions, figures reported in previous years may differ. No retroactive adjustment of the previous year's figures was carried out.

Consolidated statement of financial position[1)]

€ million	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Goodwill	19.3	19.3	19.3	19.3	19.3	19.3	41.7	41.7	22.7	38.6
Investments in airport operating projects	3,416.4	3,221.2	3,284.1	2,844.3	2,621.1	516.1	500.9	479.2	458.1	1,031.2
Other intangible assets	105.8	119.1	131.1	134.5	132.4	146.7	161.2	157.1	51.1	44.2
Property, plant, and equipment	7,898.4	7,330.3	6,837.9	6,081.7	5,921.5	5,954.2	6,045.4	6,127.7	5,962.3	5,927.3
Investment property	88.6	123.3	93.3	88.8	96.4	79.6	74.5	63.0	47.7	34.4
Investments in companies accounted for using the equity method	71.3	165.5	242.2	260.0	268.1	209.7	237.6	216.9	194.9	136.6
Other financial assets	932.3	350.3	503.0	426.1	488.6	561.7	659.2	773.3	728.6	742.7
Other receivables and financial assets	276.6	233.2	193.7	195.0	190.9	173.3	167.0	181.1	172.2	117.1
Income tax receivables	0.0	0.0	0.0	0.0	0.0	0.2	5.4	10.2	20.3	19.5
Deferred tax assets	182.6	175.8	78.6	56.7	41.0	36.9	33.4	31.1	27.9	49.2
Non-current assets	**12,991.3**	**11,971.2**	**11,576.9**	**10,106.4**	**9,779.3**	**7,697.7**	**7,926.3**	**8,081.3**	**7,685.8**	**8,140.8**
Inventories	20.3	22.3	23.6	28.9	29.3	37.9	42.8	43.7	42.3	77.7
Trade accounts receivable	152.3	125.4	203.1	177.9	143.5	129.6	154.0	174.7	174.4	180.0
Other receivables and financial assets	272.7	321.0	203.3	304.3	245.5	259.7	310.8	297.6	426.4	385.2
Income tax receivables	20.9	10.1	25.2	13.1	5.4	11.9	7.4	7.7	1.0	35.0
Cash and cash equivalents	2,662.8	1,864.4	788.9	801.3	629.4	736.0	406.0	401.1	486.9	821.9
Current assets	**3,129.0**	**2,343.2**	**1,447.4**	**1,325.5**	**1,053.1**	**1,175.1**	**921.0**	**924.8**	**1,131.0**	**1,499.8**
Non-current assets held for sale	**119.7**	**0.0**	**0.0**	**17.2**	**0.0**	**0.0**	**0.0**	**7.1**	**0.0**	**0.0**
Issued capital	923.9	923.9	923.9	923.9	923.9	923.6	923.1	922.7	922.1	921.3
Capital reserve	598.5	598.5	598.5	598.5	598.5	596.3	594.3	592.3	590.2	588.0
Revenue reserves	2,230.7	2,096.4	2,920.7	2,657.9	2,345.7	2,220.4	1,919.9	1,706.1	1,540.8	1,403.2
Equity attributable to shareholders of Fraport AG	3,753.1	3,675.8	4,443.1	4,180.3	3,868.1	3,740.3	3,437.3	3,221.1	3,053.1	2,912.5
Non-controlling interests	155.9	139.9	180.1	187.7	160.6	101.1	74.4	64.9	45.7	35.7
Shareholders' equity	**3,909.0**	**3,758.7**	**4,623.2**	**4,368.0**	**4,028.7**	**3,841.4**	**3,511.7**	**3,286.0**	**3,098.8**	**2,948.2**
Financial liabilities	9,306.4	6,936.5	4,746.8	4,100.3	3,955.6	3,236.9	3,273.8	3,874.3	3,948.1	4,401.0
Trade accounts payable	71.8	42.6	41.4	45.5	42.4	41.8	42.5	47.1	50.8	64.4
Other liabilities	1,193.4	1,147.7	1,279.4	1,016.7	1,090.1	408.0	447.7	497.5	491.7	1,006.4
Deferred tax liabilities	37.7	39.7	212.7	228.3	203.8	173.6	172.2	158.7	107.2	102.5
Provisions for pensions and similar obligations	41.7	46.7	40.2	31.7	34.2	33.2	30.7	33.7	26.7	27.4
Provisions for income taxes	83.7	51.0	69.7	74.2	70.3	71.8	62.1	68.8	54.1	80.2
Other provisions	160.7	196.5	158.7	160.2	147.2	147.2	201.6	228.0	223.9	211.2
Non-current liabilities	**10,895.4**	**8,460.7**	**7,828.3**	**5,656.9**	**5,543.6**	**4,112.5**	**4,230.6**	**4,908.1**	**4,902.5**	**5,893.1**
Financial liabilities	627.6	810.7	556.5	608.3	575.4	366.5	543.6	318.1	290.6	196.6
Trade accounts payable	298.8	294.6	297.3	286.5	185.9	146.7	143.1	134.5	159.6	214.4
Other liabilities	282.2	330.4	347.0	275.6	249.7	145.7	129.4	123.7	123.0	163.2
Provisions for income taxes	29.4	43.1	59.7	43.9	33.1	42.9	56.0	14.7	7.7	5.3
Other provisions	189.5	383.0	194.7	201.1	216.0	217.1	232.9	223.8	234.6	219.8
Current liabilities	**1,427.5**	**1,861.8**	**1,802.2**	**1,415.4**	**1,260.1**	**918.9**	**1,105.0**	**814.8**	**815.5**	**799.3**
Liabilities in the context of non-current assets held for sale	**8.1**	**0.0**	**0.0**	**8.8**	**0.0**	**0.0**	**0.0**	**4.3**	**0.0**	**0.0**
Total assets	**16,240.0**	**14,081.2**	**14,253.7**	**11,440.3**	**10,832.4**	**8,872.8**	**8,847.3**	**9,008.9**	**8,816.8**	**9,640.6**

Change over the previous year in %	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Non-current assets	+8.5	+3.4	+14.6	+3.3	+27.0	–2.9	–1.9	0.0	0.0	+4.8
Shareholders' equity (less non-controlling interests and profit earmarked for distribution)	+3.7	–18.6	+11.2	+7.1	+3.5	+8.7	+7.0	+5.4	+5.0	0.0
Share of total assets in %										
Non-current assets	80.0	85.0	81.2	88.3	90.3	86.8	89.6	89.7	87.2	84.4
Shareholders' equity ratio	23.1	25.7	35.2	34.9	34.4	40.6	37.4	34.4	33.3	29.0

Glossary

Adjusted EBIT
EBIT + Earnings before taxes of the Group companies accounted for using the equity method

Annual performance of the Fraport share
(Year-end closing price of the Fraport share - previous year-end closing price + dividend per share) / previous year-end closing price

Capital Employed
Net financial debt + shareholders' equity[1)]

Debt-to-equity ratio
Net financial debt/total assets

Dividend yield
Dividend per share/year-end closing price of the share

Dynamic debt ratio
Net financial debt/cash flow from operating activities (operating cash flow)

Earnings per Share (EPS)
Profit attributable to shareholders of Fraport AG/ weighted number of shares

EBIT
Abbreviation for: earnings before interest and taxes

EBIT margin
EBIT/revenue

EBITDA
Abbreviation for: earnings before interest, taxes, depreciation and amortization

EBITDA before special items
EBITDA adjusted for expenses for voluntary redundancy programs at Fraport AG and other Group companies at Frankfurt Airport

EBITDA margin
EBITDA/revenue

EBT
Abbreviation for: earnings before taxes

Euribor
Abbreviation for: European Interbank Offered Rate = Interest rate used by European banks when trading fixed-term deposits with each other. It is one of the most important reference interest rates, among European bonds, bearing floating interest payments.

Free cash flow
Cash flow from operating activities – effects resulting from the application of IFRS 16 – investments in airport operating projects (excluding payments to acquire Group companies and concessions) – capital expenditure for other intangible assets – capital expenditure in property, plant, and equipment – investments for "investment property" – capital expenditure in companies accounted for using the equity method + dividends from companies accounted for using the equity method

[1)] Shareholders' equity less non-controlling interests and profit earmarked for distribution.

Gearing ratio
Net financial debt/shareholders’ equity[1)]

Liquidity
Cash and cash equivalents (as at the statement of financial position) + short-term realizable items in “other financial assets” and “other receivables and financial assets”

Lost Time Injury Rate (LTIF)
Number of accidents at work/hours worked (in millions)

Market capitalization
Year-end closing price of the Fraport share × number of shares

Net financial debt
Non-current financial liabilities + current financial liabilities – liquidity

Net financial debt to EBITDA
Net financial debt/EBITDA

Operating expenses
Material expenses + personnel expenses + other operating expenses

Price-earnings ratio
Year-end closing price of the Fraport share/earnings per share (basic)

Return on revenue
EBT/revenue

Return on shareholders’ equity
Profit attributable to shareholders of Fraport AG/shareholders’ equity[1)]

Revenue adjusted for IFRIC 12
Revenue according to the consolidated income statement – Contract revenue from construction and expansion services according to IFRIC 12

ROFRA
Abbreviation for: return on Fraport assets = adjusted EBIT/Fraport assets

Shareholders’ equity ratio
Shareholders’ equity[1)]/total assets

Sickness rate
Sick days/planned days × 100 excluding absences beyond sick pay (so called extended sick leave)

Total employees
Employees of Fraport AG and fully-consolidated Group companies as at the balance sheet date (including temporary staff, apprentices, and employees on leave)

Working capital
Current assets – trade accounts payable – other current liabilities

[1)] Shareholders’ equity less non-controlling interests and profit earmarked for distribution.

Financial Calendar 2022

Tuesday, May 10, 2022
Interim Release Q1 2022, online publication, conference call with analysts and investors

Tuesday, May 24, 2022
Annual General Meeting 2022, Frankfurt am Main, Jahrhunderthalle

Tuesday, August 9, 2022
Interim Report Q2/6M 2022, online publication, conference call with analysts and investors

Tuesday, November 8, 2022
Interim Release Q3/9M 2022, online publication, press conference, conference call with analysts and investors

Traffic Calendar 2022
(Online publication)

Wednesday, April 13, 2022
March 2022/3M 2022

Thursday, May 12, 2022
April 2022

Tuesday, June 14, 2022
May 2022

Wednesday, July 13, 2022
June 2022/6M 2022

Thursday, August 11, 2022
July 2022

Tuesday, September 13, 2022
August 2022

Friday, October 14, 2022
September 2022/9M 2022

Friday, November 11, 2022
October 2022

Tuesday, December 13, 2022
November 2022

Monday, January 16, 2023
December 2022/FY 2022

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Disclaimer
In case of any uncertainties which arise due to errors in translation, the German version of the Annual Report is the binding one.

Rounding
The use of rounded amounts and percentages means slight discrepancies may occur due to commercial rounding.

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