The Airport Brand You Trust –

In the past fiscal year, the number of employees in the Fraport Group as at the reporting date increased by around 1,430. As at December 31, 2022, the company employed about 19,200 people worldwide.

A big THANK YOU from the entire Executive Board to all employees for their extraordinary commitment!

Combined Management Report for the 2022 Fiscal Year

Situation of the Group

Business Model

Fraport Group (hereinafter also referred to as: Fraport) is one of the world's leading companies in the airport business and is active on four continents with its international investments. As an airport operator, Fraport provides all operational and administrative services for airport and terminal operations. It also provides planning and consulting services, IT services, and facility management. In line with the mission statement “Gute Reise! We make it happen”, customers are the focus of all company services. This applies both at the home site in Frankfurt and at the international Group sites. Fraport considers itself to be a learning organization that uses its know-how in a targeted and profitable way worldwide.

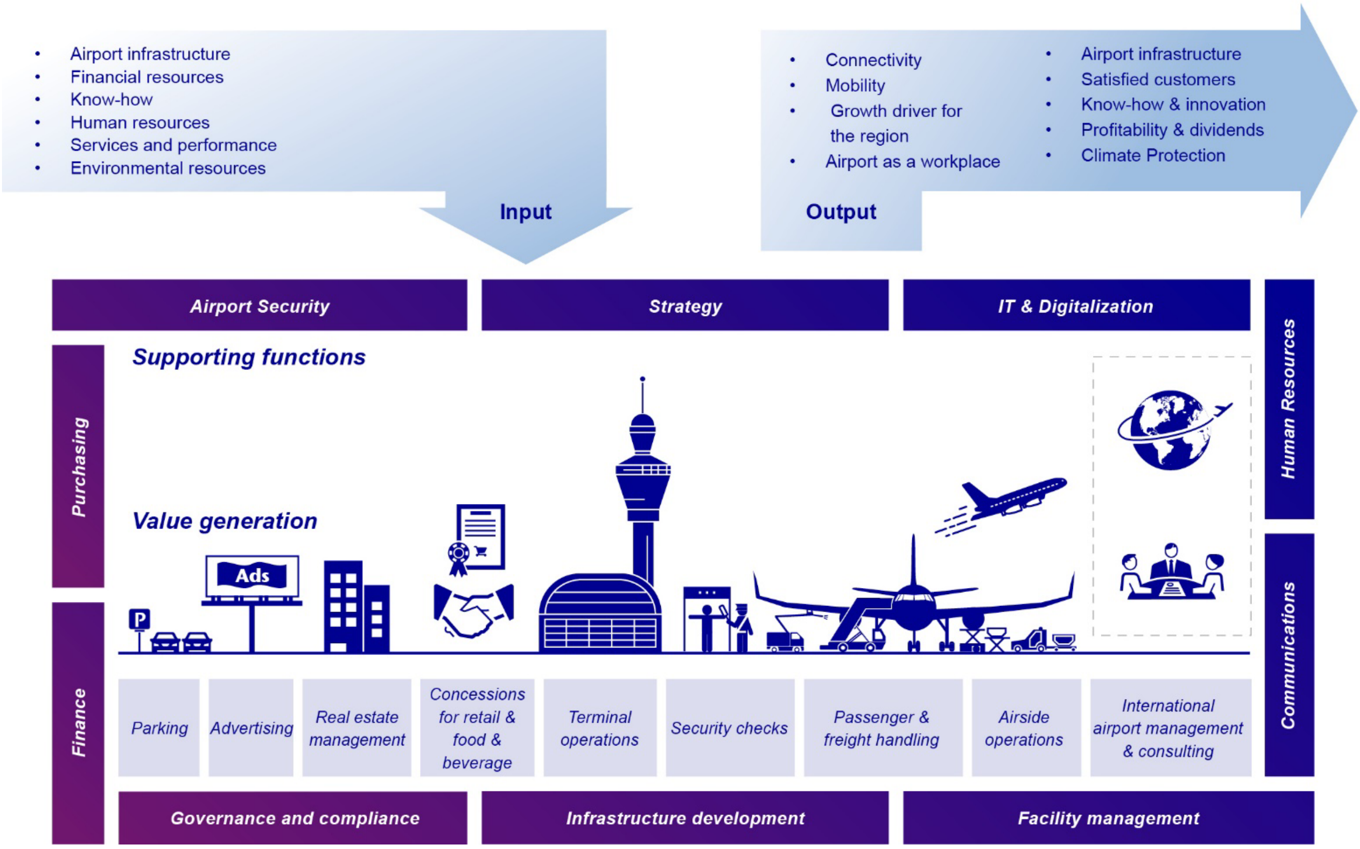
The main site is Frankfurt Airport, one of the most important passenger and cargo airports in the world. Owner of Frankfurt Airport is Fraport AG Airport Services Worldwide (abbreviated: Fraport AG), the parent company of the Fraport Group. Other key sites include 14 airports in Greece, Lima Airport in Peru, and two airports in Brazil – Porto Alegre and Fortaleza – (see also “Key sites” chapter).

The Fraport Group generates the majority of its revenue and earnings from the passenger and freight business. In this context, Fraport distinguishes between different services in the following four segments:

- **Aviation** – holistic management of the terminal facilities and passenger processes at Frankfurt Airport.
- **Retail & Real Estate** – development and leasing of space at the airport and in the area near the airport in Frankfurt. This primarily includes the retail sector, building and space leasing as well as parking management.
- **Ground Handling** – all ground handling services such as loading, baggage and passenger services, and also the operation of the central infrastructure and baggage transfer system at Frankfurt Airport.
- **International Activities & Services** – international marketing of the Group's expertise and airport operations as well as bundling central services in Frankfurt.

Fraport's business model creates value by participating in the international demand for air travel and flows of goods. Through its existing investments, Fraport is pursuing a clear growth strategy that also takes into consideration environmental and social concerns (see also the “Strategy” chapter). In addition to the strategically well-positioned portfolio of airport investments, which focuses on both business travel demand and local tourism offerings, the employees form the basis of the company's success. Together with its partners, Fraport is consistently developing the Group sites and achieving a broad revenue and earnings base.

Value generation chain



External influences

The main external factors influencing the business model of Fraport include disruptive events, such as extreme weather conditions or pandemics, in addition to economic, (socio-)political, and regulatory factors. These influencing factors can both positively and negatively affect passenger and freight demand as well as the range of aircraft movements and passenger capacity at the Group's airports. At the same time, they can influence the purchasing behavior of passengers and thus the economic situation of the Fraport Group as a whole (see also the "Risk and Opportunities Report" chapter).

Economic growth and **globalization** generally favor the demand for air travel and freight transport. At the same time, economic prosperity and a globally growing middle class tend to lead to a higher number of air journeys. Rising **inflation rates** worldwide, on the other hand, potentially reduce disposable income and can have an impact on business development. International **exchange rates** also affect the appeal of tourist destinations, travel and freight flows, and passengers' booking behavior as well as their buying behavior in the retail area. Exchange rates also play an important role in the financial contribution of individual foreign Group companies, as functional currencies are converted into the currency of the Group, the euro.

Price fluctuations on the commodity markets, especially for crude oil and therefore jet fuel, also have an influence on air traffic and can have both a positive and negative impact on air traffic demand.

Politics affect air traffic 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 thus affect passenger numbers and cargo volume at the concerned sites and favor the development of other airports. **Environmental policy** in particular can affect air traffic. 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 lead to the closure of markets.

Geopolitical crises are leading to increasing global political and economic instability. They can influence air traffic development in many ways.

Fraport monitors various early warning indicators to identify trends in travel or freight flows at an early stage, and to derive appropriate countermeasures if necessary.

Structure

No material 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 2022 fiscal year.

As already reported in the Interim Report 2022, the Supervisory Board of Fraport AG approved the extension of the contract with Anke Giesen, Executive Director Retail & Real Estate, for an additional three years until December 31, 2025 with effect from January 1, 2023. In addition, the Supervisory Board of Fraport AG appointed Julia Kranenberg as the new Labor Relations Director. On November 1, 2022, Ms. Kranenberg succeeded Michael Müller, who left the company on September 30, 2022, having reached retirement age. Ms. Kranenberg's contract has a term of three years.

Since October 1, 2022, the "HR Top Executives" unit and the "Human Resources" central unit have been jointly assigned to the Labor Relations Director, and the "Internal Auditing" central unit to the Executive Director Retail & Real Estate.

Legal structure of the Group

As the parent company of the Fraport Group, Fraport AG directly or indirectly holds the shares in the other Group companies and has its registered office in Frankfurt am Main. As at December 31, 2022 there were 55 consolidated companies excluding companies accounted for using the equity method, and 76 companies including companies accounted for using the equity method (in the previous year: 59 and 80 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. At the time of preparing the consolidated financial statements, the Executive Board consisted of the five members Dr. Stefan Schulte (Chair), Anke Giesen (Executive Director Retail and Real Estate), Julia Kranenberg (Labor Relations Director), Dr. Pierre Dominique Prümm (Executive Director Aviation and Infrastructure), and Prof. Dr. Matthias Zieschang (Executive Director Controlling and Finance).

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. The central departments of Fraport AG in Frankfurt are also responsible for Group-wide administrative services, among other things.

The **Aviation segment** mainly operates the land and airside infrastructure at the Frankfurt site. It therefore includes both the area of airport charges, which is legally regulated in Germany, and relevant security services. The 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 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 properties 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 is responsible for the quality of Frankfurt Airport's role as a hub, characterized by complex transfer processes. The provision of the central infrastructure, in particular the baggage transfer system, is also allocated to this segment. Usage fees for the corporate infrastructure are regulated.

The **International Activities & Services segment** includes the acquisition, operation, maintenance, development, and expansion of airports abroad. Consulting services, including in the "Operational Readiness and Airport Transfer" (ORAT) section, are also provided. The segment also includes Fraport AG service units that provide central services for the Fraport Group.

As at December 31, 2022, the organizational structure of the Fraport Group was as follows:

Fraport Group structure

	Dr. Stefan Schulte	**Anke Giesen**	**Julia Kranenberg**	**Dr. Pierre Dominique Prümm**	**Prof. Dr. Matthias Zieschang**
Segments	International Activities & Services	Retail & Real Estate	Ground Handling	Aviation	
Strategic Business Units & Service Units	• Global Investments and Management • Airport Expansion South	• Retail and Properties • Information and Telecommunication	• Ground Services	• Aviation • Corporate Infrastructure Management	• Integrated Facility Management
Central Units	• Corporate Development, Environment and Sustainability • Corporate Communications	• Internal Auditing • Legal Affairs and Compliance	• Human Resources		• Finance and Investor Relations • Investment and Project Controlling • Cost and Profitability Management • Accounting • Central Purchasing, Construction Contracts
Significant Group companies	• Fraport Slovenija • Fortaleza & Porto Alegre • Lima • Fraport Greece • Twin Star • Antalya	• Media Frankfurt • Fraport Immobilienservices	• FraGround • FraCareServices	• FraSec Aviation Security • FraSec Flughafen-sicherheit • FraSec Services	• Fraport Facility Services

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. This can be found in the "To Our Shareholders" chapter.

Key sites

Significant Fraport Group airports

Site	Airport	Company	Share in %	Term		Concession charge
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	–
Brazil	Fortaleza	Fraport Brasil S.A. Aeroporto de Fortaleza	100	2017	2047	Fixed minimum + revenue component
	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]	Fixed minimum+ revenue component
Greece	14 Airports	Fraport Regional Airports of Greece A S.A.	65	2017	2057	Fixed minimum + EBITDA component
		Fraport Regional Airports of Greece B S.A. (below collectively referred to as Fraport Greece)	65	2017	2057	
Bulgaria	Varna	Fraport Twin Star Airport Management AD	60	2006	2046	Fixed minimum + revenue component
	Burgas		60	2006	2046	
Türkiye	Antalya	Fraport TAV Antalya Terminal İşletmeciliği A.Ş. (hereinafter: Group company Antalya)	50/51[2]	1999	2051	Fixed amount

[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 at different airports in the USA through its Group company Fraport USA.

Competitive position at the Frankfurt site

Frankfurt Airport competes with other airports both nationally and internationally. Nationally, there is competition for passengers and air freight with airports in the original catchment area. Internationally, Frankfurt Airport competes for transfer passengers and freight transfer on the basis of its function as an international transfer airport. The main customer at the Frankfurt site remains the Lufthansa Group, which accounted for more than 60% of passengers in Frankfurt in the 2022 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 Lufthansa Group. 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. For example, the northward relocation of the security checks in Terminal 1 will lead to a much improved transfer process. Terminal 3 (“Expansion South”), on the other hand, ensures the long-term landside capacities required to give the site a successful future-oriented competitive edge. The construction of Terminal 3 with Piers H and J, the road infrastructure, and parking garage are already well advanced. The roof of the main terminal building, for example, is fully installed, and the façade work, including glazing, is largely complete. Numerous technical installations are running inside the terminal. Pier G of Terminal 3 has been completed except for the installations that are only required for the start of operations. The opening of the new terminal is planned for the start of summer travel in 2026.

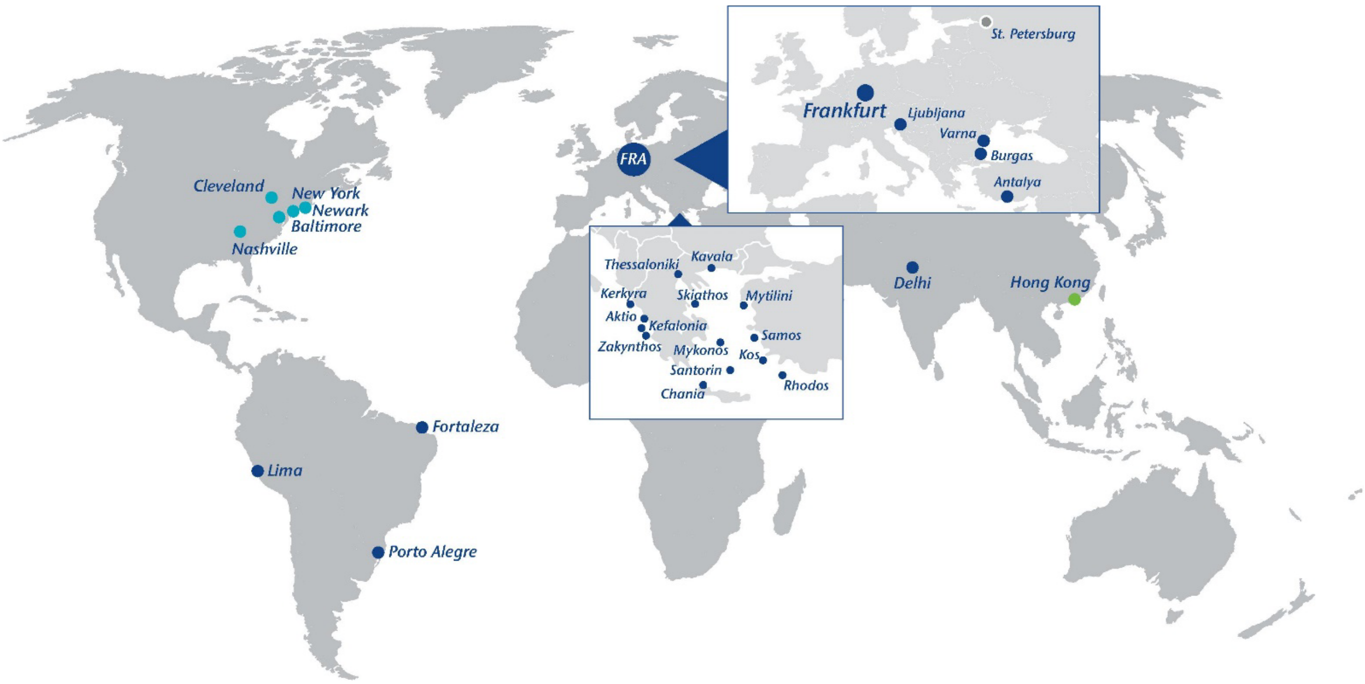
The ranking of the top 10 airports in Europe, which has changed due to the crisis, is slowly returning to the pre-crisis structure (ranking according to ACI Europe; as of: February 2023). With 48.9 million passengers, Frankfurt Airport ranked sixth among the leading airports in terms of passengers in the reporting year. The Group's Antalya Airport (31.2 million passengers) ranked tenth. In Germany, Frankfurt Airport was the largest passenger airport, ahead of Munich with 31.6 million passengers in the same period. Based on its air freight turnover of approximately 1.9 million metric tons, Frankfurt has remained Europe’s leading airport in the same period, ahead of Paris Charles de Gaulle. In Germany, Leipzig/Halle Airport was the next largest competitor, with 1.5 million metric tons of freight.

Competitive position in Europe

Rank[1)]	2022	2021	2019	Airport	Passengers	change in %	Rank[1)]	2022	2021	2019	Airport	Air freight	change in %
→	1.	1.	5.	IST - Istanbul	64,284,215	73.8	→	1.	1.	1.	FRA -Frankfurt	1,967,450	-13.7
↑	2.	10.	1.	LHR -London	61,614,508	217.7	→	2.	2.	2.	CDG -Paris	1,889,553	-3.5
→	3.	3.	2.	CDG - Paris	57,478,888	119.4	↑	3.	–	–	LEJ -Leipzig	1,509,098	-5.0
→	4.	4.	3.	AMS - Amsterdam	52,472,189	105.8	↓	4.	3.	4.	AMS -Amsterdam	1,437,810	-13.8
↑	5.	8.	6.	MAD -Madrid	50,602,864	109.8	↓	5.	4.	5.	IST -Istanbul	1,425,960	87.9
↑	6.	7.	4.	FRA - Frankfurt	48,918,482	97.1	→	6.	6.	3.	LHR -London	1,350,878	-3.7
↑	7.	11.	7.	BCN -Barcelona	41,616,302	120.7	↓	7.	5.	6.	LGG -Liege	1,140,058	-19.3
↑	8.	41.	10.	LGW -London	32,849,869	424.7	↓	8.	7.	7.	LUX -Luxembourg	969,962	-10.9
↑	9.	16.	9.	MUC -Munich	31,642,738	153.2	→	9.	8.	8.	CGN -Cologne	958,237	-1.0
↓	10.	9.	12.	AYT -Antalya	31,222,180	41.6	→	10.	9.	9.	MXP -Milan	716,516	-3.4

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).

Competitive Position Outside the Frankfurt Site



● Operator concessions ● Retail concessions ● Logistics center ● Engagement put on hold

Developments of the Group airports outside the Frankfurt site were characterized in the 2022 reporting year essentially by the subsiding of the global coronavirus pandemic and the associated restart of international air traffic. Information on traffic development at individual sites can be found in the “Business Development” chapter.

As the airport of the country’s capital, the development of **Ljubljana** Airport is closely linked to the economic and tourist situation in Slovenia. The gaps in the flight schedule that emerged through the bankruptcy of Adria Airways in the fall of 2019, and the destinations which were temporarily unserved due to the coronavirus pandemic, were gradually added again in the course of the recovery in traffic numbers in 2022. Alongside a large number of connections to European capitals and business sites, flights to the Middle East and an increasing number of charter flight connections to tourist regions also contributed to the appeal of the location and the airport.

The two Brazilian airports in **Porto Alegre** and **Fortaleza** served almost exclusively domestic originating traffic in 2022. The share of domestic passenger traffic was around 96% in both Fortaleza and Porto Alegre. The resumption of the LATAM hub at the end of 2021 strengthened Fortaleza Airport’s position in the market environment of northern Brazilian domestic airports in 2022. LATAM Brazil, GOL, and Azul remained the dominant airlines in 2022. Cargo volumes developed positively in Porto Alegre, particularly benefiting from the use of larger aircraft on the international routes. With the commissioning of the extended runway in Porto Alegre in the second quarter of 2022, the planned major infrastructure measures at both airports will be completed.

The Jorge Chávez Airport in **Lima** is Peru's leading airport, and one of the largest airports in South America. The site profits in particular from its geographical position, which makes the airport an attractive transfer point for traffic between South and North America. At Lima airport, LATAM Airlines Group is maintaining its strong market presence and has already reestablished a large part of its fleet strength from the time before the coronavirus pandemic, thus contributing to passenger growth in 2022. Low-cost airlines, such as SKY and Jetsmart, among others, also pursued a growth strategy, thereby supporting the recovery in passenger numbers. The 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, so as to provide sufficient capacity for further growth in the South American aviation market in the future. The construction of the second runway and the air traffic control tower were already completed by the end of 2022. The concession agreement provides for the inauguration of the new passenger terminal 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 substantial 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, Aktio/Preveza, Thessaloniki, Zakynthos, Mykonos, Skiathos, Santorini (Thira), Kos, Mytilene (Lesbos), Rhodes, and Samos. The development at the Greek Group airports is mainly characterized by tourist traffic. Greece's appeal as a tourism destination offers the potential for a further increase in demand in the coming years. The ramifications of the coronavirus pandemic affected Fraport Greece only in the first quarter of 2022. The following months saw traffic recover and exceed 2019 levels overall.

The Black Sea airports in **Burgas** and **Varna** are 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 7% of passenger traffic. Wizz Air provided the largest share of passengers by far. In the 2022 summer flight schedule, the airline stationed three aircraft in Varna and one in Burgas, and expanded its program from the two sites to 75 destinations. In negotiations with the Bulgarian government, a five-year extension of the concession period until 2046 was granted, which is intended to compensate for the effects of the coronavirus pandemic. 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 second-largest passenger airport in Türkiye in the past fiscal year, behind Istanbul Airport, and remains one of the most important tourist airports in the Mediterranean region. The demand for holiday travel to the region is essential for the further development of traffic at Antalya Airport. This depends on the political and economic situation in the countries of origin of the main passenger groups as well as Türkiye. 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. The operational period of the new concession 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 began in the first quarter of 2022. The completion of the main infrastructure measures is expected in 2024 and 2025. This will ensure Antalya Airport will remain highly competitive in the segment of tourist airports in the Mediterranean region in the long term.

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

Strategy

Long-term market development remains positive despite short-term volatility

After the worldwide traffic collapse caused by the coronavirus pandemic, traffic volume will recover in the coming years, 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 trends. In particular, internationally assumed economic growth as well as a globally increasing and more strongly consuming middle class will positively influence the 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.

Middle class
> 50 % growth expectation within next 20 years

Migration
Migration will boost ethnic traffic

Globalization
Internationalization of economy and education

Tourism
Strong trend towards private trips

Forecast for the long-term development of global air traffic underline growth expectation

Source	Period	Reference	CAGR
Airbus	2019 – 2041	Revenue passenger kilometers	+ 3.6 %
Boeing	2022 – 2041	Revenue passenger kilometers	+ 3.8 %
Embraer	2019 – 2041	Revenue passenger kilometers	+ 3.2 %
ACI	2019 – 2040	Number of passengers	+ 3.7 %

Strategic objectives

With its five strategic objectives, the vision of the Fraport Group serves to implement the mission statement, and remains valid despite short-term volatility:

A description of the development of the key financial and non-financial indicators in the past fiscal year can be found in the “Economic Report” chapter. The associated forecast figures for the 2023 fiscal year can be found in the “Outlook Report” 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” chapter.

Growth in Frankfurt and internationally

The expected market development indicates that air traffic will remain a growth market. In light of this, Fraport is aligning the company to ensure competitiveness and to participate sustainably in this growth – both at the Frankfurt site and internationally.

Fraport is maintaining its long-term growth goals, despite the effects of the coronavirus pandemic. Traffic volume is expected to follow the general market trend; aviation value added will increase and sustainable EBITDA growth will be maintained in the non-aviation segment. The international business is also expected to continue to grow sustainably and contribute to the Group EBITDA and result.

At the Frankfurt site, the construction of Terminal 3 will secure the infrastructure required for growth in the long term. Construction is progressing largely according to plan, and the new terminal will open for the 2026 summer flight schedule. The resulting capacity of around 20 million passengers will make it possible to gradually modernize older terminal infrastructure.

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. During the coronavirus crisis, the central location and the well-developed cargo facilities triggered strong growth in air cargo activities in Frankfurt. Subsequently, air freight came under pressure from geopolitical instability and operational challenges in the rebound of passenger traffic. Further infrastructural expansion areas at Frankfurt Airport, the steadily growing e-commerce segment, and the forecasted overall economic upswing are expected to contribute to growth in the coming years.

Fraport is continuing the expansion measures required to meet capacity that it has begun at international sites. In Peru, the construction plan for the new passenger terminal was concluded with the Peruvian government. The plan is to open the terminal in the first quarter of 2025. At the Group airports in Bulgaria, the commitment was extended for another five years until November 2046. In relation to this, the terminal at Varna Airport will be expanded in the coming years.

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. 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. In view of the dynamic economic environment, Fraport is also focusing on securing liquidity in the long term.

Service-oriented airport operator

The mission statement and the slogan “Gute Reise! We make it happen” underpins the claim 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 Frankfurt, the control of aviation security checks was taken over on January 1, 2023. This is a significant milestone in optimizing control of the travel process. As the first major airport in Germany, it will now be Fraport's responsibility to select and manage the service providers for aviation security checks. In combination with the gradual roll-out of new computer tomography (CT) scanners, this will reduce queues at security checkpoints. Customer experience will improve clearly as a result.

In order to further strengthen the hub function of the Frankfurt site, the security checkpoint in Terminal 1 B will be relocated over the next few years. This will increase capacity for checks and create easier transfer processes as well as a new airside shopping area all around.

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. Processes and interfaces are technologically supported and thus continuously improved. This simplifies and accelerates processes. With the founding of FraAlliance GmbH, Fraport and Lufthansa have strengthened their strategic and operational cooperation. 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. The global passenger satisfaction reflects the effectiveness and success of the passenger-oriented processes and service offers that aim to increase passenger satisfaction. Also, baggage connectivity is an essential measure for performance of the Frankfurt hub airport. The punctuality rate is another quality indicator for Frankfurt as a hub airport.

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.

In order to support the restart of air traffic and ensure Fraport's long-term success, the focus is currently on adapting the organization and its processes. Among other things, the plan is to bundle the ground services within the framework of a joint operation with a stringent focus on ground handling as the sole core business. This should improve the quality and profitability of the business model.

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. This also includes the regular exchange of technical experts from the Fraport Group on specific airport management issues. One example of this is the “Sustainability X-Change” introduced in 2022, in which sustainability experts and managing directors of the international Group companies and Fraport AG regularly exchange ideas and drive forward joint projects.

The volatile overall environment continues to require a high level of adaptability from the organization and its staff. Fraport is increasingly building on digital solutions for collaborative value creation and is thus consistently implementing its digitalization and innovation strategy. Thus, in 2022, further projects were identified within the framework of a "Digital Factory” and implemented within a very short time. The topic of robotic process automation also became more widespread in the company. In addition, a first use case for the use of artificial intelligence in the control of apron processes was successfully piloted. In this context, Fraport considers digitalization and innovation to be a lever to improve customer satisfaction and financial performance indicators in the near term, where relevant. All the projects listed above aim to open up earnings potential or reduce costs, and thus increase competitiveness.

Fairness and recognition for partners and neighbors

One focus of the Fraport Group's sustainability activities is to treat partners, neighbors, and natural resources respectfully and appreciatively throughout the Group.

Being a good neighbor means communal, cultural, and social engagement in the respective regions. 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. These are implemented by each Group company on its own responsibility.

Active and passive noise abatement 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.

In addition, Fraport feels responsible for meeting ecological requirements. In the area of climate protection, Fraport has set the goal of reducing Group-wide CO_2 emissions to a total of 95,000 tons by 2030 and to be completely CO_2 neutral by 2045. No emissions will be compensated. As a policy paper for decarbonization, the “Decarbonization Master Plan” was developed in 2022. It derives an overall concept for reducing CO_2 emissions from the scientific and legal framework conditions as well as the technical possibilities and provides a comprehensive view and structuring of the measures to reduce Fraport's CO_2 emissions. The master plan will be taken into account by all divisions of Fraport AG and all relevant Group companies in further technical and economic planning.

With regard to social sustainability aspects, Fraport also retains qualified and motivated employees as an attractive and responsible employer, among other things with systematic further development offers and talent management programs. The company secures its own competitiveness like this. Fraport 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 places particular emphasis on development measures aimed at increasing the proportion of women in management positions. This applies to management positions at levels 1 and 2 below the Executive Board, as well as the respective management boards and the management level below them at the German Group companies.

Comprehensive, integrated occupational health and safety is also an important component of the Fraport Group's understanding of sustainability. Coronavirus protection measures were implemented both at the Frankfurt site and internationally. Work processes were also adapted to make everyday operations as safe as possible for employees in observance of legally prescribed measures.

Fraport uses the key indicators of employee satisfaction, the proportion of women in management positions, the sickness rate, and the level of CO_2 emissions to monitor its sustainability activities.

Strategic consideration of current market developments

The ongoing global political conflicts, economic developments, and adjustments to the legal framework are currently shaping a large number of the markets in which Fraport operates as a global airport operator.

The resulting uncertainties as well as strong price pressure from the airlines require high-quality services and significant flexibility at the same time. To meet these requirements, the process optimization program @FRA will continue to be pursued consistently. The program includes the following four directions:

In addition, sustainability management was realigned as an inherent part of the Group strategy. The claim is to have a Group-wide perspective on all aspects of sustainability. The path to CO_2-free operation at Fraport AG in Frankfurt was described as a key measure in 2022 with the Decarbonization Master Plan. In 2023, the master plan will be updated for all relevant fully consolidated Group companies. In the area of governance, the focus was particularly on the publication of the policy statement on human rights.

Research and Development

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 and implement them for Fraport.

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, 2022 and reduced by treasury shares is €923,913,390 (92,391,339 no-par-value 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 52.23% as at December 31, 2022. They were attributed as follows: State of Hesse 31.31% and Stadtwerke Frankfurt am Main Holding GmbH 20.92%. The voting rights in Fraport AG owned by the City of Frankfurt am 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, a further 8.44% of voting rights in Fraport AG were attributable to Deutsche Lufthansa AG (as at December 31, 2022). 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.

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 20.92% (previous year: 20.71%) 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 (German Energy Industry Act), 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 2022 annual financial statements.

Annual General Meeting (AGM)

At the past virtual AGM on May 24, 2022, Fraport received a clear majority from its shareholders on all agenda items. Of the capital entitled to vote, 70,448,529 no-par-value shares and the same number of voting rights (76.19% of capital) were exercised. 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 2022 fiscal year will be held on May 23, 2023, once again online.

Control system

The Control System chapter explains the most important key indicators 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

Following the suspension of the employee survey due to the coronavirus pandemic in 2020 and 2021, the Fraport Barometer was resumed in the Group to determine the key indicator of Employee Satisfaction across the Group. Passenger surveys were also carried out at the fully consolidated Group airports for the key indicator of Group Global Satisfaction, so that sufficient data was available for the calculation.

Compared to the same period last year, the Executive Board has streamlined the control system and reduced the scope of the most important financial performance indicators by the key indicators Revenue adjusted for IFRIC 12, EBIT, and Shareholders' equity ratio. Beginning with the reporting for the 2022 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 2022
Earnings position	We generate long-term earnings growth and maintain financial strength at a high level despite future investments.	EBITDA (€ million)	Between roughly €1,040 million and around €1,200 million	2023	Group	1,029.8
		Group result (€ million)	Between around €300 million and roughly €420 million	2023	Group	166.6
		Group liquidity	≥ €1 billion, temporarily clearly higher	Continuous	Group	3,866.9
		Net financial debt to EBITDA	Max. 5x	Continuous	Group	6.9
		Free Cash Flow (€ million)	Mid negative three-digit million € amount	2023	Group	–741.0
		ROFRA (%)	>WACC (2022: 7.3 %)	Continuous	Group	6.0
Customer satisfaction and product quality	We continuously optimize customer and service orientation at the Group airports.	Global satisfaction of passengers (%)	≥80	2026	Group	80
		Global satisfaction of passengers (%)	>80 [1]	2026	Fraport AG	74
		Baggage connectivity (%)	>98.5	2026	Fraport AG	95.8
Attractive and responsible employer	We create good working conditions and Increase employee satisfaction.	Employee satisfaction	>4.9 and at least 0.1 better than 2024	2024	Group [2]	4.76
			>4.8 and at least 0.1 better than 2024	2024	Fraport AG	4.64
	We increase the share of women in management positions.	Women in management positions (first level below the Executive Board) (%)	30.8	2026	Group (Germany) [3]	23.1
		Women in management positions (second level below the Executive Board) (%)	30.2	2026	Group (Germany) [3]	31.6
		Women in management positions (first level below the Executive Board) (%)	31.8	2026	Fraport AG	19.0
		Women in management positions (second level below the Executive Board) (%)	30.9	2026	Fraport AG	30.8
Occupational health and safety	We stabilize the sickness rate in the medium term and reduce it in the long term.	Sickness rate (%)	≤7.2%	2025	Group (Germany) [3]	8.7
			≤7.2%	2025	Fraport AG	7.9
Climate protection	We reduce the CO_2 emissions.	CO_2 emissions (total of scope 1 and 2) (m. t.)	95,000 [4]	2030	Group [5]	155,449 [6]
			50,000 [4]	2030	Fraport AG	113,199 [6]

[1] For Frankfurt Airport, starting from the opening year of Terminal 3: ≥85%.
[2] Employee satisfaction: Includes Fraport AG and the German Group companies as well as Fraport Slovenija, Twin Star, Fortaleza, Porto Alegre, Lima, Fraport Greece and Fraport USA.
[3] This includes Fraport AG as well as Group companies in Germany.
[4] Target for 2045: 0 t CO_2 (“Net Zero Carbon“ according to the Intergovernmental Panel on Climate Change).
[5] This includes Fraport AG as well as the Group companies Facility Services, FraGround, FraCareS, Fraport Ausbau Süd, FraSec Group (three companies), Media, Fraport Greece, Fraport Slovenija, Lima, Fortaleza, Porto Alegre and Twin Star.
[6] 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 2023 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 most significant financial performance indicators for Fraport are **EBITDA** 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. For Fraport, in particular the development of the net financial debt to EBITDA ratio and the free cash flow are significant. Also, under the influence of the coronavirus pandemic Group liquidity was introduced as a control parameter.

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 service 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. Due to the ongoing expansion investment activities in Frankfurt and internationally, as well as the effects of the coronavirus pandemic on Fraport's operating activities, the free cash flow continues to be extraordinarily burdened and temporarily negative. In the medium term, the Executive Board expects a significant increase in free cash flow in positive territory.

Group liquidity provides information on the financial stability of the Fraport Group, even over a long period of time. The Executive Board also aims for liquidity of at least €1 billion in the long term. Against the backdrop of the current macroeconomic volatilities and the high level of debt related to the pandemic, a temporarily significantly higher level of liquidity is being maintained.

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 calculation of the WACC is shown in the "Value added" section.

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).

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.

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 increased compared to the previous year to 7.3% (before taxes, 2021: 6.1%). 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 13.0%	Debt cost rate before taxes 2.0%
Shareholders' equity ratio 51% (based on market value)	Debt ratio 49% (interest-bearing 36% / non interest-bearing 13%)
WACC before taxes 7.3%	

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 2023 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.

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 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 the airport. It is collected as part of continuous passenger surveys at all fully consolidated Group airports. The Group global satisfaction indicator is the weighted average of the global satisfaction in Frankfurt and at the fully consolidated international airports.

The target value for global satisfaction of 80% for Frankfurt Airport remained unchanged for fiscal year 2022. 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 for Group global satisfaction also remained unchanged at 80% after the survey was resumed in the Group in fiscal year 2022.

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. 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 higher customer loyalty and improved performance. After employee satisfaction was surveyed in the previous year on the basis of the “pulse checks”, the indicator will be surveyed every two years from fiscal year 2022 onwards on the basis of a more comprehensive survey of the employees of Fraport AG and the Group companies. All labor-intensive Group companies in Frankfurt and in Greece, Slovenia, Bulgaria, Peru, Brazil and the USA participate in the survey. In 2022, the survey was further developed in terms of content, methodology and process. The results obtained from this provide the basis for long-term goal setting. The goal is to continuously improve employee satisfaction. By the end of 2026, employee satisfaction at Fraport AG should therefore increase to at least 4.8, or at least 0.1 higher than in 2024. The minimum target for the Group is 4.9. Here, too, the value should be at least 0.1 higher than in 2024.

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 AG places particular focus on promoting **women in management positions** at the two levels directly below the Executive Board as well as at the first level directly below 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. 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 targeted preventative measures in occupational health and safety. 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 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.

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. The Executive Board has determined Scope 1 and 2 **CO_2 emissions** as the most important key figure for measuring environmental impact. In 2022, Fraport adopted the decarbonization master plan. It describes the strategic principles and defines the framework for the implementation of the measures and thus represents a policy document for decarbonization. Part of the master plan saw the Group-wide targets for Scope 1 and 2 CO_2 emissions for 2030 tightened once again. The aim is now to reduce the CO_2 emissions for which Fraport AG, the fully consolidated Group airports managing airport operations worldwide, and the climate-relevant subsidiaries at the Frankfurt site are directly responsible, to 95,000 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 50,000 metric tons by 2030. Fraport aims to be completely CO_2-free in Scope 1 and 2 CO_2 emissions by 2045, and does not include offsets in the achievement of the targets. 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. In addition, Fraport AG has a strategic liquidity reserve to ensure its independence from financing sources. The significant financing measures at Fraport AG are related mainly to ensuring operational liquidity, refinancing existing financial maturities, and from the capital requirement, particularly for capital expenditure in Terminal 3 at the Frankfurt site and for the international Group companies. In addition, the negative free cash flow in fiscal year 2022 had to be offset by various financing measures. Despite the demanding financing environment, Fraport AG succeeded not only in obtaining the required funds on the capital market, but also in maintaining its liquidity reserve at a high level. Appropriate financing instruments are selected based on the situation, depending on the attractiveness of the price, 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.

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 Group companies to Fraport AG also ensures that attention is paid to other strategic objectives of financial management within the Group.

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 and the market environment, either by concluding project financing, bilateral loans, or by internal provision of funding via a Group loan or shareholders' equity.

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.

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. As a first step towards raising the external financing, a bridge financing of $450 million was raised in 2020 and has since been extended until the end of the first quarter of 2023. The long-term follow-up financing of $1,250 million was signed in December 2022 and will replace the existing financing of $450 million in the first quarter of 2023.

To finance the first concession payment of the new Antalya operating concession and the expansion investments, financing of approximately €1.4 billion was raised in the first step, which was secured with guarantees from the shareholders due to the current local market environment. This included capital contributions to the new joint venture that was established in connection with the new operating concession at Antalya Airport (Fraport share: €375.3 million). Moreover, financial debt at Fraport Greece was repaid and refinanced ahead of schedule as part of the completed refinancing. 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 2022. The loan facility has thus been almost fully utilized for the agreed investments. Interest and repayments have started in Brazil.

Economic Report

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, 2022) 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.

To better represent the operating development compared with the previous year, revenue is also reported in the combined 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 international Group airports (see also Group Notes, note 4 and note 49).

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

Effective May 24, 2022, all shares in the Group company Xi’an Xianyang International Airport Co., Ltd. (Xi’an) have been sold. In addition, in December 2022 the co-shareholder in the Greek investments exercised an existing call option in full to acquire further equity interests. Along with the sale of the equity interests, pro rata loan and interest receivables from the Greek companies were sold. Fraport AG thereby reduced its capital share to 65%.

On November 12, 2021, FraSec Fraport Security Services GmbH sold a total of 51% of the capital shares in FraSec Luftsicherheit GmbH to Dr. Sasse AG. According to the share and transfer agreement, the sale will take place in two stages: 26% on January 1, 2022, and the remaining 25% of the capital shares on January 1, 2023. Other changes in the consolidated companies as well as the disclosures of shareholding pursuant to Section 313 (2) of the HGB can be found in the Group notes.

As a result of the Russian invasion into Ukraine, Fraport has suspended its business activities at St. Petersburg Airport. Therefore, no reporting on the course of business and the economic development of the Company is required.

The Executive Board approved the combined management report and the consolidated financial statements report for publication on February 24, 2023. The Supervisory Board gave its approval on March 13, 2023.

General Statement by the Executive Board

In the past fiscal year, all Group airports recorded a considerable increase in passenger numbers compared with the previous year. Accordingly, Group revenue amounted to €3,194.4 million, an increase of €1,051.1 million over the previous year (+49.0%). Adjusted for contract revenue from construction and expansion services based on the application of IFRIC 12, revenue increased by €961.7 million to €2,863.3 million (+50.6%).

Due to high one-off effects in the previous year, other operating income decreased to €139.3 million in the reporting period, down €215.3 million on the previous year.

Operating expenses (personnel, cost of material and other operating expenses) increased by €564.9 million to €2,343.8 million, mainly as a result of traffic volumes. Adjusted for expenses related to the application of IFRIC 12, operating expenses stood at €2,012.6 million (+€475.5 million). Group EBITDA was €272.8 million higher than in the previous year at €1,029.8 million due to the positive operating development. Despite the full write-off of a loan in connection with the involvement in St. Petersburg Airport, Group result showed a clear increase from €91.8 million to €166.6 million.

The free cash flow improved slightly to –€741.0 million (previous year: –€772.3 million). Correspondingly, net financial debt increased by €689.0 million to €7,058.7 million (December 31, 2021: €6,369.7 million). Despite the increase in debt, liquidity increased to €3,866.9 million (December 31, 2021: €3,564.3 million). Due to the rise in earnings, the ratio of net financial debt to EBITDA improved from 8.4 to 6.9.

The rapid recovery in traffic, which was associated with operational challenges, weighed heavily on the development of non-financial performance indicators such as global passenger satisfaction, baggage connectivity, and the sickness rate, particularly in Frankfurt. By contrast, CO_2 emissions were down on the previous year despite the rapid recovery in traffic.

Given the macroeconomic developments, the Executive Board continues to describe the traffic and, in turn, financial development in the reporting period as positive.

Economic environment

Development of the macroeconomic conditions

In addition to the subsiding coronavirus pandemic, the **global economy** in 2022 was primarily shaped by the Russian invasion of Ukraine. At the beginning of the year, supply bottlenecks for raw materials and intermediate goods in connection with the coronavirus pandemic slowed growth. The Ukraine war added to the already higher energy and food prices and led to an increase in inflation rates worldwide. Interest rate hikes by many central banks to curb inflation rates dampened economic momentum.

In the **euro area**, the economy continued to benefit in the first half of the year from the lifting of pandemic control measures. However, the significant price increases became noticeable over the summer period.

In addition to supply bottlenecks, rising energy costs, and the resulting increase in inflation rates, the export-oriented **German economy** suffered from the worsening labor shortage. This was felt in almost all sectors of the economy and had the effect of inhibiting supply while consumer demand remained high. Overall, economic development in Germany was weaker than the European average.

The **US economy** grew in the second half of the year despite considerable monetary tightening by the national central bank. The **emerging markets** suffered from the difficult external environment, but overall development was mixed. In China, the government's zero-Covid strategy in place until the end of the year prevented higher growth rates and impacted global supply chains. Brazil's economy grew in 2022 mainly due to good development in the service sector. The Peruvian economy, on the other hand, suffered from massive price increases.

Despite many disruptive factors, **global trade** grew in 2022, but clearly lost momentum in the second half of the year.

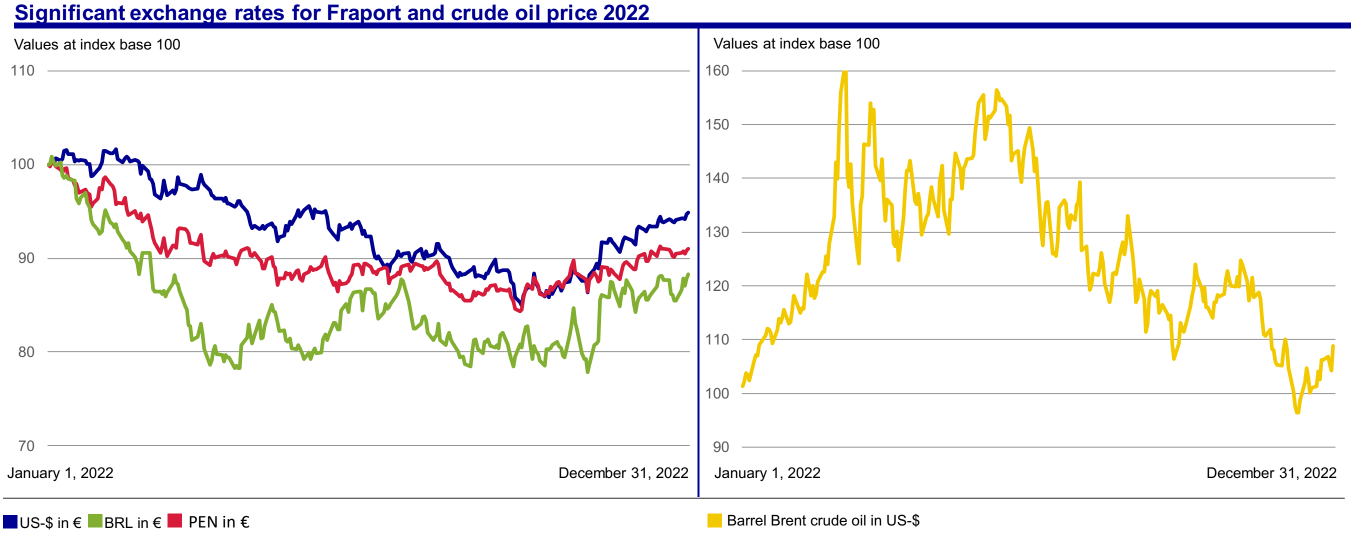
Gross domestic product (GDP)/world trade[1)]

Real changes compared to the previous year in %	2022	2021
World	+3.4	+6.2
Eurozone	+3.5	+5.3
Germany	+1.9	+2.6
USA	+2.0	+5.9
Latin America	+3.9	+7.0
China	+3.0	+8.4
Japan	+1.4	+2.1
World trade	**+5.4**	**+10.4**

[1)] 2021 and 2022 figures: Data and estimates based on International Monetary Fund (IMF, January 2023);
German GDP: The Federal Statistical Office, Press release (January 13, 2022).

The price of crude oil and the exchange rates for the Fraport Group developed as follows in 2022:

Significant exchange rates for Fraport and crude oil price 2022



Source: Bloomberg

Development of the legal environment

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

Development of the industry-specific conditions

According to the preliminary figures from Airports Council International (ACI), global passenger traffic increased by 55.5% in the period from January to November 2022 compared to the same period the previous year. Air freight volume fell by 6.0%. European airports also recorded a jump in passenger numbers of 98.5%. In terms of air freight, European airports posted a below-average decline of 5.2%. The passenger numbers at German airports recovered by 110%. Cargo tonnage decreased by 6.0%.

Passenger and cargo development by region 2022

Changes compared to the previous year in %	Passengers 2022 January until November	Air freight 2022 January until November
Germany	110.0	–6.6
Europe	98.5	–5.2
North America	37.0	–3.3
Latin America	53.2	3.3
Middle East	129.3	–8.2
Asia-Pacific	24.4	–10.2
Africa	65.4	4.1
World	**55.5**	**–6.0**

Source: ACI Pax Flash and Freight Flash (ACI 10/2022, January 25, 2023), ADV for Germany; cargo instead of air freight (ADV 11/2022, as on January 5, 2023).

Business Development

Development at the Frankfurt site

In fiscal year 2022, 48.9 million passengers used **Frankfurt** Airport. The easing of travel restrictions worldwide accounted for the increase of more than 97% compared with the same period of the previous year. Compared to the same period in the pre-crisis year 2019, passenger traffic in Frankfurt reached a level of around 70%. In **domestic traffic** (+95.9%), secondary connections such as Hanover, Nuremberg, and Leipzig were particularly prominent. Due to the high demand for holiday travel beginning in April, **European traffic** increased strongly in the reporting period (+77.9%). **Intercontinental traffic**, which grew by more than 100%, also benefited from the rise in primarily tourist traffic. Connections with the Americas in particular picked up again, whereas Far East traffic continued to be affected by the fact that travel restrictions there were not relaxed or were relaxed much later.

Cargo volume was unable to match the record results of the previous year. Volume sank by 13.5% to around 2.0 million metric tons. Capacity reductions as a result of the Ukraine war and declines in demand, also due to recovering maritime traffic, weakened cargo volume.

Compared to the previous year, **aircraft movements** rose by 45.9% to 382,211 takeoffs and landings. Passenger flights increased by 57.0% and freight traffic decreased by 19.0% compared to the previous year's figures. The **occupancy rate** for passenger flights reached 78.1% during the fiscal year, around 14 percentage points above the previous year's figure. The ratio of **passengers per passenger movement** increased by 25.6% compared to the previous year to around 143.3. **Maximum take-off weights** increased by 37.1% to 24.2 million metric tons. The **punctuality rate** at Frankfurt Airport was 61.0% in the 2022 fiscal year, which was 13.1 percentage points below the previous year's level. This was mainly due to operational challenges following the rapid restart of air traffic after the coronavirus pandemic.

Development outside the Frankfurt site

At the beginning of 2022, passenger traffic at **Ljubljana** Airport was still marked by the effects of the coronavirus pandemic. After the easing of the infection situation in Europe towards the middle of the year, the airport in Ljubljana recorded an increase in the number of passengers. At just under 1.0 million passengers, passenger numbers more than doubled year-on-year (+0.5 million).

The two Brazilian airports, **Fortaleza** and **Porto Alegre**, were severely affected by the coronavirus pandemic, particularly at the beginning of 2022 due to flight cancellations. However, both domestic and international air traffic gradually recovered in subsequent months. Some important routes, such as Porto Alegre – Lima or Fortaleza – Miami, were resumed during the year. Overall, a total of 12.4 million passengers used the two airports. This corresponds to growth of +41.0% compared to 2021. Fortaleza welcomed 5.5 million domestic passengers (+42.0%) and around 0.2 million international passengers (+>100%) in the year as a whole. Porto Alegre recorded 6.4 million domestic passengers (+33.4%) and around 0.3 million international passengers (+>100%).

Over the course of 2022, the volume of traffic at **Lima** Airport recovered considerably compared to the previous year. After the increase in coronavirus case numbers in January and February, the rest of the year was characterized by a gradual resumption of flight connections as the respective travel and entry restrictions were lifted. A total of 18.6 million passengers were counted in 2022, an increase of +72.0% compared to 2021. Domestic passenger operations recorded around 11.7 million passengers (+52.7%). International traffic also recorded a very positive increase and contributed to growth with 6.9 million passengers (+>100%).

At around 31.2 million passengers, **Fraport Greece** noted an increase of around 79.0% in the 2022 reporting period compared to the previous year. After the first three months of the year were marked by more cautious passenger bookings, passenger numbers developed positively from April onwards and reached or exceeded the pre-crisis level of 2019. This trend continued until late fall. Overall, domestic traffic was 56.1% above the previous year's level, while international traffic grew by 85.9%. The largest number of foreign passengers in terms of total passengers in the 2022 reporting year came from Great Britain (around 20%), followed by Germany (around 15%), and Italy (around 7%).

At the airports in **Varna** and **Burgas** in Bulgaria, the number of passengers in 2022 increased to approximately 3.1 million, +59.2% above the previous year's figure. The overall recovery in traffic in 2022 was weaker than at other tourist airports in Europe. From the end of February, the war in Ukraine resulted in a shortfall of Ukrainian, Belarusian and Russian passengers, which was partly offset by higher demand from Central and Eastern European countries. Additionally, more traffic was recorded in the off-season (spring, fall). For the year as a whole, this led to an increase in both domestic (+17.6%) and international passenger numbers (+63.8%). Most of the passengers came from Germany (around 20%), Poland (around 17%), and Great Britain (around 17%).

Passenger numbers at **Antalya** Airport in the 2022 fiscal year were around 31.1 million passengers (previous year: 21.9 million). International passenger traffic showed a growth rate of +47.3%, while domestic traffic grew by +21.6% compared to the previous year. Due to the impact of the war in Ukraine, there was a significant shift in passenger groups at Antalya Airport. The number of travelers from Russia decreased compared to the previous year, and almost no passengers were recorded from Ukraine. Instead, the share of passengers from Western, Central, and Eastern Europe increased. In many relevant markets, there was a clear year-on-year increase in demand for vacation travel to Türkiye. The largest passenger groups were travelers from Germany (approximately 27%), Russia (approximately 22%), and Great Britain (approximately 10%).

Traffic development at the significant Group sites

Airport	Share in %	Passengers[1]		Cargo (air freight + air mail in m. t.)		Movements	
		2022	Change in %[2]	2022	Change in %[2]	2022	Change in %[2]
Frankfurt	100	48,918,482	+97.1	1,967,450	– 13.5	382,211	+45.9
Ljubljana	100	970,152	>+100	12,480	+9.5	21,571	+23.5
Fortaleza	100	5,778,038	+45.4	41,769	+27.6	54,293	+31.3
Porto Alegre	100	6,654,062	+37.5	38,543	+27.0	66,402	+34.7
Lima	80.01	18,619,536	+72.0	218,567	– 0.3	149,793	+46.8
Fraport Greece	65	31,193,278	+79.0	5,653	+0.4	256,285	+39.9
Twin Star	60	3,127,767	+59.2	6,348	+35.0	23,713	+35.2
Burgas	60	1,643,581	+72.2	6,244	+33.7	12,293	+48.2
Varna	60	1,484,186	+46.9	104	>+100	11,420	+23.6
Antalya	51/50[3]	31,077,452	+41.8	n.a	n.a	193,548	+44.7

[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	2022	Adjustments during the year [Interim Report Q2/6M 2022] Interim Release Q3/9M 2022	Forecast 2021	2021	2019[1]
Frankfurt	48,918,482	[around 45 million passengers to around 50 million passengers] upper range of the forecasted 45 million passengers to around 50 million passengers	around 39 to around 46 million passengers	24,812,849	70,556,072
Ljubljana	970,152	–	over 50% of its 2019 passenger numbers	421,934	1,721,355
Fortaleza	5,778,038	–	approximately 80% of pre-crisis passenger numbers	3,974,759	7,218,697
Porto Alegre	6,654,062	–	approximately 80% of pre-crisis passenger numbers	4,839,594	8,298,205
Lima	18,619,536	–	around 70% of its 2019 figure	10,819,010	23,578,600
Fraport Greece	31,193,278	[at least 90% of the passenger volume in 2019] forecasted to be at or slightly above the level of 201	at least 80 % of 2019 levels	17,428,536	30,152,728
Twin Star	3,127,767	[at least 50% passenger volume in 2019] slightly over 60% of those in 2019	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.	1,964,896	4,970,095
Antalya	31,077,452	[over 75% of passenger volume of 2019] more than 80% of the 2019 level		21,919,453	35,483,190

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

Passenger numbers in Frankfurt and at the tourist-oriented Group airports in Greece, Bulgaria, and Türkiye developed better than forecasted in the 2021 Annual Report. This was due to the fact that the recovery of traffic was faster than originally expected.

Group's Results of Operations

Revenue

At €3,194.4 million, revenue in the Fraport Group in the 2022 fiscal year was above the previous year’s figure by €1,051.1 million. Adjusted for contract revenue from construction and expansion services based on the application of IFRIC 12, revenue increased by €961.7 million to €2,863.3 million. The increase at the Frankfurt site was mainly due to higher revenue from airport charges (+€256.7 million) caused by an increase in traffic volume. Higher revenue from infrastructure charges (+€96.0 million) and retail services (+€81.5 million), as well as higher ground services (+€70.0 million) contributed to the increase in revenue. By contrast, revenue from security services fell by €20.4 million to €173.7 million despite additional revenue from new business at Hamburg Airport. This was due to a one-off effect in the previous year’s period of €57.8 million from the agreement with the Federal Police in connection with billed aviation security services in recent years. Outside of Frankfurt, contributions to adjusted revenue growth came, in particular, from Fraport Greece (+€208.0 million) and the Group company Lima (+€123.0 million) based on the positive traffic development.

Other operating income

At €139.3 million, other operating income was below the level in the same period of the previous year of €354.6 million (-€215.3 million). In the reporting period, other operating income was impacted positively by the disposal of shares in the Group companies Xi’an (€53.7 million), which is accounted for using the equity method, and D-Port Logistik GmbH (€18.6 million). In addition, Fraport Greece and the two Brazilian Group companies reached a further agreement regarding compensation for the effects of the coronavirus pandemic. The compensation of Fraport Greece relates to the operating losses incurred in the first half of 2021. This resulted in a positive effect of €23.6 million (previous year: €92.8 million). The realized refund claims of the Brazilian Group companies amounted to €18.5 million (previous year: €26.5 million). In contrast, the previous year’s figure mainly included the compensation payment from the German Federal Government and the State of Hesse in equal measure to cover the holding costs incurred in the first lockdown in 2020 (€159.8 million) and the waiver of short-term minimum lease payments at the Group company Fraport USA (€35.2 million).

Expenses

Personnel expenses in the Group increased in fiscal year 2022 by €152.4 million to €1,036.7 million. The increase resulted primarily at the beginning of the year from a very low utilization of short-time work schedules compared with the prior-year period. In addition, demand for personnel grew over the course of the year due to the positive traffic development in the Group in general and in ground services in Frankfurt in particular. Non-staff costs (cost of materials and other operating expenses) were €1,307.1 million (+€412.5 million). Adjusted for expenses related to the application of IFRIC 12, non-staff expenses were €976.0 million (+€323.1 million). The increase is due in particular to higher variable concession charges at the international Group companies due to the recovery in traffic (+€105.8 million) and higher expenses for external staff (+€47.5 million), as well as external services purchased (+€37.5 million). In addition, expenses for utility services increased by €41.0 million (+50.7%) compared to the previous year given the sharp rise in energy prices.

EBITDA and EBIT

Group EBITDA was €272.8 million higher than in the previous year at €1,029.8 million thanks to the positive operating development. Greater depreciation and amortization of €465.3 million (+€22.0 million) resulted in Group EBIT of €564.5 million (+€250.8 million).

Financial result

The financial result in the reporting period amounted to –€330.6 million (previous year: –€197.3 million). This decrease compared to the same period in the previous year is mainly due to the other financial result of –€147.1 million (previous year: €8.8 million). This was negatively affected by the full write-off of a loan made to Thalita Trading Ltd. in the amount of €163.3 million in connection with the activities at St. Petersburg Airport. The reason for the full write-off was a reassessment of cash flows as at June 30, 2022 based on the current sanctions in place in connection with the war in Ukraine. Together with the write-off of €9.7 million recognized in fiscal year 2020, the carrying amount of the loan receivable in the Fraport Group has been written off in full.

Interest expenses in the Group increased (+€44.8 million), due to the extensive financing measures at Fraport AG in fiscal year 2021. The increase also resulted from refinancing in Greece and the associated one-off effects from the repayment of the original financing in the amount of €19.3 million. Furthermore, interest expenses from the compounding of concession liabilities increased by €13.2 million compared to the previous year, mainly as a result of inflation development in Peru.

Interest income increased by €9.2 million in the reporting period, mainly as a result of higher interest rates from the discounting of provisions. In the previous year, interest income was positively influenced by €17.5 million due to the one-off effect of the agreement with the German Federal Police.

The result from companies accounted for using the equity method increased by €58.2 million to €77.0 million, in particular due to the positive operating development of the Group company in Antalya (+€43.1 million). Moreover, the increase compared to the previous year is attributable to the write-up of the Group company Xi’an (+€20.0 million) resulting from the disposal of shares.

EBT, Group result, and EPS

EBT in the reporting period amounted to €233.9 million (previous year: €116.4 million). With a consolidated tax rate of 28.8%, income tax expense amounted to €67.3 million (previous year: €24.6 million). The Group result was €166.6 million (previous year: €91.8 million). This resulted in basic earnings per share of €1.43 (previous year: €0.90).

International business activities accounted for 53.4% of the Group result. Germany accounted for 46.6%.

Development of the Group's financial figures

€ million	2022	2021	Change	Change in %
Revenue	3,194.4	2,143.3	+1,051.1	+49.0
Revenue adjusted for IFRIC 12	2,863.3	1,901.6	+961.7	+50.6
Personnel expenses	1,036.7	884.3	+152.4	+17.2
Cost of materials	1,101.6	750.7	+350.9	+46.7
EBITDA	1,029.8	757.0	+272.8	+36.0
Depreciation and amortization	465.3	443.3	+22.0	+5.0
EBIT	564.5	313.7	+250.8	+79.9
Group result	166.6	91.8	+74.8	+81.5
Number of employees as of December 31	19,211	17,781	+1,430	+8.0
Average number of employees	18,850	18,419	+431	+2.3

Comparison with the forecasted development

€ million	2022	Adjustments during the year [Interim Report Q2/6M 2022] Interim Release Q3/9M 2022	Forecast 2021	2021	Change	Change in %
Revenue	3,194.4	[slightly above €3.0 billion] upper end of the forecast given in the Q2/6M Interim Report	approximately €3.0 billion	2,143.3	+1,051.1	+49.0
EBITDA	1,029.8	[around €850 million to around €970 million] upper end of the forecast given in the Q2/6M Interim Report	approximately €760 million to approximately €880 million	757.0	+272.8	+36.0
EBIT	564.5	[around €400 million to around €520 million] upper end of the forecast given in the Q2/6M Interim Report	between €320 million and around €440 million	313.7	+250.8	+79.9
Group result	166.6	[around €0 million to around €100 million] upper end of the forecast given in the Q2/6M Interim Report	between around €50 million and around €150 million	91.8	+74.8	+81.5
Dividend per share in €	0.00	No distribution	No distribution	0.00	0.0	–

As a result of the quicker recovery in traffic following the coronavirus pandemic, the financial figures developed better than originally forecasted in the 2021 Annual Report. In addition, the sale of shares in the Group companies Xi'an and D-Port Logistik GmbH, which are accounted for using the equity method, had an earnings-increasing effect. Compensation for the effects of the coronavirus pandemic at Fraport Greece and the Brazilian Group companies also had a positive impact.

Results of Operations for Segments

Revenue in the 2022 fiscal year in the **Aviation** segment increased by €240.6 million to €828.1 million (+41.0%). Higher revenue from airport charges (+€256.7 million) based on the strong recovery in traffic at Frankfurt Airport primarily contributed to revenue growth. Despite additional revenue from new business at Hamburg Airport, revenue from security services decreased (–€20.4 million). In the same period of the previous year, these were positively influenced by the agreement with the German Federal Police concerning billed aviation security services in recent years in the amount of €57.8 million. Other operating income was below the previous year's level. This was due to the compensation payment in the same period of the previous year in the amount 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 increased by €41.2 million to €325.6 million, partly as a result of the very low utilization of short-time work schedules compared with the previous year, new hires at the Hamburg site, and collectively agreed pay increases. By contrast, the cost of materials decreased by €8.0 million to €52.1 million, mainly as a result of lower capital expenditure. Despite significant one-off effects in the previous-year period, segment EBITDA was €15.2 million higher than in the same period of the previous year at €175.4 million (previous year: €160.2 million). Adjusted for the aforementioned one-off effects, segment EBITDA increased by €232.8 million compared to the previous year. With depreciation and amortization virtually unchanged, segment EBIT was €40.6 million (previous year: €25.8 million).

Aviation

€ million	2022	2021	Change	Change in %
Revenue	828.1	587.5	+240.6	+41.0
Personnel expenses	325.6	284.4	+41.2	+14.5
Cost of materials	52.1	60.1	–8.0	–13.3
EBITDA	175.4	160.2	+15.2	+9.5
Depreciation and amortization	134.8	134.4	+0.4	+0.3
EBIT	40.6	25.8	+14.8	+57.4
Number of employees as of December 31	5,624	5,220	+404	+7.7
Average number of employees	5,569	5,476	+93	+1.7

The positive traffic development was also reflected in the **Retail & Real Estate** segment's revenue of €446.4 million (+€127.3 million). The growth in revenue is attributable in particular to higher retail revenue (+€81.5 million). Net retail revenue per passenger was €3.33 (previous year: €3.30). Parking and real estate revenue also developed positively (+€27.5 million and +€17.1 million, respectively). Other operating income increased mainly due to the sale of shares in the Group company D-Port Logistik GmbH, which was recorded using the equity method (€18.6 million). By contrast, personnel expenses increased (+€5.0 million), mainly due to a very low use of short-time working schedules. Moreover, cost of materials increased by €38.6 million as a result of a higher level of utility services due to rises in prices. Segment EBITDA rose to €342.9 million (+€92.1 million). With slightly higher depreciation and amortization (+€1.4 million), segment EBIT stood at €256.3 million (+€90.7 million).

Retail & Real Estate

€ million	2022	2021	Change	Change in %
Revenue	446.4	319.1	+127.3	+39.9
Personnel expenses	48.9	43.9	+5.0	+11.4
Cost of materials	146.5	107.9	+38.6	+35.8
EBITDA	342.9	250.8	+92.1	+36.7
Depreciation and amortization	86.6	85.2	+1.4	+1.6
EBIT	256.3	165.6	+90.7	+54.8
Number of employees as of December 31	573	574	–1	–0.2
Average number of employees	576	608	–32	–5.3

At €550.1 million, revenue in the **Ground Handling** segment in fiscal year 2022 was €163.7 million higher than in the same period of the previous year. The strong demand at Frankfurt Airport led to higher revenue from infrastructure charges (+€96.0 million) and ground services (+€70.0 million). Personnel expenses increased by €68.9 million in the reporting period. This was mainly due to very low utilization of short-time work schedules and new hires compared with the previous year. Non-staff costs rose by €92.8 million to €145.0 million, mainly as a result of the increase in the need for external staff due to higher traffic volumes and possible claims settlements. The segment EBITDA was –€73.9 million (–€1.7 million). With slightly higher depreciation and amortization (+€0.4 million), segment EBIT amounted to –€111.6 million (previous year: –€109.5 million).

Ground Handling

€ million	2022	2021	Change	Change in %
Revenue	550.1	386.4	+163.7	+42.4
Personnel expenses	382.2	313.3	+68.9	+22.0
Cost of materials	88.4	33.8	+54.6	> 100
EBITDA	–73.9	–72.2	–1.7	–2.4
Depreciation and amortization	37.7	37.3	+0.4	+1.1
EBIT	–111.6	–109.5	–2.1	–1.9
Number of employees as of December 31	7,404	6,816	+588	+8.6
Average number of employees	7,035	6,937	+98	+1.4

In the reporting period, revenue from the **International Activities & Services** segment rose by €519.5 million to €1,369.8 million. Adjusted for contract revenue from construction and expansion services based on the application of IFRIC 12, revenue amounted to €1,038.7 million (+€430.1 million). This increase was mainly due to the positive traffic development at the international Group airports. In particular, Fraport Greece and the Group company Lima benefited from the easing of travel restrictions with revenue growth adjusted for IFRIC 12 of €208.0 million and €123.0 million, respectively. In addition, exchange rate effects (€89.3 million) had a positive impact on revenue, particularly at the Group companies in Lima, Fortaleza, and Porto Alegre, and at Fraport USA. Other operating income in the segment was €112.6 million. The main positive impacts were the disposal of shares in the Group company in Xi'an, which were accounted for using the equity method, in the amount of €53.7 million and compensation for the effects of the coronavirus pandemic at Fraport Greece in the amount of €23.6 million (previous year: €92.8 million) and at the two Brazilian Group companies in the amount of €18.5 million (previous year: €26.5 million). By contrast, other operating income in the same period of the previous year included the waiver of fixed minimum lease payments at Fraport USA in the amount of €35.2 million. Personnel expenses increased by €37.3 million to €280.0 million, mainly due to the reduced use of short-time work schedules compared to the previous year and the increased demand for personnel during the reporting period. Non-staff costs in the segment increased by €280.1 million to €900.5 million (+45.1%) compared to the same period the previous year. Adjusted for the expenses relating to the application of IFRIC 12, non-staff expenses increased by €190.7 million to €569.4 million (+50.3%). This was due in particular to higher variable concession charges, especially at Fraport Greece and the Group company Lima. Segment EBITDA rose by €167.2 million to €585.4 million (+40.0%). Despite higher depreciation and amortization (+€19.8 million) compared to the previous year, segment EBIT rose to €379.2 million (+€147.4 million).

International Activities & Services

€ million	2022	2021	Change	Change in %
Revenue	1,369.8	850.3	+519.5	+61.1
Revenue adjusted for IFRIC 12	1,038.7	608.6	+430.1	+70.7
Personnel expenses	280.0	242.7	+37.3	+15.4
Cost of materials	814.6	548.8	+265.8	+48.4
Cost of materials adjusted for IFRIC 12	483.5	307.1	+176.4	+57.4
EBITDA	585.4	418.2	+167.2	+40.0
Depreciation and amortization	206.2	186.4	+19.8	+10.6
EBIT	379.2	231.8	+147.4	+63.6
Number of employees as of December 31	5,610	5,171	+439	+8.5
Average number of employees	5,670	5,398	+272	+5.0

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		
		2022	2021	Δ %	2022	2021	Δ %	2022	2021	Δ %	2022	2021	Δ %
Fraport USA	100	103.4	67.9	+52.3	49.6	57.3	–13.4	4.8	20.7	–76.8	–1.8	8.5	–
Fraport Slovenija	100	33.9	21.7	+56.2	7.6	7.7	–1.3	–2.7	–3.0	+10.0	–2.6	–2.6	0.0
Fortaleza + Porto Alegre[2]	100	90.0	68.3	+31.8	60.1	40.1	+49.9	28.8	17.6	+63.6	–3.5	–16.5	+78.8
Lima	80,01	590.1	345.2	+70.9	100.2	54.7	+83.2	83.4	39.8	> 100	37.2	11.2	> 100
Fraport Greece[3]	65	443.8	255.4	+73.8	271.7	206.4	+31.6	208.5	144.0	+44.8	69.9	24.7	> 100
Twin Star	60	43.5	29.3	+48.5	19.3	15.1	+27.8	8.6	3.8	> 100	4.2	0.9	> 100

Group companies accounted for using the equity method

€ million	Share in %	Revenue[1]			EBITDA			EBIT			Result		
		2022	2021	Δ %	2022	2021	Δ %	2022	2021	Δ %	2022	2021	Δ %
Antalya	51/50[4]	396.6	266.6	+48.8	323.0	202.7	+59.3	208.3	92.1	> 100	119.6	33.4	> 100

[1] Revenue adjusted for IFRIC 12: Lima 2022: €277.9 million (2021: €154.9 million); Fraport Greece 2022: €433.5 million (2021: €225.5 million); Fortaleza + Porto Alegre: 2022: €81.3 million (2021: €46.8 million); Antalya 2022: €388.8 million (2021: €247.7 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 %.

As a result of the recovery in passenger numbers in the 2022 fiscal year, but also due to positive exchange rate effects, revenue at **Fraport USA** rose to €103.4 million (previous year: €67.9 million). Other operating income, which was positively impacted in the same period the previous year by the waiver of fixed minimum lease payments of €35.2 million, amounted to €3.2 million in the reporting period. Operating expenses increased by €10.6 million to €57.0 million, mainly due to the increased variable concession charges exchange rate effects. Due to the high other operating income in 2021, EBITDA was €49.6 million below the level from the same period in the previous year (previous year: €57.3 million). Depreciation and amortization (+€8.1 million) increased mainly due to unscheduled depreciation in the fiscal year. EBIT amounted to €4.8 million (previous year: €20.7 million). At –€1.8 million, the result remained below that of the same period last year (previous year: €8.5 million).

The increased demand for travel in 2022 was reflected in higher revenue of €33.9 million (+€12.2 million) at the Group company **Fraport Slovenija**. Other operating income decreased in the 2022 fiscal year due to the absence of compensation for the effects of the coronavirus pandemic, which was included in the same period of the previous year at around €6.6 million. Operating expenses increased by €5.4 million to €26.6 million due to the increased traffic volume. EBITDA decreased to €7.6 million due to lower other operating income (previous year: €7.7 million.) Slightly decreasing depreciation and amortization led to EBIT of –€2.7 million (previous year: –€3.0 million). The result was –€2.6 million (previous year: –€2.6 million).

In fiscal year 2022, the positive traffic development at the Brazilian Group companies **Fortaleza** and **Porto Alegre** was reflected in higher revenue of €90.0 million (+€21.7 million). Adjusted for the revenue relating to capacitive capital expenditure based on the application of IFRIC 12, revenue increased by €34.5 million. The growth in revenue also benefited from positive currency effects. Other operating income in 2022 was again positively influenced by compensation for the effects of the coronavirus pandemic in the amount of €18.5 million (previous year: €26.5 million). Cost of materials declined by €6.0 million to €32.9 million. Adjusted for the expenses in connection with the capacitive capital expenditure based on the application of IFRIC 12, the cost of materials increased by €6.9 million to €24.3 million. This was due in particular to currency exchange rate effects. Correspondingly, EBITDA increased to €60.1 million (previous year: €40.1 million). EBIT amounted to €28.8 million (previous year: €17.6 million), and the result was –€3.5 million (previous year: –€16.5 million).

At €590.1 million (+€244.9 million), revenue at the Group company **Lima** was also positively impacted by the recovery in traffic, as well as from exchange rate effects. Adjusted for the revenue relating to capacitive capital expenditure based on the application of IFRIC 12, revenue was €277.9 million (+€123.0 million). The cost of materials rose by €193.4 million year-on-year to €466.0 million due to the ongoing expansion measures. Adjusted for expenses resulting from the application of IFRIC 12, cost of materials increased by €71.6 million to €153.9 million, primarily due to higher revenue-dependent concession payments. At €100.2 million, EBITDA was higher than in the same period of the previous year (previous year: €54.7 million). EBIT amounted to €83.4 million (+€43.6 million). A more negative financial result, in particular due to higher interest expenses from the compounding of the concession liability, led to a result of €37.2 million (+€26.0 million).

In 2022, **Fraport Greece** recorded revenue of €443.8 million (+€188.4 million). Adjusted for contract revenue from construction and expansion services relating to the application of IFRIC 12, the revenue increased by €208.0 million to €433.5 million. Other operating income of €23.9 million included compensation for the effects of the coronavirus pandemic for the first half of 2021 (previous year: €92.8 million). Operating expenses increased by €51.0 million to €196.0 million as a result of traffic development and the variable concession fee. Adjusted for expenses resulting from the application of IFRIC 12, operating expenses increased by €70.6 million to €185.7 million. This led to EBITDA of €271.7 million (+€65.3 million) and EBIT of €208.5 million (+€64.5 million). The financial result deteriorated mainly due to the one-off effects of signed refinancing. The led to a result of €69.9 million (previous year: €24.7 million).

In the 2022 fiscal year, revenue of the Group company **Twin Star** rose by €14.2 million to €43.5 million due to the improved traffic development. Operating expenses increased to €24.4 million (+€10.0 million) in the reporting period. Correspondingly, EBITDA increased to 19.3 million (+€4.3 million). EBIT amounted to €8.6 million and the result was €4.2 million.

The Group company **Antalya**, which is accounted for using the equity method, generated revenue of €396.6 million in the reporting period, an increase of €130.0 million due to traffic volumes. EBITDA increased accordingly by €120.4 million to €323.0 million. EBIT was €208.3 million (previous year: €92.1 million), and the result was €119.6 million (previous year: €33.4 million). In connection with the newly founded Group company for the operating concession at Antalya Airport from 2027, there was an equity result of –€11.3 million.

Comparison with the forecasted development

Aviation in € million	2022	Forecast 2021 [Adjustments during the year 2022]	2021	Change	Change in %
Revenue	828.1	noticeably positive	587.5	+240.6	+41.0
EBITDA	175.4	at the same level as the previous year [Q2/6M Interim Report 2022:clear increase]	160.2	+15.2	+9.5
EBIT	40.6	at the same level as the previous year [Q2/6M Interim Report 2022: clear increase]	25.8	+14.8	+57.4

Retail & Real Estate in € million	2022	Forecast 2021	2021	Change	Change in %
Revenue	446.4	noticeably positive	319.1	+127.3	+39.9
EBITDA	342.9	clearly positive	250.8	+92.1	+36.7
EBIT	256.3	clearly positive	165.6	+90.7	+54.8

Ground Handling in € million	2022	Forecast 2021 [Adjustments during the year 2022]	2021	Change	Change in %
Revenue	550.1	noticeably positive	386.4	+163.7	+42.4
EBITDA	–73.9	balanced [Q2/6M Interim Report 2022: slightly negative; Q3/9M Interim Report 2022: stronger negative development]	–72.2	–1.7	–2.4
EBIT	–111.6	negative area [negative development in line with adjusted EBITDA forecasts]	–109.5	–2.1	–1.9

International Activities & Services in € million	2022	Forecast 2021	2021	Change	Change in %
Revenue	1,369.8	noticeably positive	850.3	+519.5	+61.1
EBITDA	585.4	clearly positive	418.2	+167.2	+40.0
EBIT	379.2	clearly positive	231.8	+147.4	+63.6

Compared to the forecasts made at the beginning of the fiscal year or adjusted during the year, the following significant deviations occurred:

The rapid recovery in traffic at Frankfurt Airport had a positive effect on the revenue and earnings development of the Aviation, Retail & Real Estate, and Ground Handling segments. On the other hand, higher than expected expenses meant that EBITDA and EBIT in the Ground Handling segment developed substantially worse than forecast. The positive traffic developments at the international Group locations and one-off effects from compensation for the effects of the coronavirus pandemic at Fraport Greece and the two Brazilian Group companies led to a noticeably better EBITDA and EBIT development in the International Activities & Services segment than expected at the beginning of the fiscal year.

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

Asset and Financial Position

Asset and capital structure

At €17,607.6 million, **total assets** as at December 31, 2022 were €1,367.6 million (+8.4%) above the previous year.

Non-current assets increased by €1,374.8 million to €14,366.1 million. This is mainly due to the increase in property, plant and equipment (+€473.4 million) as a result of the capacity investment measures at the Frankfurt site and the increase in shares in companies accounted for using the equity method (+€420.1 million). This resulted in the amount of €375.3 million from the capital contribution to the joint venture Fraport TAV Antalya Yatirim, Yapim ve Isletme A.S (Fraport TAV Antalya), which was founded in connection with the tender for the operating concession at Antalya Airport won in December 2021. Investments in airport operating projects increased by €352.7 million as a result of the ongoing expansion of the Group company in Lima and currency effects. Other financial assets were €241.1 million higher than on December 31, 2021, due to additions to securities and investments in promissory note loans. On the other hand, the complete write-off of the loan receivable from Thalita Trading Ltd. in connection with the activities at St. Petersburg Airport had a diminishing effect on other financial assets and other financial receivables and assets.

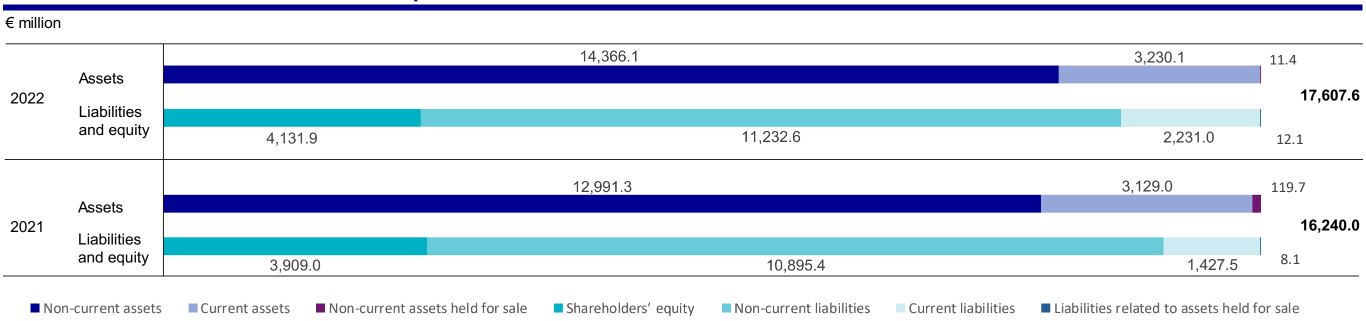
At €3,230.1 million, **current assets** were €101.1 million higher than at December 31, 2021, mainly due to higher other short-term financial assets (+€93.2 million). Furthermore, higher trade accounts receivable (+€24.8 million) due to traffic volumes and higher financial (+€24.6 million) and non-financial receivables and assets (+€18.5 million) due to the balance sheet date contributed to the increase. Cash and cash equivalents, on the other hand, decreased by €77.6 million. **Non-current assets held for sale** decreased by €108.3 million compared to the 2021 balance sheet date due primarily to the transfer of the 24.5% of shares in the Group company Xi'an completed on May 24, 2022.

Shareholders' equity increased by €222.9 million to €4,131.9 million as at the 2022 balance sheet date (December 31, 2021: €3,909.0 million). The increase resulted, in particular, from the positive Group result of €166.6 million. Despite this improved result, the **equity ratio** fell from 23.1% as at December 31, 2021, to 22.2% due to increased debt.

Non-current liabilities increased by €337.2 million to €11,232.6 million (+3.1%), in particular due to long-term financial liabilities. In addition, **current liabilities** rose in the reporting period by €803.5 million to €2,231.0 million (56.3%). This is mainly due to increased financial liabilities (+€582.0 million) in connection with scheduled reclassifications and the assumption of short-term financial liabilities at the Group company in Lima.

Gross financial debt as at December 31, 2022 was €10,925.6 million, up €991.6 million from €9,934.0 million as at December 31, 2021. **Liquidity** also increased, by €302.6 million to €3,866.9 million. Correspondingly, **net financial debt** increased by €689.0 million to €7,058.7 million (December 31, 2021: €6,369.7 million). The **gearing ratio** reached a level of 180.6% (value as at December 31, 2021: 169.7%). The **net financial debt to EBITDA** ratio reached a level of 6.9 (previous year: 8.4).

Structure of the consolidated financial position as at December 31



Additions to non-current assets

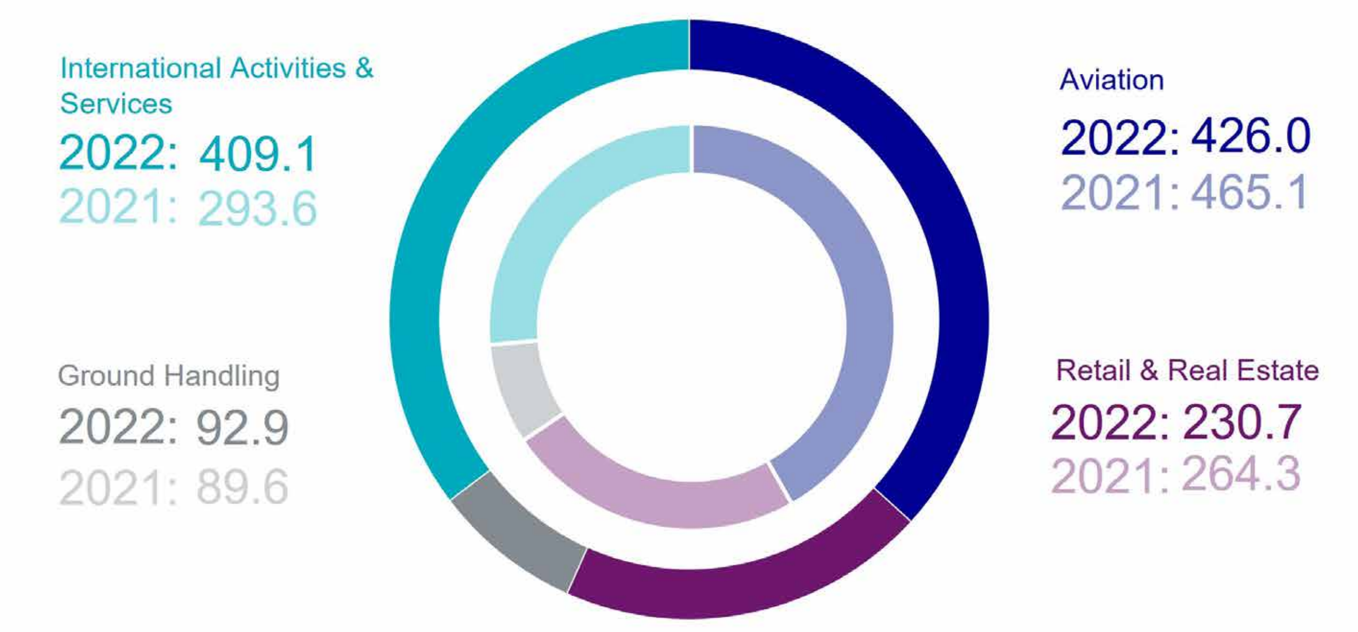
In the 2022 fiscal year, the additions to non-current assets of the Fraport Group totaled €1,158.7 million, €46.1 million more than the previous year (previous year: €1,112.6 million). They related to €779.8 million in property, plant and equipment (previous year: €847.0 million) and €374.1 million (previous year: €251.7 million) in capital expenditure on "airport operating projects". The item "Other intangible assets" accounted for €4.7 million (previous year: €4.4 million), and €0.1 million to “investment property” (previous year: €9.5 million). The capitalization of interest expenses relating to construction work amounted to €43.9 million (previous year: €40.6 million).

At Fraport AG, the additions to non-current assets amounted to €764.6 million (previous year: €833.5 million). Capital expenditure was mostly attributed to the Expansion South project at the Frankfurt site – 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 €426.0 million (previous year: €465.1 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 year 2022, the **Retail & Real Estate** segment recorded additions to assets in the amount of €230.7 million (previous year: €264.3 million). The measures also concerned, in particular, the Expansion South project.

The **Ground Handling** segment recorded additions amounting to €92.9 million (previous year: €89.6 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 €409.1 million (previous year: €293.6 million). The additions related mainly to the Group company Lima in connection with the infrastructure expansion.

Statement of cash flows

In the reporting year, **cash flow from operating activities** of €787.3 million was generated (2021: €392.6 million). The improvement by €394.7 million resulted in particular from an increase in operating results. In addition, the cash flow from operating activities was negatively impacted in the previous year by payments in connection with the Zukunft FRA – Relaunch 50” program.

Cash flow used in investing activities without investments in cash deposits and securities amounted to €1,305.8 million in the past fiscal year, an increase of €172.6 million year-on-year. This was mainly due to capital contributions of €375.3 million to the joint venture that was established in connection with the new operating concession at Antalya Airport. Higher capital expenditure in airport operating projects, especially in Lima, were offset by lower cash flow used for expansion measures at the Frankfurt site. In addition, revenue from the disposal of shares in the Group companies Xi'an and D-Port, which is accounted for using the equity method, reduced cash outflow by €173.5 million in total.

Taking into account capital expenditure in and revenue from securities and promissory note loans as well as capital expenditure in relation to time deposits, the overall **cash flow used in investing activities** was €1,216.0 million (2021: €2,304.2 million).

Compared to the previous year, **cash flow from financing activities** decreased substantially by €1,213.1 million to €882.3 million. In the previous year, considerably more extensive financing measures, including a bond issue, to secure liquidity were carried out compared to the current fiscal year. Within the scope of the signed refinancing at Fraport Greece, financial liabilities of €913.8 million were repaid and refinanced in advance in the amount of €960.0 million. The transactions with "non-controlling interests" are the sale of capital shares and loans to a co-partner of the Greek companies. 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 €826.2 million as at December 31, 2022 (2021: €431.2 million).

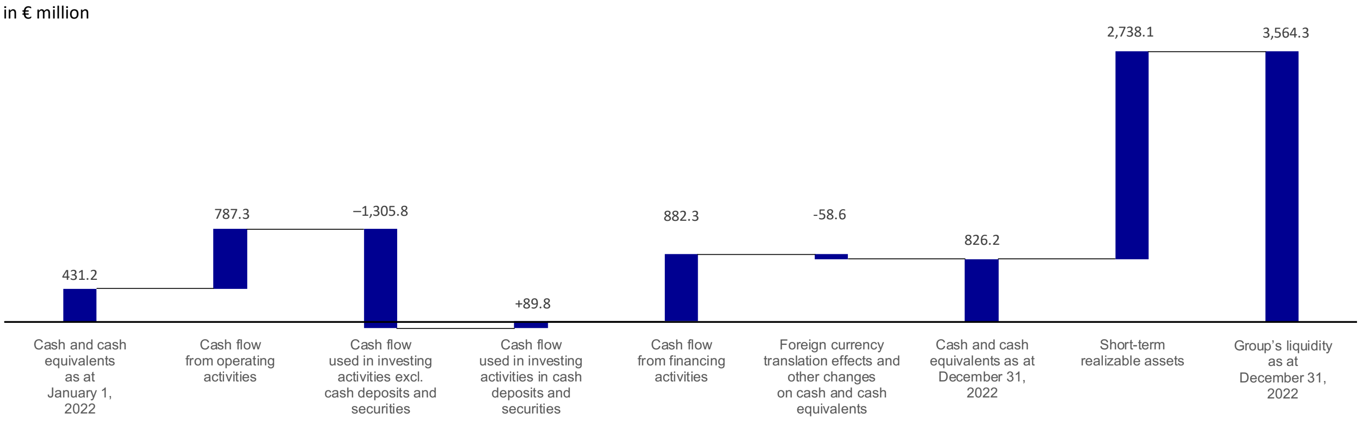
Free cash flow amounted to –€741.0 million (previous year: –€772.3 million).

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, 2022	December 31, 2021
Bank and cash balances	579.6	220.4
Time deposits with a remaining term of less than three months	246.6	210.8
Cash and cash equivalents as at the consolidated statement of cash flows	**826.2**	**431.2**
Time deposits with a remaining term of more than three months	1,619.7	2,156.9
Restricted cash	139.3	74.7
Cash and cash equivalents as at the consolidated statement of financial position	**2,585.2**	**2,662.8**

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



Financing analysis

In 2022, 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 (20.8%), corporate bonds (19.3%), bilateral loans (43.1%), and project financing (16.8%).

To reduce interest rate risks from borrowing with floating interest rates, in the past interest rate hedging transactions were concluded in some cases. In the course of a refinancing in Greece, the existing derivatives were redeemed, so that the related nominal volumes were reduced to €0.0 million at the end of the year (previous year: €130.7 million). Overall, the financial liabilities had an average remaining term of 6.5 years with an average interest maturity of approximately 5.7 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 13%, and the fixed portion approximately 87%. The cost of debt after hedging measures was 2.3%.

Fully consolidated Group companies in Germany are mostly 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 2022 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

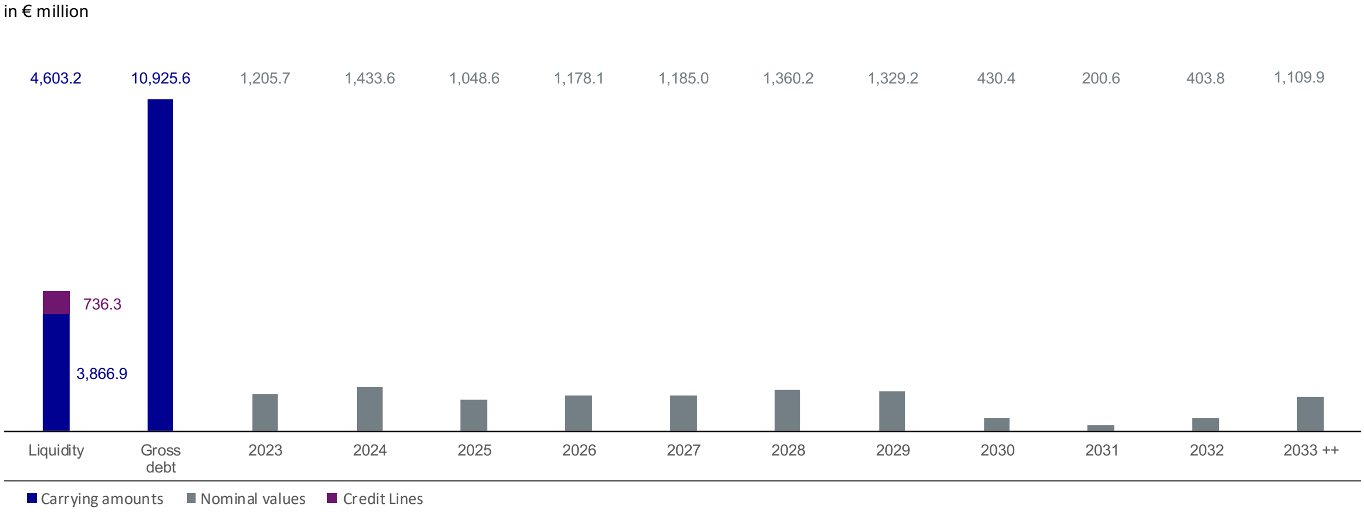
Financing type	Year of origin	Nominal volume in € million	Maturity	Repayment structure	Interest	Interest rate
Promissory note loans	2012	108.0	2030	End of term	Fixed	4.000 % p.a.
	2013	50	2028	End of term	Fixed	4.000 % p.a.
	2017	135	2025	End of term	Fixed	1.395 % p.a.
			2027			1.810 % p.a.
		150	2024	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.
	2022	50.0	2029	End of term	Floating	6M-Euribor + Marge
		15.0	2030	End of term	Fixed	2.147 % p.a.
		25.0	2032			2.322 % 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 – 2022	4,686.8	2023 – 2032	Mainly end of term	Mainly fixed	0.28 % – 4.48 % p.a.
Project financing (fully consolidated foreign Group companies)	2017 – 2022	1,832.19	2023 – 2045	Ongoing repayments during the term	Mainly fixed	2.125 % – 11.57 % 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 credit rating 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 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 2022



Liquidity in the fully consolidated foreign Group companies was €945.3 million (previous year: €509.5 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 2022 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

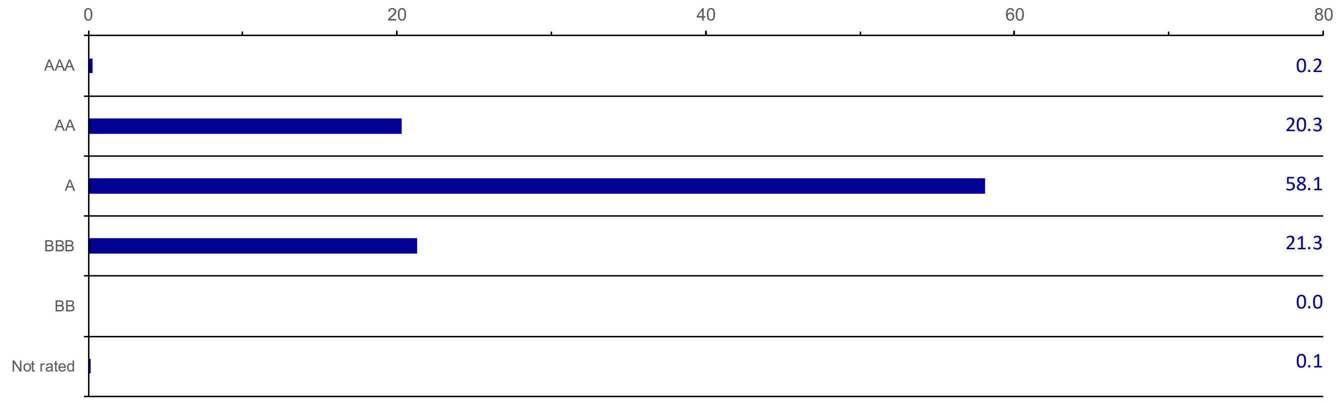
Investment type	Market value [1)] in € million	Average remaining term in years	Interest
Promissory note loans	0.0	0.0	Floating
	225.0	1.7	Fixed
Overnight funds	0.0	0.0	Fixed
Time deposits	1,599.3	0.3	Fixed
	0.0	0.0	Floating
Bonds	11.0	1.6	Floating
	966.0	1.9	Fixed
thereof governmental	0.0	0.0	Fixed
thereof financials	5.9	1.3	Floating
	215.5	2.2	Fixed
thereof insurances	5.1	1.8	Floating
	13.7	2.9	Fixed
thereof industrials	0.0	0.0	Floating
	736.8	1.9	Fixed
Commercial papers	79.7	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, the portfolio consisted almost exclusively of rated assets (rated 99.9% and unrated 0.1%).

The cost of carry, which is calculated using a (tiered statement) maturity-matching principle, was 0.9% (€25.7 million) as at December 31, 2022.

As at the 2022 balance sheet date, the Fraport Group had credit lines amounting to €736.3 million (previous year: €941.8 million) available, of which €156.0 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 €580.9 million (previous year: €554.2 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

in € million	2022	Forecast 2021 [Adjustments during the year 2022]	2021	Change	Change in %
Free cash flow	–741.0	roughly at the level of 2021	–772.3	+31.3	+4.1
Net financial debt to EBITDA	6.9	high single-digit range	8.4	–1.5	–
Liquidity	3,866.9	slightly lower than 2021	3,564.3	+302.6	+8.5
Shareholders' equity ratio (%)	22.2	slightly lower than 2021	23.1	–0.9 PP	–

At €3,866.9 million, Group liquidity was above the forecast value. The negative effect from the free cash flow was offset by high inflows from the raising of long-term financial liabilities. In addition, the sale of companies accounted for using the equity method had the effect of increasing liquidity, especially at Xi'an Airport. The other figures of the asset and financial position were in line with the 2021 forecast.

Value Management

Development of the value added

in € million	Fraport Group		Aviation		Retail & Real Estate		Ground Handling		International Activities & Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Adjusted EBIT[1)]	677.4	343.1	40.7	25.8	258.9	176.7	–102.1	–107.0	479.9	247.6
Fraport assets	11,383.8	10,208.6	4,152.3	3,881.1	2,672.6	2,464.1	852.1	770.1	3,706.9	3,093.3
Costs of capital before taxes	831.0	622.7	303.1	236.7	195.1	150.3	62.2	47.0	270.6	188.7
Value added before taxes	–153.6	–279.6	–262.4	–211.0	63.8	26.4	–164.3	–154.0	209.3	58.9
ROFRA in %	6.0	3.4	1.0	0.7	9.7	7.2	–12.0	–13.9	12.9	8.0

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

In fiscal year 2022, the value added of the **Fraport Group** increased notably by €126.0 million (previous year –€279.6 million), but remained in negative territory at –€153.6 million.

Despite substantially lower one-off effects, adjusted EBIT was €334.3 million above the previous year's level at €677.4 million due to the positive development of operating performance of all Group companies. The same period of the previous year included the compensation payment from the Federal Government and the State of Hesse for the uncovered contingency costs incurred in the first lockdown in 2020 in the amount of €159.8 million as well as the settlement with the Federal Police in connection with charged aviation security services in previous years in the amount of €57.8 million. In addition to the improved operating development, the sale of the shares in the Group company in Xi'an, which is valued at equity, also contributed to the improved adjusted EBIT. On the other hand, the increase in the WACC from 6.1% to 7.3%, the higher capital expenditure, especially in the expansion projects in Frankfurt and Lima, and the capital contributions to the joint venture for the new operating concession at Antalya Airport, led to higher capital costs.

Due to the operating recovery, the **ROFRA** of the Fraport Group increased by 2.6 percentage points to 6.0% (previous year: 3.4%).

The value added of the **Aviation** segment fell from –€211.0 million to –€262.4 million despite the positive operating development, which more than compensated for the absence of one-off effects from the previous year. The main reasons for this were the WACC-related increase in the cost of capital and the progressing construction activities within the framework of the Expansion South project. Segment ROFRA improved from 0.7% to 1.0%.

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 an increase in the value added from €26.4 million to €63.8 million (+€37.4 million) and of ROFRA to 9.7% (previous year: 7.2%).

Despite a slightly improved adjusted EBIT, the value added in the **Ground Handling** segment was below the previous year's level (-€154.0 million) at –€164.3 million due to the WACC increase. Segment ROFRA improved from –13.9% to –12.0%.

The value added of the **International Activities & Services** segment increased from €58.9 million to €209.3 million (+€150.3 million). The fully consolidated Group companies in Greece and Lima, the sale of shares in Xi'an 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 due to the expansion at Lima Airport and capital contributions to the joint venture for the new operating concession at Antalya Airport. In line with the value added, segment ROFRA improved strongly from 8.0% to 12.9%.

Comparison with the forecasted development

	2022	Forecast 2021	2021	Change	Change in %
Group ROFRA (%)	6.0	Clear improvement	3.4	+2.6 PP	–

Based on the Group-wide recovery in traffic, the improvement in Group ROFRA of 6.0% was stronger than forecast in 2021.

Non-financial Performance Indicators

Customer satisfaction and product quality

Global satisfaction of passengers

While the 2021 reporting year was still characterized by the effects of the coronavirus pandemic, global satisfaction at Frankfurt Airport came under increasing pressure, particularly from March 2022 onwards, due to a rapid rise in air traffic demand combined with operational capacity and staff shortages. As a result, global satisfaction fell by nine percentage points from 83% in the second half of 2021 to 74% in the 2022 reporting year. Overall satisfaction (top box share of global satisfaction) fell over the course of the year, initially from 79% in Q1 2022 to 75% in Q2 2022. In Q3 2022, global satisfaction decreased further to 73% and in Q4 2022 to 69%. Alongside global satisfaction, 16 other satisfaction criteria recorded a decline in 2022 compared to the second half of 2021. By contrast, five of the 22 criteria surveyed developed positively in the reporting year, including health and infection protection at Frankfurt Airport (up by one percentage point to 81%), the friendliness of staff at security checkpoints (up by one percentage point to 78%), and the speed and stability of the airport Wi-Fi (up by four percentage points to 77%).

At the fully consolidated Group airports, on the other hand, global satisfaction reached a cumulative value of 85% in the 2022 reporting year. To determine global satisfaction within the Group, a total of 28,354 passengers were surveyed at the locations in Slovenia, Bulgaria, Brazil, Peru, and Greece. The satisfaction data collected was weighted on the basis of the respective passenger numbers for the calculation of the cumulative value. Including the Frankfurt site, this results in a Group-wide global satisfaction of 80% for the reporting year.

Baggage connectivity

Baggage connectivity at Frankfurt Airport came to 95.8% in the last fiscal year, or 2.5 percentage points below the previous year and 2.7 percentage points below the target. While the baggage connectivity value of 98.3% in Q1 2022 marked an increase over the previous year’s level, the value fell to 95.9% in Q2 2022 (Q2 2021: 98.5%) and 95.0% in Q3 2022 (Q3 2021: 98.4%). In Q4 2022, baggage connectivity improved slightly to 95.1%, but remained below the level of the same period last year (Q4 2021: 98.1%). The development of baggage connectivity is mainly due to the rapidly increasing traffic since March 2022 combined with staff shortages. The countermeasures introduced, which included in particular the improvement of staff availability, did not fully compensate for the negative development.

Attractive and responsible employer

Employee satisfaction

The Group-wide employee survey (Fraport Barometer) was carried out in October 2022. Employee satisfaction in the Fraport Group was 4.76 (on a scale of one to seven, where seven is the best). This key figure includes the ratings of Fraport AG, 13 Group companies at the Frankfurt site as well as Fraport Slovenija, Twin Star, Fortaleza, Porto Alegre, Lima, Fraport Greece, and Fraport USA. The response rate was 46%. The average ratings of the topic areas (satisfaction aspects) were 4.40 for the employer, 4.79 for the workplace, 4.98 for the team, and 4.86 for the managers. The average satisfaction rating of Fraport AG employees was 4.64. Due to adjustments in the survey methodology and evaluation, it is not possible to compare with the previous year's figures.

Women in management positions

As at December 31, 2022, the proportion of women in management positions in the Group in Germany at the first management level below the Executive Board was 23.1% and 31.6% at the management level below. At Fraport AG, the proportion of women in management positions in the reporting period was 19.0% at the first management level and 30.8% at the second management level. In accordance with legal requirements, the proportion of women in management positions per management level will be reported separately for reporting from the 2022 fiscal year onwards. In the reporting period, the proportion of women in management positions in the Group in Germany increased slightly at both management levels. At Fraport AG, the proportion of women in management positions at the first level below the Executive Board fell slightly, but rose slightly at the second level. Although this means that the majority of the forecast was met, the forecasted development was not achieved for the proportion of women in management positions at the first level at Fraport AG.

Occupational health and safety

Sickness rate

In the 2022 fiscal year, the Group sickness rate in Germany increased by two percentage points to 8.7% (previous year: 6.7%). 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 also increased by two percentage points to 7.9% (previous year: 5.9%).

Climate protection

CO_2 emissions

In the past fiscal year, Group-wide scope 1 and scope 2 CO_2 emissions amounted to approximately 155,449 metric tons of CO_2, and were thus down 6.5% year on year. The emission reduction is mainly attributable to Fraport AG, which reduced its CO_2 emissions by 3.9% compared to the previous year, to 113,199 metric tons of CO_2 (previous year[7]): 117,783 metric tons of CO_2). This decrease is mainly due to the purchase of renewable electricity, the in-house generation of electricity from photovoltaic systems, and the continuous conversion of the vehicle fleet to electric mobility.

Comparison with the forecasted development

Indicators	2022	Forecast 2021 [adjustment during the year Q2 / 6M Interim Report]	2021	Change
Global satisfaction of passengers (Group) in %	80	At least 80 %	– 1)	–
Global satisfaction of passengers (Frankfurt) in %	74	At least 80 %	91/83 2)	–
Baggage connectivity (Frankfurt) in %	95.8	Better than 98.5 %	98.3	–2.5 PP
Employee satisfaction (Group)	4.76	No forecast	– 1)	–
Employee satisfaction (Fraport AG)	4.64	No forecast	82.5 4)	–
Women in management positions (1st level, Germany) in %	23.1	5)	– 5)	–
Women in management positions (2nd level, Germany) in %	31.6	5)	– 5)	–
Women in management positions (1st level, Fraport AG) in %	19.0	5)	– 5)	–
Women in management positions (2nd level, Fraport AG) in %	30.8	5)	– 5)	–
Sickness rate (Germany) in %	8.7	Stabilization at least at the previous year's level	6.7	+2.0 PP
Sickness rate (Fraport AG) in %	7.9	Stabilization at least at the previous year's level	5.9	+2.0 PP
CO_2-Emissions (Group) (Scope 1 und 2) in m. t. 6)	155,449	Roughly on pre-crisis level	166,208 7)	–10,759
CO_2-Emissions (Fraport AG) (Total Scope 1 und 2) in m. t.	113,199	Roughly on pre-crisis level	117,783 7)	–4,584

1) Due to the impact of the coronavirus pandemic, this statistic was not collected in 2021.
2) Due to a change in methodology, the results are reported separately for the first and second half of 2021.
3) Employee satisfaction: includes Fraport AG and the German Group companies as well as Fraport Slovenija, Twin Star, Fortaleza, Porto Alegre, Lima, Fraport Greece, and Fraport USA.
4) 2021 value determined as part of the pulse check.
5) Until 2021, the figure was reported combined for the first and second level below the Executive Board.
6) Includes Fraport AG as well as the Group companies FFS, FraGround, FraCareS, FAS, FraSec Fraport Security Services GmbH, FraSec Flughafensicherheit GmbH, Media, Fraport Greece, Fraport Slovenija, Lima, Fortaleza, Porto Alegre, and Twin Star.
7) Subsequent verifications resulted in some updates for 2021.

The "Non-financial performance indicators" chapter above provides explanatory notes on deviations from the 2021 forecast.

Employees

Development of employees

Average number of employees	2022	2021	Change	Change in %
Fraport Group	18,850	18,419	+431	+2.3
thereof Fraport AG	7,309	7,893	–584	–7.4
thereof Group companies	11,541	10,526	+1,015	+9.6
thereof in Germany	15,691	15,599	+92	+0.6
thereof abroad	3,159	2,820	+339	+12.0

The average number of employees in the Fraport Group (excluding apprentices and employees on leave) increased by 431 to 18,850 in the 2022 fiscal year (previous year: 18,419). The reason for this was the increased need for personnel as a result of the positive traffic development, mainly at the Group company FraGround (+404 employees). In addition, the number of employees at the Group company FraSec increased (+241 employees), primarily due to new business at the Hamburg site. At Fraport AG, the headcount (–584 employees) decreased mainly due to staff departures as part of the volunteer program under the strategic initiative “Zukunft FRA – Relaunch 50”.

Outside Germany, the headcount increased to 3,159 (+12.0%) due to the Group-wide traffic recovery, especially at the Group companies in Bulgaria (+125 employees), Lima (+93 employees), and Greece (+69 employees).

Development of employees in the segments

Average number of employees	2022	2021	Change	Change in %
Aviation	5,569	5,476	+93	+1.7
Retail & Real Estate	576	608	–32	–5.3
Ground Handling	7,035	6,937	+98	+1.4
International Activities & Services	5,670	5,398	+272	+5.0

The average number of employees in the International Activities & Services, Ground Handling, and Aviation segments increased as a result of traffic volumes. In contrast, the number of employees in the Retail & Real Estate segment decreased, mainly in connection with the volunteer program initiated in 2020 under the strategic initiative “Zukunft FRA – Relaunch 50”.

Development of employees as at the balance sheet date

Number of employees as at the balance sheet date	December 31, 2022	December 31, 2021	Change	Change in %
Fraport Group	19,211	17,781	+1,430	+8.0
thereof Fraport AG	7,209	7,450	–241	–3.2
thereof Group companies	12,002	10,331	+1,671	+16.2
thereof in Germany	16,145	15,113	+1,032	+6.8
thereof abroad	3,066	2,668	+398	+14.9

Compared with the previous year’s reporting date, the number of employees in the Fraport Group (excluding apprentices and employees on leave) increased by 8.0% to 19,211 (+1,430 employees) as at December 31, 2022. In Germany, the increase is due in particular to the Group companies FraGround (+624 employees) and FraSec (+453 employees). Internationally, the decrease in the number of employees resulted in particular from the Group companies in Lima (+153 employees) and Bulgaria (+145 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.

With regard to permanent employees excluding seasonal staff as at the balance sheet date, the **Group staff turnover rate** of 15.0% in the reporting period was lower than the rate of 27.8% in the previous fiscal year. The change is mainly due to the volunteer program initiated in 2020 and the associated staff reduction in the previous year.

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, 2022 was 26.6%, slightly higher than the previous year’s level of 26.3%. The **average age** of the Group’s workforce decreased slightly to 45.3 years (previous year: 45.5 years). The **percentage of persons with major disabilities** relative to the total number of employees excluding apprentices and temporary staff was 5.8% on a Group-wide basis (previous year: 5.9%).

At **Fraport AG**, the proportion of female employees as at the balance sheet date 2022 was 19.4% (previous year: 19.2%). The proportion of workers with severe disability or equivalent circumstance was 7.8% (previous year: 7.9%). The average number of apprentices decreased to 246 (previous year: 286). The staff turnover rate at Fraport AG reached 3.5% (previous year: 16.7%).

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 unrestricted auditor's opinion can be found at the end of the Annual Report.

The "Control System" and "Non-financial Performance Indicators" chapters describe the most important non-financial performance indicators and their development during the reporting period. 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 the aforementioned chapters. The forecast figures for fiscal year 2023 can be found in the "Business Outlook" chapter. The Fraport business model, competitive position, and organizational 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 the "Risk and Opportunities Report" 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 2021 (GRI). The concepts on the aspects are based on "GRI 3-3 Management of material topics". This concerns 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". The materiality analysis carried out comprehensively in 2018 was based on the standards of the Global Reporting Initiative 2016 (GRI 103-Management approach). However, Fraport relied on the "GRI 3-3 Management of Material Topics" when updating and validating the material topics in 2022. In addition, the ESG Factbook, available at https://www.fraport.com/en/investors/publications.html, 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.

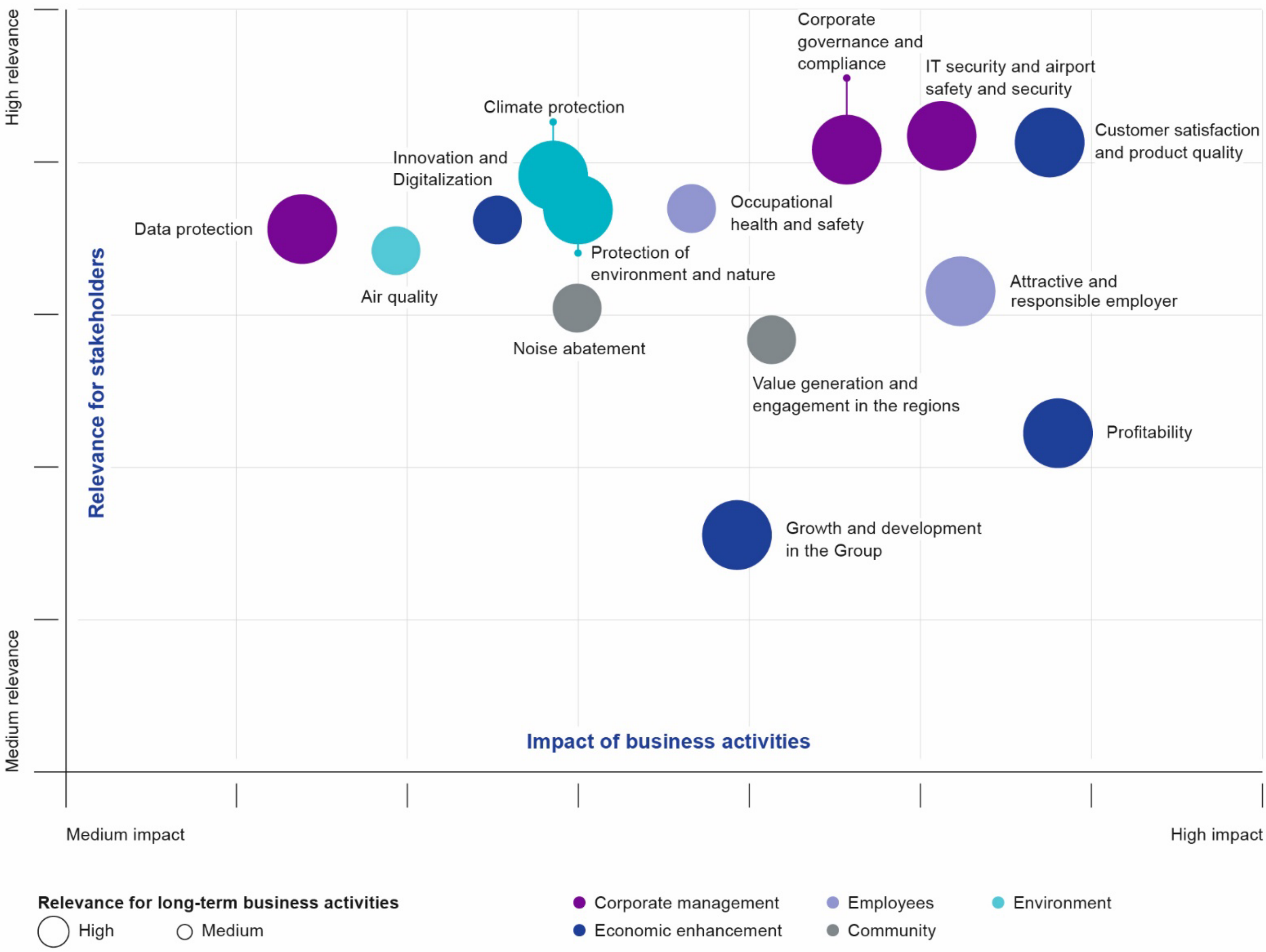
Derivation of materiality

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 of setting global standards forms the basis for this.

Based on these Group goals, the Executive Board has defined the six most significant 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, baggage connectivity, satisfaction of employees, women in management positions, sickness rate, and CO_2 emissions.

The basis for the aspects reported in this combined non-financial statement is the materiality matrix. Key aspects are those that, according to Section 289c (3) of the HGB, are relevant to the business development, business result and situation of Fraport, 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, residents living near airports, business partners, media, NGOs, passengers, politicians and authorities, economic associations, and science) confirmed the relevance of the current 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. The last comprehensive materiality analysis was updated in 2018. The Executive Board has confirmed the relevance of the topics for 2022. A comprehensive materiality analysis with the participation of internal and external stakeholders will be carried out in 2023.

Materiality matrix



The key aspects 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 aspects 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

The Executive Board remuneration system also includes non-financial elements in addition to the financial objectives for the long-term performance-based remuneration. As non-financial components, the development of a master plan and package of measures for reducing CO_2 and the performance of tasks to prepare for the take-over of the management of aviation security services in accordance with Section 5 LuftSiG were determined for fiscal year 2022 (see also the Remuneration Report at www.fraport.com/publications.

Identification of risks

Fraport defines risks as future developments or events that may negatively affect the non-financial aspects. The risk evaluation is conservative, which means that the least favorable loss situation is estimated for Fraport. 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 2022, there were no additional reportable risks for the Fraport Group and Fraport AG in connection with the non-financial aspects, beyond the material risks already listed in the “Risk and Opportunities Report” chapter.

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

The crossover topic “Supply chain and subcontracting” is not an individual aspect but deals with the information on the supply chain and subcontracting 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 AG compels business partners and suppliers to comply with its **Supplier Code of Conduct**, (which can be viewed at https://www.fraport.com/compliance) as part of its General Terms and Conditions (GTC), depending on the local conditions. It details how to deal with employees and respect human rights as well as environmental and climate protection, integrity during business, and the prohibition of corruption and bribery. A violation of this supplier code of conduct 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 demand and ensure that these principles are adhered to when dealing with their own suppliers.

In addition, Fraport AG undertakes to consistently 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.

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 (incl. the Airport Expansion South project), more than 52% of the total order volume went to companies in the Rhine-Main region. Around 98% of Fraport AG’s order volume, amounting to approximately €1,036 million, was awarded to suppliers and service providers based in Germany, 99.7% to those based in the EU, and about 0.2% to those based in the United States, the United Kingdom, Switzerland, Australia, and Canada. As there are similar legal standards in these countries, especially regarding anti-corruption and bribery matters and respect for human rights, the first level of the supply chain is not deemed critical. As regards the Group airports, orders were predominantly awarded within their own country.

The largest suppliers of Fraport AG (including the Airport Expansion South project) by order volume in fiscal year 2022 were subject to an extensive business partner screening.

In the context of EU-wide tenders issued by Fraport AG, all bidders are generally subject to an extensive business partner review. The result is made available to the responsible buyers for evaluation. Irrespective of this, all suppliers and service providers of Fraport AG are audited daily 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. External personnel compliance was implemented as part of a policy to hire external personnel. 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 of external personnel by implementing suitable processes according to the respective country-specific regulations.

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 can be viewed at https://www.fraport.com/compliance), 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 relevant for large construction projects such as the new terminal at Lima Airport. For this project, compliance with the 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, the local management will inform the compliance department.

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.

In the past fiscal year, Fraport AG dealt intensively with the due diligence obligations resulting from the German Supply Chain Act (*Lieferkettensorgfaltspflichtengesetz*: LkSG), which entered into force on January 1, 2023. To implement the due diligence obligations, existing structures were expanded, and new processes were established. A core element of the due diligence obligations is Fraport's human rights strategy that is published at https://www.fraport.com/en/our-group/responsibility/supply-chain-due-diligence-act.html. In addition, further due diligence obligations were implemented in the risk management system and the whistleblower system.

Anti-corruption and bribery matters and respect for human rights

Anti-corruption and bribery matters

Objective **–** Conduct in compliance with laws and regulations has highest priority at Fraport. Fraport does not tolerate any form of corruption or other unfair business practices. In addition, Fraport is committed to internationally recognized standards, guidelines, and principles, in particular the principles of the UN Global Compact, the Universal Declaration of Human Rights, and the Core Labour Standards of the International Labour Organization, as well as 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 the legally compliant and ethical behavior of its executives and employees. Combating corruption is a key component of the fully revised **Fraport Code of Conduct,** which was rolled out globally in 2022. The Executive Board is expressly committed to the fundamental values set out in the Code of Conduct and takes a clear stand with a “zero tolerance principle”.

The Group-wide **Compliance Management System (CMS)** contains various measures for combating corruption for which Group-wide minimum standards apply. The minimum requirements require the Group companies to have 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 information about compliance violations are provided. The responsibility for the CMS of each respective Group company lies with its local management. 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 reports 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 – most recently in 2022 – and whose main areas of focus include 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 of Fraport AG 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 between the Compliance Management (CMS), Risk Management (RMS), Internal Control System (ICS), and audit subsystems. It is the central body that brings together topics specific to the departments and interfaces, and further develops the CMS on an ongoing basis.

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 situations, in which they find themselves, where personal interests could contradict Fraport’s business interests. This allows reportable facts to be disclosed electronically, and the required measures to then be initiated. The electronic processes support employees in complying with existing laws and internal regulations.

Examining adherence to the Fraport Group’s compliance regulations falls under the remit of 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 Group 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, 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. The e-learning program on important compliance fundamentals was fully revised for Fraport AG employees in 2022. In addition to a clear presentation of why compliance is important in everyday working life, the new Fraport Code of Conduct, dealing with gifts and invitations, and conflicts of interest are central elements of the new online training. In addition, the central reporting channels for compliance violations are detailed.

A key instrument for preventing and discovering compliance violations is the **whistleblower system** (see www.fraport.com/compliance). Employees, business partners and customers can anonymously submit information about irregularities in all Group companies via this online system. It is available 24 hours a day worldwide. The factual content of each report is thoroughly reviewed, and sanctions are initiated, if necessary. Furthermore, 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 "Acquisitions and Investments" 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 a potential business partner are considered accordingly as part of a standard process.

The **Group companies** implement their own targeted measures to combat corruption and bribery based on the Group-wide CMS requirements. In fiscal year 2022, the Group companies focused on the final implementation of the Group-wide minimum requirements for the local CMS, which were revised in 2021.

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 aims to comply with the international codes of conduct that it endorses. These are especially 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 (ILO).

Concepts, measures, and results – The "Corporate Development, Environment, and Sustainability" central unit of Fraport AG deals with, among other things, coordinating Group-wide respect of human rights. Employees can anonymously report violations via the **whistleblower system** that is freely accessible worldwide via www.fraport.com/compliance. In the context of implementing the due diligence obligations from the LKSG, the electronic whistleblower system was expanded by the categories "Human Rights Violations and Environmental Crimes" as of January 1, 2023. In addition, employees in Germany can contact an external ombudswoman contracted by Fraport AG or their internal representative, as needed.

Respect for human rights is anchored 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.

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 based on their ethnic, national and social origin, skin color, gender, age, religion, or belief system. 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 toward ensuring that all other companies, such as 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. Regarding this topic also, in fiscal year 2022, the Group companies focused on the final implementation of the Group-wide minimum requirements for the local CMS, which were revised in 2021.

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 service quality (see the "Control system" and "Non-financial Performance Indicators" chapters). Protecting the health of employees and customers is also a top priority.

Concepts, measures and results **–**. To increase the service quality and sense of cleanliness in the sanitary facilities, approximately 250 further contactless Smiley Boxes were introduced at the Frankfurt Airport to collect feedback. These contribute to an improved passenger experience against the background of the coronavirus pandemic and the resulting greatly increased need for passengers to have a seamless travel journey. Further passenger services, such as digital information desks (Info Gates), have been put into operation to assist passengers. The digital information offering featuring contactless, personal interaction with staff has been extended to 14 sites in Terminal 1 and Terminal 2 in 2022 in order to give all passengers quick, comprehensive, and easy access to information.

In March 2022, TÜV Hessen once again examined the measures implemented to protect the health of passengers and employees at the Frankfurt airport, once again awarding them the **TÜV seal "Safe from Covid-19"**. A detailed review 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. The seal is valid up to and including March 2023.

In order to guarantee service quality and to meet passengers' and airlines' requirements, Fraport conducted extensive modernization measures at the Group airports. Sensors for optical distance and speed measurement were installed in Thessaloniki, Corfu and Rhodes in order to increase the accuracy of queue wait times. In order to further improve performance at security checkpoints, an optimization project was launched that will be rolled out at all Group airports in Greece by 2025. In addition to the expansion of lounge areas, a telephone hotline was introduced at the airport in Lima, which can be used to obtain all information relating to flying.

The international airport association ACI awarded the "Airport Health Accreditation" for the organizational, infrastructural, and personnel measures introduced to protect against the coronavirus at Frankfurt Airport. The accreditation was carried out as part of a structured evaluation process along the entire airport process chain and included all stakeholders. The Group airports in Greece also received the Airport Health Accreditation.

In the context of the permanent passenger survey Fraport-MONITOR, which was conducted at Frankfurt Airport in order to collect information about global satisfaction, self-assessment interviews were carried out on the passenger's own mobile device (smartphone, tablet, laptop) or on a tablet provided on site by the interviewers. The largely unchanged basic questionnaire was supplemented with additional questions by the Association of German Airports, Arbeitsgemeinschaft Deutscher Verkehrsflughäfen (ADV). The number of customer satisfaction criteria queried compared with the second half of 2021 was unchanged at 22.

At the fully-consolidated international Group airports, the regular surveys to measure passenger satisfaction were resumed from the second quarter of 2022 at the latest, albeit in some cases with reduced case numbers compared to pre-crisis levels. However, the sample sizes are sufficient to provide a valid figure for global satisfaction in both the international portfolio and the Group for the reporting year 2022. The passenger surveys were supplemented by measurements using the mystery shopping method, for example at Ljubljana Airport. Further insights on improving passenger satisfaction were gained in this way.

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 "Control System" 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. 2022 was characterized by operational challenges and a shortage of staff. Numerous management measures were implemented to counteract this. The focus was on recruiting and training employees in particular. Processes were also further optimized, for example, by implementing automated baggage forwarding on large parts of Lufthansa's route profile.

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 System” 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. The 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 2022, 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 therefore regularly audited by external auditors. In addition, potential for improvement identified within the scope of internal audits, such as the ISO27001 audit most recently conducted in 2022 in the area of energy management, 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 within the “Information and Telecommunication” service unit is responsible for IT security. Its tasks are, among other things, the ongoing identification and implementation of measures to meet high security standards.

Performance indicator – The security management system at Fraport receives a variety of performance indicators that measure the effectiveness of the measures implemented. These indicators cannot be published for security reasons.

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, this focuses 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 travel 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, consisting of volunteer employees of Fraport AG and the Group companies at the Frankfurt site, is deployed, which takes care of 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 German Aviation Security Act (LuftSiG) regulates the **passenger and baggage controls as well as personnel and goods checks** for access to the security areas. In addition, the LuftSiG defines **the access and approach controls** to airside areas as being within the direct responsibility of the airport operator. At Frankfurt Airport, Fraport AG employees as well as employees of the Group company FraSec Luftsicherheit and other private security service providers currently carry out airport security checks on behalf of the German Federal Police. Personnel and goods checks are carried out by the Group company, FraSec Flughafensicherheit.

Fraport AG develops measures to maintain high security standards independently and in agreement with the competent authorities. In the reporting year, the focus was on preparing for the transfer of responsibility for the performance of security services, which will take place at Frankfurt Airport from 2023. A service provider management system was designed and established. After the transfer of responsibility, it will be possible for the airport operator to make greater progress with control and quality management and thus to make processes more flexible and more efficient.

In May 2021, “Click2Drive”, a fully automated, label-based access control system, was introduced for the first time in Cargo City Süd (CCS). Due to the reliability of the system, the expansion to enable this type of access control in other operational areas was started in 2022 and thus laid the foundation for further digitalization projects, such as a digital version of the vehicle identification for certain operational areas.

A significant digitalization project was also driven forward for access to security areas. In 2022, biometric access control for personnel was implemented, which again increases the level of security. The first sites will be equipped with biometric scanners in the upcoming years.

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. It is irrelevant whether this involves data from passengers, customers, employees or external companies.

Concepts, measures and results – Fraport AG has a reporting system for processes that require the company to process personal data. These processes are recorded in a central processing directory. 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 established. 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 data protection topics, such as data subject information or data subject rights, the deletion of data, or the reporting of data protection violations, have been set out in action guidelines with practical information, instructions, process descriptions and reference samples. The guidelines are to be implemented as an annex to the data protection directive 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. At Fraport AG, the separation between the audit and control function and the specification function is ensured by filling the roles of data protection officer and data protection manager.

The **Data Protection Officer** monitors whether all data protection regulations are complied with at the company. This officer reports directly to the Executive Board and is independent in their tasks. Violations of the EU’s General Data Protection Regulation (GDPR) are reported directly to this officer – anonymously if so desired. The **data protection manager** is responsible for the processing directory of Fraport AG and organizes the processes required for this. This manager has authority to issue guidelines and reports to the Executive Board at regular intervals. The fundamental task of the data protection manager is to initiate, plan, implement and control the data protection management system.

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.

Given the advancing digitalization, the data protection team implemented specific processes in order to meet future requirements within a reasonable period of time. The procedures introduced ensure that data protection law is taken into account from the outset, both for business processes in general and for specific data protection topics, such as the processing of data subject inquiries. Checklists and automated evaluations are essential components here.

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. Since 2022, quality management audits will regularly include questions on data protection. Specific core questions are asked about the implementation of data protection. Depending on the answers, the data protection team develops an action plan for the following cycle. In addition, Internal Auditing reviews selected data protection topics annually.

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. The Group companies outside the EU comply with the relevant national laws on data protection.

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 areas, so as to provide workplaces 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, which obliges employees to comply with these fundamental principles.

The fundamental importance of the human resources strategy is generally taken into account in Germany by the three key non-financial performance indicators of **satisfaction of employees, women in management positions**, and **sickness rate**. Another key figure used to monitor accident development is **LTIF (Lost Time Injury Frequency)**.

The **Emergency Situation Collective Bargaining Agreement** concluded in 2021 for German airports bound to the collective bargaining agreement for the public service (Tarifvertrag für den Öffentlichen Dienst TVÖD) was a measure to reduce personnel expenses during the time of the coronavirus pandemic. 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. Due to the sharp increase in passenger numbers in the past fiscal year, an early wage increase was implemented. Instead of a gradual adjustment on October 1, 2022 by 1.4% and on April 1, 2023 by 1.8%, both wage increases were implemented on August 1, 2022. This rule also applies to employees of FraCareS GmbH. For the employees of FraGround GmbH, only individual regulations of the Emergency Situation Collective Bargaining Agreement were applicable due to other collective bargaining conditions.

Attractive and responsible employer

Objective – Fraport seeks to create good working conditions and increase employee satisfaction (see also the “Control System” and “Non-financial Performance Indicators” chapters).

Concepts, measures and results – The Group Barometer, which is used to measure **employee satisfaction**, was redesigned in 2022 in terms of content and procedure. One of the goals is to make well-founded statements on employee satisfaction at Group level. This should also make it easier to derive target-oriented improvement measures on the basis of the results throughout the Group. The survey will be conducted every two years from the 2022 reporting year. Optimizing the derivation and implementation of measures is a key factor in the decision to switch from an annual to a biennial cycle. This will allow the potential of the measures to be better displayed and the impact of implementation to be reflected in the results of the follow-up survey.

The Group-wide structure of the survey is the same in terms of content. All questions are assigned to four topics - "My employer," "My workplace," "My team," and "My manager" - and rated on a scale of one to seven. An average score is calculated for each topic. The average value of all four topic scores is the indicator for the survey of a Group company. The average of the indicators for all companies, weighted by the number of participating employees per company, gives the satisfaction level of the Group's employees. Based on the results, improvement measures are then derived Group-wide. A process instruction for the Group barometer has been included in the management system documentation.

The **Group agreement** “Conduct of Partnership, Diversity and Equality in the Workplace” forms the basis 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 Labor Relations Director 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 a key goal for Fraport, which the Group systematically tackles as part of its **diversity management**. Different cultural backgrounds, experience abroad, gender and inclusion aspects, social origin, sexual orientation, or mix of ages enrich cooperation and promote innovation and creativity. This enables Fraport to flexibly respond to the changing requirements in the international markets and benefit from them. In 2022, Fraport continued its activities to strengthen and utilize diversity in the Group. One focus was on the topic of discrimination. Racism and sexual discrimination were discussed in seminars and presented with trainers and managers. The focus was on recognizing and dealing with discrimination and on conflict management. The issues were addressed by apprentices in the “Impro Theater” theater education project. In the past fiscal year, information events and counseling offerings were also held on the topics of career and family as well as career and care.

Fraport employs many international workers. These often have different 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.

Measures to increase employee satisfaction were also implemented at the international Group airports. For example, additional benefits such as the use of a knowledge portal were made available to employees at the airport in Ljubljana. Fraport Greece and the Group company Lima continued to address the respective corporate culture, mission, vision, and values in order to strengthen employee identification.

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

Fraport AG has been pursuing its goal of increasing the **proportion of women in management positions** for many years (see also the “Control System” and “Non-financial Performance Indicators” chapters). 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 employees. In addition, there is the option of working part-time. In 2022, discussions were held at Executive Board level with female high-potential employees to clarify their requirements for assuming a leadership role in top management. The findings from these discussions were incorporated into the design of the development initiative “Empowering Leaders”. The individual promotion and stronger networking of high-potential female employees have thus been stepped up once again. The focus is also on increasing their visibility.

Performance indicator – Employee satisfaction at Fraport AG and in the Group and the ratio of women in management positions at Fraport AG and the Fraport Group in Germany (see also the “Control system” 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 established an occupational safety unit and an occupational health, prevention and health management services unit under the Executive Director of Labor Relations, which advise and support corporate departments in the further development of occupational safety. Measures to promote occupational health are controlled by occupational health management. The **Occupational Safety Board** 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**, 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.

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 22.6 in the 2022 reporting year (previous year: 20.3). The rise is primarily attributed to the increased volume of traffic compared to 2021, and the associated decrease in short-time working rates.

Over the past year, many employees have continued to work from home. A questionnaire with the requirements for an ergonomic working area in a home office was integrated into the assignment process for mobile working. Fraport Health Management has expanded its **digital health offers**. In summer 2022, licenses for a health application were purchased for any interested Fraport AG employees. Offering useful tips for your daily routine, both in the office and at home, the app helps you to take care of yourself and stay healthy. Four digital newsletters address seasonal health issues on a quarterly basis.

Screenings for skin and bowel cancer were offered at the Frankfurt site as well as workshops for apprentices to increase awareness of health issues. Company sport has been gradually structured and expanded. At this year's European Company Sport Games in Arnheim, Netherlands, which saw company sport teams come together from all over Europe, the Frankfurt site was represented by 39 sportsmen and women. They won four gold medals and one silver medal in the disciplines of football, darts, and orienteering.

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.

Different programs to promote health in the workplace, and training courses on the issue of occupational safety have been implemented at the international Group companies. Vaccination has also been offered at airports in Slovenia and Greece.

Performance indicator – LTIF in the Group, sickness rate in the Group in Germany, and in Fraport AG (see also the "Control system" 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.

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 this area changes, the neighborhood framework is also adapted. 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. Sports sponsorship in the Rhine-Main region includes both recreational and professional sports. Well-known names include the FRAPORT SKYLINERS, which Fraport AG has been supporting for many years. In this regard, Fraport sponsors not only the German national division team but also gives donations to support the "Basketball macht Schule" (Basketball Goes to School) project.

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 youths' and young adults' integration into working life for many 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 Evangelischer 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.

Even at the sites belonging to 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. In this regard, the focus is on the areas of child support, environmental protection and sports in particular. For example, Fraport Greece has contributed to installing play areas and redesigning and equipping a gymnasium belonging to a kindergarten and primary school. The Group company in Lima is also involved, and participates in "Pacto por la Cultura", among other initiatives. "Pacto por la Cultura" is a United Nations initiative aimed at promoting culture, equal treatment, and cultural heritage in relation to tourism.

Performance indicator – As a large portion of the measures had to be suspended due to the coronavirus pandemic, the "Engagement in the regions" subject area is currently being re-established.

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 around the airport on the other. Keeping aircraft noise pollution as low as possible despite the increase in air traffic is a permanent task. In Frankfurt, the aim is to keep the aircraft noise pollution in the region clearly below the figure forecasted in the 2007 planning decision.

Noise abatement measures are implemented at the Group airports according to the national and local requirements on noise protection. They follow the respective national laws. Corresponding monitoring systems are implemented.

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

The aircraft noise pollution in the area around the airport is continuously monitored. **Aircraft noise monitoring** is also implemented at the Group airports. In addition, aircraft noise complaints are submitted and dealt with directly via the corporate website in Greece. 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. The Group airport in Lima is currently working on an aircraft noise reduction plan in collaboration with the noise committee.

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 Housing (HMWEVW), the German Air Traffic Control (Deutsche Flugsicherung, DFS), and the Federal Supervisory Office for Air Traffic Control (BAF) 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 the website (www.fraport.com).

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. In addition, the system shows the protection zones in the noise protection area, and the area in which rooftop security measures can be claimed to prevent damage caused by wake turbulence.

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

Active noise abatement Reduces noise directly at the source		**Passive noise abatement** Reduces the noise level at the place of immission
Emission-based airport charges	Noise ceiling	Constructional measures on buildings
Noise-reducing operating 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 in Frankfurt. With the so-called noise abatement model in both off-peak periods at night, individual takeoff and landing runways in Frankfurt 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 has applied from January 1, 2022, the noise-related airport charges for loud aircraft have been 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 have been 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 therefore providing further economic incentives for airlines to take off or land in Frankfurt using quieter aircraft and thus protect the core night period. On November 21, 2022, the HMWEVW approved the application for airport charges for Frankfurt Airport, valid from January 1, 2023. In the applications, Fraport once again considerably increased the noise surcharges for older aircraft, thereby providing even greater incentives to use more modern or 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 the airlines must examine how they can reduce the noise level, for example by using quieter aircraft. The calculations in the 2022 monitoring report for 2021 show that the levels did not exceed the noise emission ceiling in 2021. 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 had legal obligations to finance noise abatement measures for around 86,000 households. A noise protection area defined which households were entitled to reimbursement by Fraport for noise abatement measures. Invoices were able to be submitted for measures taken as part of the noise abatement program until October 12, 2022.

In the area of passive noise abatement, the Fraport Group held provisions in the amount of €1.8 million as at the balance sheet date of December 31, 2022 (see Group Notes, note 40, and Fraport AG's Notes, note 29).

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 of both Lima Airport and Frankfurt Airport 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 www.fraport.com/responsibility). To this end, the Group companies complete a comprehensive catalog of standardized environmental indicators once a year. The indicators are combined for reporting (see the "ESG Fact Book" at www.fraport.com/publications and the environmental statement at www.fraport.com/environmental-management).

Climate protection

Objective – In order to measure the environmental impact, the Executive Board has identified the scope 1 and 2 CO_2 emissions as the most important indicator. The goal is to reduce this indicator on a Group-wide level to 95,000 metric tons per year by 2030; Fraport seeks to be carbon neutral by 2045 (see also the "Control system" 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 of the development of Fraport AG and the Group issues as part of the Interim Report Q2/6M. In addition, the scope 1 and 2 CO_2 emissions trend is reported to the Executive Board half-yearly 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 with regard to current CO_2 emissions at Fraport AG and allows any undesirable trends 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 Board, reports all decisions regarding the energy management of Fraport AG at Frankfurt Airport to the Executive Board. This is where the current long-term energy savings measures are monitored, and where possible further measures are continuously examined with a view to uncovering levers for improving 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 developed a charging strategy for these buses, which can also be applied for further planned acquisitions. In addition, 66 electric vehicles were acquired for the Ground Services in 2022. To complement this, Fraport is starting to establish a fast charging infrastructure on the apron, which will be available for use by all those active in this area. There is also a continuous expansion of charging points in the parking garages and on landside parking areas, based on the needs of customers and legal requirements. A number of electric vehicles were also procured for the Group companies in 2022, which are used in particular in the operational area, for example as follow-me vehicles.

Fraport 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. For this purpose, in October 2022, another installation to increase the proportion of green electricity was put into operation in addition to the existing photovoltaic installations at the Frankfurt site. The demonstration installation at the south west end of Runway West has 20 PV panels and an output of 8.4 kilowatts. These are known as fence systems, which are arranged vertically rather than at an angle, thereby ensuring high electricity yields in spite of their small footprint. At the same time, the vegetation underneath is not substantially affected by the structure as the system neither prevents rainfall reaching it nor provides permanent shading. The installation is to be expanded in the future. In the final stage of expansion, it will extend to a length of 2,600 meters parallel to the runway and generate a photovoltaic output of up to 13 megawatts.

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. The existing terminal has been operated with green electricity since 2022. In addition, photovoltaic installations are planned at the Bulgarian Group airports in Varna and Burgas in order to increase the proportion of green electricity in the coming years.

The variety of individual measures that have already been decided upon and implemented in the last few years represent important steps to achieving the climate protection objectives of Fraport. A **master plan for decarbonization** up to 2045 was developed to ensure the comprehensive consideration and structuring of further measures for decarbonization. It describes the strategic principles and defines the framework for successful implementation of the measures and thus represents a policy document for decarbonization.

The participation of Fraport in the **Airport Carbon Accreditation** program of the ACI (Airports Council International) serves as proof of its successful CO_2 management. 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 and 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. The Varna and Burgas Group airports in Bulgaria are also at level 2. The Greek airports in Kefalonia, Mytilini, Rhodes, Thessaloniki, Chania, and Samos are at level 1 (“mapping”), as is Lima Airport. The airport in Antalya is 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 (Scope 1 and 2) in the Group and Fraport AG (see also the “Control system” 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. The long-standing experience of Fraport AG employees in the area of environmental management benefits 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, 75.9% 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 €11.1 million as at the balance sheet date of December 31, 2022 (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 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 air quality issues 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 (UNH) 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. Building on the measurement results of the HLNUG and the findings of a previous hearing of experts, the UFP working group has now developed a research design for a UFP pollution study. The pollution study is expected to start in 2023. The results should form the basis for an impact study on the possible health effects of UFP, to be carried out at a later date. Information regarding the way in which questions concerning the survey and the effect of UFP in the region around the airport will be handled and how the issue will be addressed by the FFR is published on the UNH web pages and can be viewed at www.umwelthaus.org/umweltmonitoring/ultrafeinstaub/auf-dem-weg-zu-einer-studie/.

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 constantly increasing again. This is also causing the concentration of ultrafine particles at the HLNUG measuring stations to rise again.

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. 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 by an aircraft during takeoff and landing ("landing and take-off cycle", LTO). 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. 540 of the Fraport vehicles used by Ground Services at Frankfurt Airport already have electric engines. This corresponds to approximately 27% of the vehicles.

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. Regular evaluation of the air quality also takes place at the Brazilian Group airports. Fraport Slovenija has set the goal of improving relationships with the stakeholders affected by aircraft noise. A partnership group for airport environmental protection formed of relevant interest groups and a dialog forum meets regularly for this.

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 an instrument for classifying environmentally sustainable economic activities. The EU Taxonomy Regulation is a key element of the European Commission's action plan to redirect capital towards a more sustainable economy. The Regulation uniformly assesses predefined economic activities with regard to their contribution to achieving the six environmental objectives of the European Commission, with the aim of achieving better comparability of companies.

This section presents the share of Group revenue, capital expenditure (Capex) and operating expenditure (Opex) for the 2022 reporting period related to the first two environmental objectives of the European Commission (climate protection and adaptation) that are taxonomy-eligible or taxonomy-aligned in accordance with Article 8 of the Taxonomy Regulation and Article 10 (2) of the delegated act. At Fraport, all taxonomy-eligible or taxonomy-aligned economic activities contribute to the climate protection environmental objective.

Definitions

A **taxonomy-eligible** economic activity means an economic activity that is described in the current delegated acts on the climate objectives (climate protection and adaptation to climate change), irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts. Conversely, all economic activities not described in the delegated acts are considered as taxonomy non-eligible.

A **taxonomy-aligned** economic activity means a taxonomy-eligible economic activity that meets the following requirements:

- The economic activity contributes clearly to one or more of the environmental objectives.
- It does not clearly affect any of the other environmental objectives (DNSH).
- It is performed in keeping with the minimum protection.

Revenue KPI

The share of the **taxonomy-eligible 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 concerns the activity "7.7 Acquisition and ownership of buildings". In addition, Fraport generates taxonomy-eligible revenue from the charging of costs for the passenger transport system within airport charges. This comes under the economic activity "6.3 Urban and suburban transport, road passenger transport". The revenue from the passenger transport system is generated in the Aviation segment. 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.

The **revenue** relating to the passenger transport system is **taxonomy-aligned**. Revenue in the area of the renting of buildings is not taxonomy-aligned as the relevant buildings do not meet the technical screening criteria.

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).

At Fraport the numerator consists of the following categories for taxonomy-eligible capital expenditure:

- Capital expenditure relating to assets or processes associated with taxonomy-eligible economic activities (letter a) of Annex I to the delegated act pursuant to Article 8)

- Capital expenditure relating to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions (letter c) of Annex I to the delegated act pursuant to Article 8)

Capital expenditure related to assets or processes associated with taxonomy-eligible economic activities (letter (a)) are to be allocated in particular to the economic activity “6.3 Local and urban passenger transport, passenger road transport”. Given that the economic activity or the operation of the passenger transport system cannot be carried out without the corresponding rail infrastructure or stations, we consider the related capital expenditures to be connected with the economic activity 6.3. In addition, the following **taxonomy-eligible** economic activities were also identified:

- 4.1. Electricity generation using solar photovoltaic technology

- 6.17. Low carbon airport infrastructure

- 7.1. Construction of new buildings

- 7.2. Renovation of existing buildings

- 7.3. Installation, maintenance and repair of energy efficiency equipment

- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

- 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

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

After examining the technical screening criteria, DNSH criteria and minimum protection requirements, **taxonomy-aligned capital expenditure** remains under the following economic activities:

- 4.1. Electricity generation using solar photovoltaic technology

- 6.3. Urban and suburban transport, road passenger transport

- 6.17. Low carbon airport infrastructure

- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

- 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

Operating expenditure (Opex) KPI

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

The operating expenditure in accordance with the EU Taxonomy Regulation includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term leasing, 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 expenditure 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) is 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 2022 results from maintenance expenses for the passenger transport system as well as maintenance expenses for rented buildings. In the same way as the revenue, the maintenance expenses for the passenger transport system are **taxonomy-aligned**.

Assessment of Taxonomy Alignment

Substantial contribution to the climate protection environmental objective

The following explains the extent to which the economic activities mentioned meet the criteria for the substantial contribution.

- The **photovoltaic installation** belongs to the economic activity "4.1. Electricity generation using solar photovoltaic technology", as the installation is freestanding at Runway West, and in contrast to "7.6. Installation, maintenance and repair of energy efficiency equipment" is not connected to an existing building.

- The **passenger transport system** comes under the economic activity "6.3 Urban and suburban transport, road passenger transport". The substantial contribution is met by criterion (a), as the passenger transport system does not cause any direct CO_2 exhaust emissions. The same applies to investments in the passenger transport system in connection with the expansion of Terminal 3.

- Under economic activity "6.17. Low carbon airport infrastructure", supplying aircraft with ground power falls under (b) **400 Hz installations**. Because ground power supply and preconditioned air supply are usually provided by two different facilities, we assign the facilities that serve ground power supply, such as 400 Hz installations, to economic activity 6.17.

- The **charging stations** for the expansion of electromobility come under economic activity "7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)". As the substantial contribution is defined by the "Installation, maintenance or repair of charging stations for electric vehicles", it is seen to have been met here.

- The exchange and **modernization of technical centers** (mainly in the existing Terminals 1 and 2 in Frankfurt) comes under the economic activity "7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings". The substantial contribution is met by individual measure (b) "Installation, maintenance and repair of building automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS)". The installation of smart meters also falls under economic activity 7.5 under (c) and the installation of facade and roofing elements with a solar shading or solar control function under (d).

The substantial contribution could not be proven for the taxonomy-eligible economic activities 7.1, 7.2 and 7.7. This is partly due to the non-existence of class A energy certificates.

No significant harm to the other environmental objectives – DNSH criteria
Avoiding significant harm to the environmental objective 2) **Climate change adaptation** is taken into consideration for all relevant economic activities through a climate risk and vulnerability assessment in accordance with Appendix A of Annex I on climate protection, in which the criteria for and scope of this type of analysis are defined. Various chronic and acute climate risks, which must be assessed for the sites where taxonomy-eligible activities are performed, are also specified.

In order to assess the climate risks, these were first checked with regard to the possibility of their occurrence. For the remaining risks, Fraport relies on the Munich Re "Location Risk Intelligence Platform". The platform analyzes a site or portfolio with regard to various climate risks. Since the potential taxonomy-eligible economic activities for this year were identified exclusively at Fraport AG, the analysis was limited to the Frankfurt site. In order to illustrate the possible effects of climate change, the various climate projection scenarios (RCP scenarios) 2.6, 4.5, and 8.5 were assessed for the projection years 2030, 2050, and 2100. These are necessary for economic activities with a lifetime of over ten years. As the best and worse case scenario is covered by scenarios 2.6 and 8.5, and the remaining RCP scenarios lie within their bandwidth, they were not explicitly reanalyzed. For every risk identified, a risk assessment was made in the form of a score on the basis of the underlying scenarios. The overall risk score is divided into four levels from low to extreme. The report shows that the overall climate risk for the Frankfurt site is at level 2 in the "medium range". This means that no climate risk was identified for the Frankfurt site that would clearly affect taxonomy-compliant economic activities.

The criteria for determining whether the environmental objectives 3) **Sustainable use and protection of water and marine resources** and 6) **Protection and restoration of biodiversity and ecosystems,** are impacted are particularly relevant for the photovoltaic and 400 Hz installations. The criteria primarily reference environmental impact assessments or comparable assessments that have already been examined as a prerequisite for obtaining permits for the construction and operation of the facilities. No further measures were therefore required for compliance.

The criteria for environmental objective 4) **Transition to a circular economy** are also relevant in the context of the passenger transport system in addition to the photovoltaic and 400 Hz installations. Fraport AG is already obliged to comply with the criteria under the regulations of European and German waste legislation, in particular Section 6 of the German Waste Management Act and the associated waste hierarchy. Furthermore, environmental objective 5) **Pollution prevention and control** is also relevant for the passenger transport system and the 400 Hz installations. The criteria are insubstantial for the passenger transport system as this exclusively relates to class M road vehicles. The passenger transport system does not fall under class M. Fraport is already obliged to comply with the criteria for the 400 Hz installations by German legislation, such as the Noise and Vibration Occupational Health and Safety Regulation and other general occupational health and safety ordinances.

No DNSH criteria are defined for the economic activities under 7.4 and 7.5 for the further environmental objectives 3) to 6).

Fulfillment of minimum protection measures
As part of the minimum protection, various requirements are made regarding the implementation of procedures, which are based, among other things, on the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights as well as other regulatory initiatives. The fulfillment of the required minimum protection is a prerequisite for classifying an economic activity as ecologically sustainable and thus taxonomy-aligned. To implement and ensure minimum protection, Fraport has aligned itself with the Draft Report on Minimum Safeguards from the Platform on Sustainable Finance of July 11, 2022. The main focus of this report was on human rights, corruption and bribery, taxation, and fair competition.

In assessing compliance with the minimum protection, we evaluated whether adequate processes were implemented for each of the above topics to avoid negative impacts. Furthermore, the results of the respective measures taken are examined on an ongoing basis to determine whether the measures taken are effective in preventing negative impacts.

For the measures that Fraport has implemented in the thematic fields of human rights, and corruption and bribery, reference is made to explanations within this non-financial statement under “Business model-specific consideration of the supply chain and procurement”, “Respect for human rights” and “Tackling corruption and bribery”.

In the thematic field of “Taxation”, Fraport is subject to the country-specific tax laws and regulations, the implementation of and compliance with which is monitored and ensured by the Tax department and external and internal audits. Regular compliance risk analyses and employee training are carried out in the areas of antitrust and competition law.

Template Revenue

				Substantial contribution criteria					
	Code(s) (2)	Absolute revenue (3)	Proportion of revenue (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		in € million	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
6.3 Urban and suburban transport, road passenger transport	6.3.	25.10	0.79	100.00	0	0	0	0	0
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**25.10**	**0.79**	**100.00**	**0**	**0**	**0**	**0**	**0**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
7.7 Acquisition and ownership of buildings	7.7.	605.40	18.95						
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**605.40**	**18.95**						
Total (A.1 + A.2)		**630.50**	**19.74**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Revenue of Taxonomy-eligible activities (B)		2,563.90	80.26						
Total (A + B)		**3,194.40**	**100.00**						

[1] No taxonomy-aligned share was determined in 2021.

Template operating expenses (Opex)

				Substantial contribution criteria					
	Code(s) (2)	Absolute Opex (3)	Proportion of Opex (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		in € million	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
6.3 Urban and suburban transport, road passenger transport	6.3.	7.10	7.29	100.00	0	0	0	0	0
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**7.10**	**7.29**	**100.00**	**0**	**0**	**0**	**0**	**0**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
7.7 Acquisition and ownership of buildings	7.7.	28.40	29.16						
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**28.40**	**29.16**						
Total (A.1 + A.2)		**35.50**	**36.45**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Opex of Taxonomy-eligible activities (B)		61.90	63.55						
Total (A + B)		**97.40**	**100.00**						

[1] No taxonomy-aligned share was determined in 2021.

	DNSH criteria (Does Not Significantly Harm)										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Taxonomy-aligned proportion of revenue 2022 (18)	Taxonomy-aligned proportion of revenue 2021 (19) [1)]	Category (enabling activity) (20)	Category (transitional activity) (21)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
	Y	Y		Y	Y		Y	0.79			
								0.79			
								0,79			
								0.79			

	DNSH criteria (Does Not Significantly Harm)										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Taxonomy-aligned proportion of Opex 2022 (18)	Taxonomy-aligned proportion of Opex 2021 (19) [1)]	Category (enabling activity) (20)	Category (transitional activity) (21)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
	Y	Y		Y	Y		Y	7.29			
								7.29			
								7.29			
								7.29			

Template capital expenditures (Capex)

	Code(s) (2)	Absolute Capex (3)	Proportion of Capex (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		in € million	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
4.1. Electricity generation using solar photovoltaic technology	4.1.	0.10	0.01	100.00	0	0	0	0	0
6.3 Urban and suburban transport, road passenger transport	6.3.	103.10	8.90	100.00	0	0	0	0	0
6.17 Low carbon airport infrastructure	6.17.	0.20	0.02	100.00	0	0	0	0	0
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4.	0.37	0.03	100.00	0	0	0	0	0
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5.	39.22	3.38	100.00	0	0	0	0	0
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**142.99**	**12.34**	**100.00**	**0**	**0**	**0**	**0**	**0**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
7.1 Construction of new buildings	7.1.	623.14	53.78						
7.2 Renovation of existing buildings	7.2.	41.10	3.55						
7.3 Installation, maintenance and repair of energy efficiency equipment	7.3.	0.11	0.01						
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5.	0.36	0.03						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**664.71**	**57.37**						
Total (A.1 + A.2)		**807.70**	**69.71**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-eligible activities (B)		351.00	30.29						
Total (A + B)		**1,158.70**	**100.00**						

[1] No taxonomy-aligned share was determined in 2021.

	DNSH criteria (Does Not Significantly Harm)										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Taxonomy-aligned proportion of Capex 2021 (18)	Taxonomy-aligned proportion of Capex 2021 (19) [1]	Category (enabling activity) (20)	Category (transitional activity) (21)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
	Y	Y		Y		Y	Y	0.01			
	Y	Y		Y	Y		Y	8.90			
	Y	Y	Y	Y	Y	Y	Y	0.02		E	
	Y	Y					Y	0.03		E	
	Y	Y					Y	3.38		E	
								12.34			
								12.34			
								12.34			

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 2022 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 €527.2 million to €1,776.2 million. The increase was mainly due to higher revenue from airport charges (+€256.7 million) caused by an increase in traffic volume. Higher revenue from infrastructure charges (+€96.0 million) and retail revenue (+€77.8 million), as well as higher ground services (+€65.6 million) contributed to the increase in revenue. By contrast, revenue from security services decreased by €24.0 million to €69.4 million. This was due to a one-off effect in the previous year's period of €30.5 million from the agreement with the Federal Police in connection with billed aviation security services in recent years.

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.

At €58.7 million, **other operating income** was below the level in the same period of the previous year of €194.0 million (–€135,3 million). This decline was 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.

Total revenue rose by €392.5 million to €1,863.7 million (+26.7%).

Personnel expenses increased in fiscal year 2022 by €63.7 million to €573.3 million. The increase resulted primarily from a very low utilization of short-time work schedules compared with the same period of the previous year, as well as from increased personnel requirements due to the positive traffic development.

Non-staff costs (cost of materials and other operating expenses) were €900.0 million (+€274.5 million). The increase is mainly attributable to higher expenses for purchased services (+€203.5 million) due to traffic and price factors.

Despite substantially lower other operating income, Fraport AG **EBITDA** was €54.3 million above the previous year's level at €390.4 million due to the positive development of operating performance. **Depreciation and amortization** decreased slightly by €6.9 million to €308.4 million, leading to **EBIT** of €82.0 million (previous year: €20.8 million).

The main driver of the sharply lower **financial result** of –€165.6 million (previous year: –€65.1 million) were mainly the write-off of shares in Fraport Malta Ltd. amounting to €139.1 million and in Thalita Trading Ltd. amounting to €10.0 million in connection with the investment in St. Petersburg Airport.

In particular to the evident negative financial result, **EBT** amounted to –€83.6 million (previous year: –€44.3 million). **Earnings after taxes** amounted accordingly to –€88.4 million. The previous year's earnings after taxes of €76.5 million included income tax relief of €120.8 million, in particular from the capitalization of deferred taxes due to tax loss carryforwards.

A corresponding amount was withdrawn from the other revenue reserves to offset the net loss for the year of –€88.4 million. This results in profit earmarked for distribution of €0.00. For this reason, there is no proposal for the distribution of profits.

Asset and financial position

Asset and capital structure

Assets

€ million	December 31, 2022	December 31, 2021
Non-current assets	10,754.1	9,736.6
Current assets	2,090.9	2,539.1
Prepaid expenses and accrued income	38.9	39.9
Deferred tax assets	341.9	340.0
Assets arising from the overfunding of pension obligations	0.0	0.0
Total	**13,225.8**	**12,655.6**

Liabilities and equity

€ million	December 31, 2022	December 31, 2021
Shareholders' equity	2,876.0	2,964.4
Special items for investment grants in non-current assets	7.8	7.3
Provisions	507.7	484.2
Liabilities	9,786.2	9,153.9
Accrued income and accrued expenses	33.8	35.8
Deferred tax liabilities	14.3	10.0
Total	**13,225.8**	**12,655.6**

At the end of the 2022 fiscal year, the **total assets** of Fraport AG amounted to €13,225.8 million, up €570.2 million year on year (+4.5%).

Fixed assets rose by €1,017.5 million to €10,754.1 million. This is mainly due to the increase in property, plant and equipment of €444.6 million – particularly in connection with construction measures as part of the Expansion South project at the Frankfurt site and capital contributions of €375.3 million to the investment established in connection with the tender for the operating concession at Antalya Airport won in December 2021. In addition, the portfolio of securities was increased by €218.9 million.

Current assets were €448.2 million lower than in the previous year, mainly due to the reduction in cash and cash equivalents (–€512.3 million).

Shareholders' equity as at December 31, 2022 amounted to €2,876.0 million, and fell by €88.4 million as a result of the net loss in the current fiscal year.

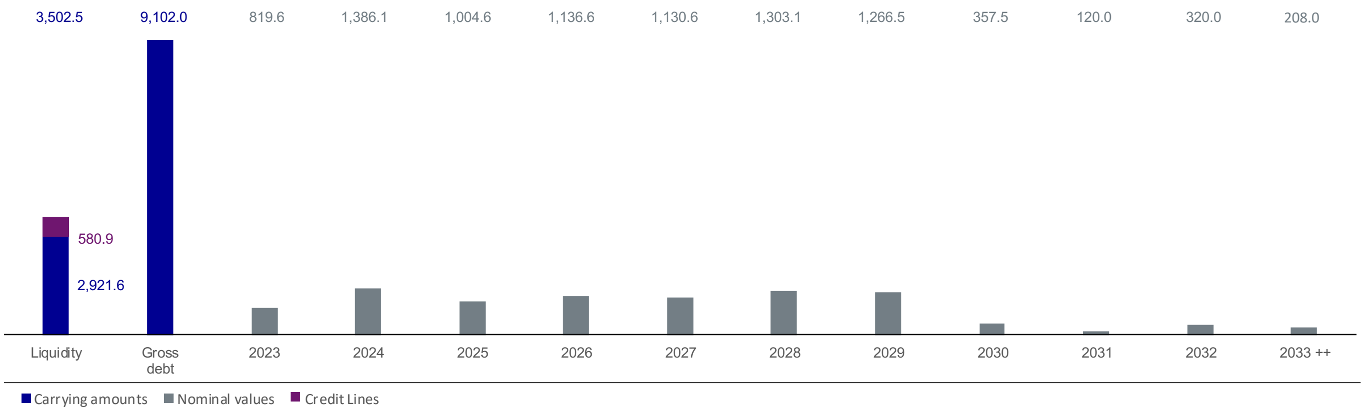
Liabilities increased compared to the previous year by €632.3 million to €9,786.2 million, mainly due to the financing measures undertaken during the fiscal year to secure liquidity.

Liquidity as of December 31, 2022, was €2,980.9 million, down from €3,054.9 million in the previous year. **Gross debt** increased in the reporting year to €9,114.7 million (previous year: €8,499.8 million). This led to a considerable increase of €689.0 million in **net financial debt** to €6,133.8 million (previous year: €5,444.8 million).

As at the 2022 balance sheet date, the financial debt maturity profile of Fraport AG exhibited the following repayment structure:

Maturity profile as at December 31, 2022

in € million



As at the 2022 balance sheet date, there was a balanced mix of financing consisting of bilateral loans (35.2%), promissory note loans (41.6%), and bonds (23.2%). The floating rate portion of the gross debt of Fraport AG fell to nearly 5%, with the fixed portion coming to around 95%.

Statement of cash flows

Statement of cash flows

€ million	2022	2021	Change	Change in %
Cash and cash equivalents as at January 1	1,050.6	256.9	793.7	> 100
Operating cash flow	471.2	122.3	348.9	> 100
Cash flow used in investing activities excluding investments in cash deposits and securities	–756.2	–821.3	65.1	+7.9
Cash flow used in investing activities	–1,634.6	–1,322.7	–311.9	–23.6
Cash flow from/used in financing activities	441.4	1,994.1	–1,552.7	–77.9
Cash and cash equivalents as at December 31	328.6	1,050.6	–722.0	–68.7

In the fiscal year, a **cash flow from operating activities (operating cash flow)** of €471.2 million (2021: €122.3 million) was achieved. The €348.9 million increase resulted in particular from the traffic-related improvement in the operating result.

At €756.2 million, **cash flow used in investing activities excluding investments in cash deposits and securities** was below the previous year's level (€821.3 million) due to lower cash flow used in expansion and expansion measures.

Considering capital expenditure in and revenue from securities and promissory note loans as well as capital expenditure in relation to time deposits, the overall **cash flow used in investing activities** was €1,634.6 million (2021: €1,322.7 million).

Compared to the previous year, **cash flow from financing activities** decreased substantially by €1,552.7 million to €441.4 million. In the previous year, considerably more extensive financing measures, including a bond issue, to secure liquidity were carried out compared to the current fiscal year.

This brought **cash and cash equivalents** to €328.6 million as at the 2022 fiscal year-end.

Events after the Balance Sheet Date

Effective January 1, 2023, FraSec Fraport Security Services GmbH transferred in a second step 25% of the shares in FraSec Aviation Security GmbH, formerly FraSec Luftsicherheit GmbH, to the Dr. Sasse Group. As a result of this transfer, the Dr. Sasse Group holds a 51% majority stake in FraSec Aviation Security GmbH.

Under the concession agreement, the Group company in Lima is required to renew terrorism property insurance with an insurance volume of $200 million by February 28, 2023. Due to the ongoing political unrest in Lima, the insurance volume could not be concluded to the required extent. The concession agreement stipulates that a lack of insurance coverage constitutes an immediate breach of the concession agreement, known as an Event of Default (as of March 1, 2023), which gives the grantor a unilateral right to terminate the concession.

The Group company in Lima declared force majeure to the grantor on February 15, 2023, as it is unable to fulfill its contractual obligation due to reasons beyond its control, namely the political unrest in Peru. The declaration of force majeure initially suspends a potential default until the grantor has taken a position on the declaration.

The goal is to obtain a waiver from the grantor for failure to provide the required volume of insurance, beyond the declaration of force majeure, and thus avoid an event of default.

Regarding the project financing newly concluded in December to replace the bridge financing and further finance the expansion obligations, there is a risk that agreed disbursements cannot be made or must be repaid at short notice.

Effective termination of the concession agreement by the grantor would result in the derecognition of the concession and the loss of the planned positive earnings contributions and would have a massive negative impact on both the 2023 fiscal year and the planned positive business development in subsequent years.

Fraport currently assumes that an agreement will be reached with the grantor of the concession.

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

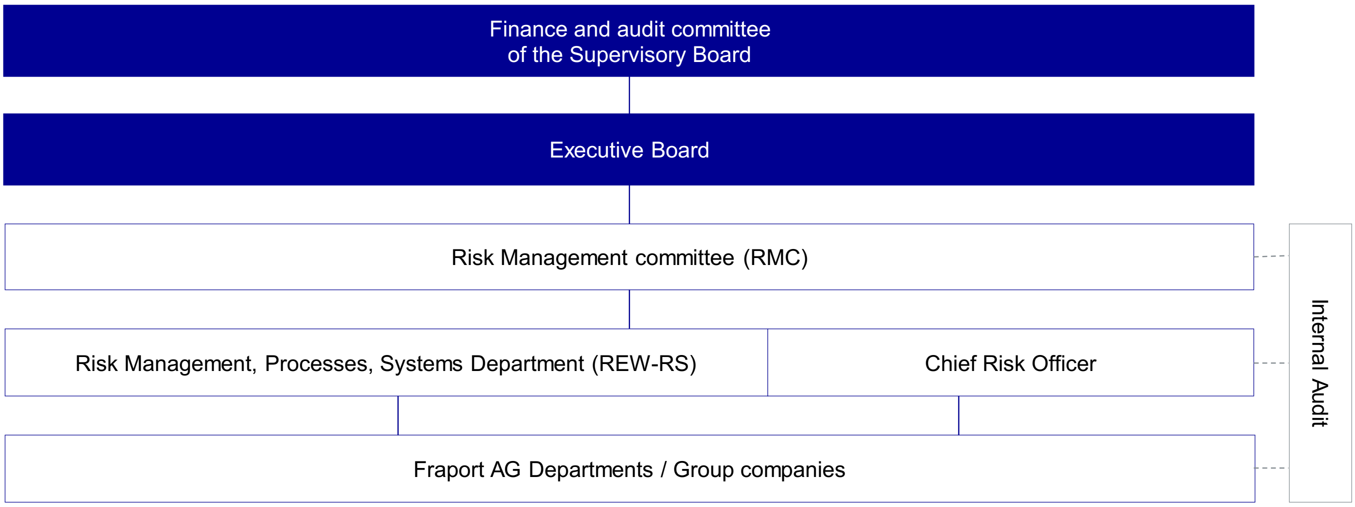
Risk and Opportunities Report

Risk strategy and objectives

Fraport aims to use a uniform and comprehensive processes to ensure that risks and opportunities are identified at an early stage, assessed uniformly, managed and monitored, and communicated transparently using a systematic reporting procedure. 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 drafting 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 leveraging 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 uniform 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 reports and ad hoc reports in the risk management system.

The RMC is the highest committee in the risk management system and, following its meetings, releases quarterly risk reports to the Executive Board. The Chief Risk Officer is the spokesperson for the RMC and reports directly to the Executive Board. The Risk Management, Processes, Systems (REW-RS) department is responsible for the organization, maintenance, and further development of the Group-wide risk management and internal control system (ICS), and for regularly updating and implementing the guidelines for risk management system and ICS 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 grasping opportunities.

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

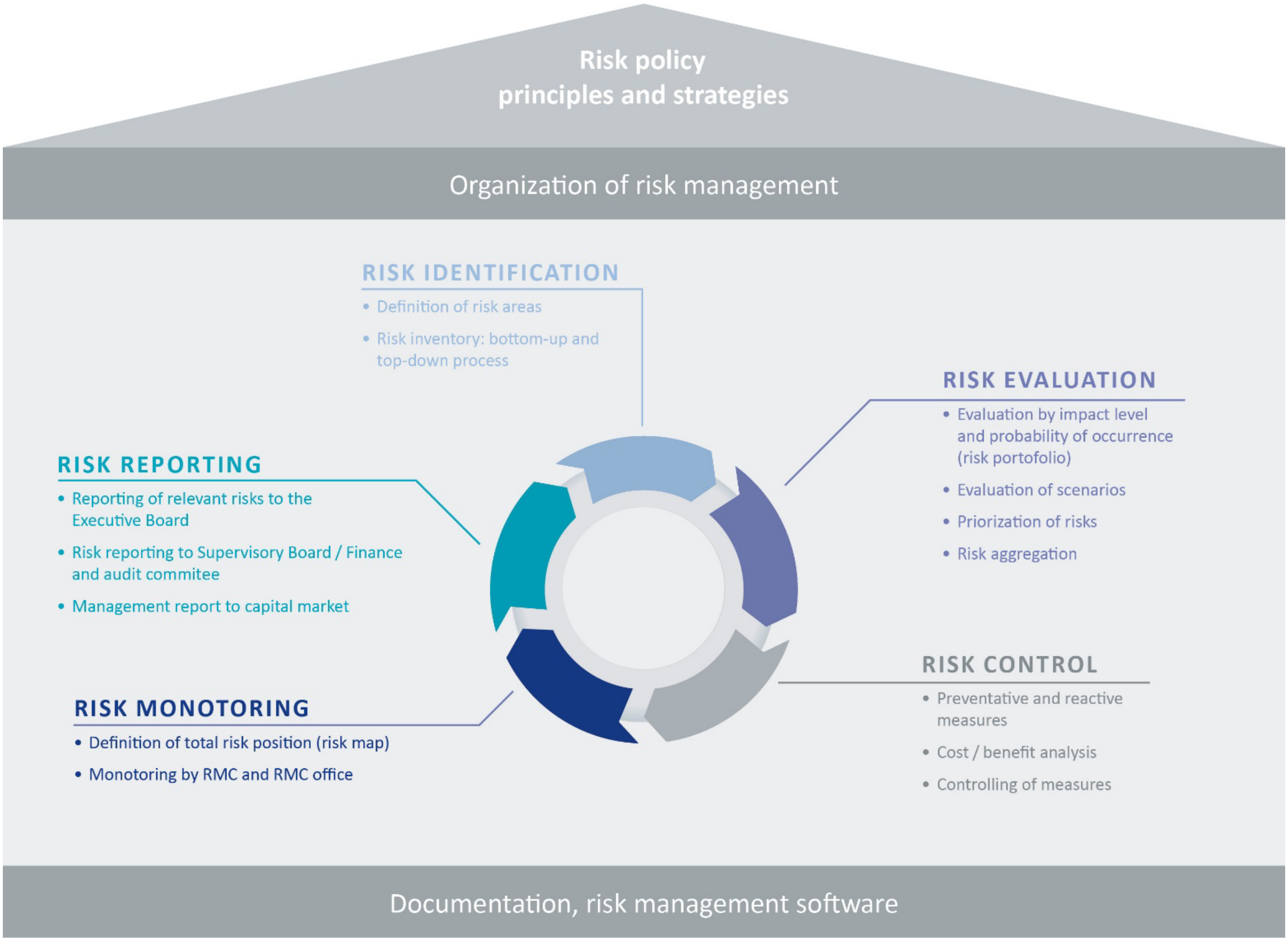
PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) has examined the risk early warning system of Fraport AG during the audit of the annual financial statements for stock corporation law requirements. According to Section 91 (2) AktG, it fulfills all the legal requirements that apply to 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) 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 guidelines for Fraport AG and for the respective Group companies and is closely linked to the central ICS as well as represented in an integrated risk management software. It follows the "COSO II" (Committee of the Sponsoring Organizations of the Treadway Commission) framework and covers risks in the areas of strategy, 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 or strategic target deviation. Risks are identified using various instruments by the operational business, service, and central units of Fraport AG and the group companies and top-down by the REW-RS department, RMA, and Executive Board. The risk identification methods used are for example market and competition analysis, evaluation of customer surveys, information about suppliers and institutions or monitoring risk indicators from the regulatory, economic, and political environment. The heads of the 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 constantly monitor and manage risk areas, and report on all risks in their divisions and their company to the REW-RS 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

The systematic evaluation of risks determines the impact and probability of occurrence of the identified risks, and makes it possible to estimate the extent to which the individual risks could jeopardize the objectives and strategy of the Fraport Group, or which risks will very likely, due to their nature, jeopardize the company as a going concern. 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 gross and net risk. 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 REW-RS 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 account of planning uncertainties. The resulting impacts on the financial performance indicators of Fraport AG are analyzed and reported to the Executive Board as part of the adoption of the plans resulting from the risk-bearing capacity analysis.

Management of Risks

Risk owners are tasked with developing and implementing suitable countermeasures 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 view to minimizing the (financial) impact or the probability of occurrence, transfer of risk to a third party (for example in purchasing 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 REW-RS 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 aims to ensure a transparent presentation of the Fraport Group’s risk situation. Risks are reported to the Executive Board when they are classified as “considerable” or “substantial” based on 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, ad hoc reports are also issued outside of the regular quarterly reporting schedule.

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

Reporting matrix

Probability of occurance	low ≤ 6m €	medium > 6m-20m €	high > 20m-40m €	very high > 40m €
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

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 trends that could jeopardize the Fraport Group as a going concern.

An integral component of the risk management system of Fraport is also the assessment of financial risks, whereby the presentation in the accounts of financial instruments overall and hedging transactions in particular 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. Opportunities are reviewed regularly as part of the risk reporting process by the REW-RS department.

While short-term earnings monitoring focuses on opportunities that mainly affect the current fiscal year, the planning process focuses on opportunities that are of strategic importance for the Group. Within the context of 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. Using a variety of tools, such as Group idea management, the Digital Factory, or the Plug and Play LLC network, Fraport aims to identify opportunities that are developed by the employees.

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 specified otherwise, the risks and opportunities described relate to all segments to varying extents (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 above. 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

Macroeconomic risks and opportunities

Risks

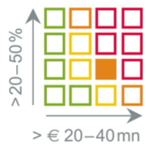
- The current high inflation rates may reduce the disposable income of private households. This circumstance, together with uncertainties about the future development of inflation rates, could have a negative impact on flight bookings.
- Interest rate hikes by central banks to curb inflation may have a greater impact than expected on state and corporate refinancing and on global economic development. This would have a negative impact on planned passenger development.
- Overall, global economic development may cool down more than expected and have a negative influence on passenger demand.
- As a result of sustained high energy prices, the competitiveness of German industry could suffer and Germany's position as an attractive hub for air traffic could be weakened.
- A structural shift toward greater national protectionism could develop in world trade, which could adversely affect the export-oriented German economy.
- Growth could be dampened by weakening of the EU as a result of diverging interests among the member states and the actions they take.
- In addition to the economic consequences of the Ukraine war, there are numerous geopolitical trouble spots around the world that could put a strain on economic development and air traffic.

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 assessment: considerable



Opportunities

- Sustained easing of supply chain bottlenecks and the European gas and electricity market may lead to better-than-expected economic development and have a positive impact on demand for air travel.
- A weak euro could keep European goods cheap internationally and thus provide a positive impulse for the export economy, from which Frankfurt Airport could particularly benefit as a hub. Moreover, the weak euro could provide incentives for incoming traffic of international passengers.

Market, competitive and regulatory risks and opportunities

In addition to demand in and level of attractiveness of its domestic market, the 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, as well as the connectivity between demand markets.

Risks

- The Russia-Ukraine war could partly result in sustained reductions in demand and supply due to rising energy costs.
- Rising crude oil and thus kerosene prices could result in higher airfares and an associated dip in air travel demand. If competition is intense, increasing crude oil prices could lead to payment difficulties for less solvent airlines, with a resulting drop in supply.
- The current political discussion around reducing short-haul traffic could prompt a shift to alternative transportation other than aircrafts, which would hamper demand for flights. Passengers who cannot or do not want to use alternative transportation 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 a reduction in air travel.
- 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. 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 other 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.
- Decisions on fleet locations, modified routes and fleet developments, as well as changing customer preferences for source and destination markets when choosing airlines and airports could have a detrimental effect on Fraport.
- The creation of new or further development of existing hub systems in the Middle East and at the new Istanbul Airport will increase supply and potentially result 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 coronavirus pandemic could lead to further insolvencies and thus to market consolidations. The resulting drop in supply could further weigh on the passenger growth forecast.
- The increased use of digital communication media in the wake of the coronavirus pandemic could lead to a stronger than expected 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 remuneration structures
- Strengthening cooperation with key customers at Group airports
- Strengthening cooperation with Deutsche Bahn and Lufthansa to ensure an attractive intermodality offer at Frankfurt Airport
- Implementation of climate protection measures and sustainability program
- Active participation in industry-related associations

Trend ⟶

Risk assessment: substantial

- Demographic changes as well as the reorientation of the workforce during the pandemic caused a considerable labor shortage in the aviation sector.
  The situation could also worsen in the long term, given the decline in migration of EU citizens to Germany. Staff shortages in the air transport industry can have a negative impact on operational service delivery and consequently on the expected business development.
- Terror attacks and hot spots of unrest could affect demand for specific travel destinations.

Opportunities

- Now that the coronavirus pandemic is over, there is a high demand among consumers for tourist air travel. The opening of international markets may also lead to stronger than expected catch-up effects in business travel.
- Previous development cycles in air traffic show that market turbulence 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 could benefit.
- High-quality connections to the Deutsche Bahn rail network at the Frankfurt site ensure demand from transfer traffic within Germany even if air traffic is shifted to rail, and this is a major competitive advantage. Improvements to the intermodal product such as end-to-end ticketing and end-to-end baggage transport can strengthen rail feeder traffic and have a positive impact on Frankfurt Airport's catchment area.
- 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 more than expected from long-term growth in the air traffic market.
- A possible liberalization of air traffic rights could open new markets for air traffic and expand existing markets.
- International harmonization of regulatory measures that have so far 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 feeder service, intermodality, and cargo demand, thereby strengthening passenger and cargo traffic.
- Digitalization and innovations offer new opportunities to improve processes, raise efficiency, and increase customer satisfaction.

Further development of the coronavirus pandemic

Risks

- The further traffic development in Frankfurt and at Group airports continues to be subject to uncertainty given possible travel restrictions stemming from the pandemic.
- A renewed increase in the number of coronavirus infections worldwide could lead to local restrictions on public life, production limitations and further supply chain bottlenecks, which would also have a direct impact on traffic at Frankfurt Airport and the Group airports.
- In the unlikely event of the emergence of virus variants with a high mortality rate, the recovery of passenger numbers and the positive development of traffic in Frankfurt and at the Group airports could be greatly inhibited.

Measures

- Close coordination with health authorities, airports and aviation associations
- Close cooperation with airlines and authorities to secure and strengthen air traffic including safeguarding provisions

Trend ↓

Risk assessment: considerable

Opportunities

- Catch-up effects could prompt an accelerated recovery in tourist travel demand sooner than expected for trips that have been postponed so far.
- A lifting of travel restrictions in China in the near term could ensure a speedy recovery in traffic and a quicker return to intercontinental transfer flows

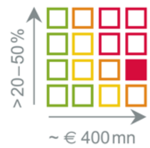
Drainage for the parallel runway system

Risk	Measures	Trend →
• In the event of evidence of de-icing 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.	• Continuous groundwater monitoring and regular measurements to verify compliance with limit values • Regular review of the composition of the de-icing agents used as well as the operational processes	**Risk assessment:** substantial 

Operational risks and opportunities

Risks and opportunities from capital expenditure projects at the Frankfurt Airport

Capital expenditure on construction at Frankfurt Airport is divided into two separate programs: “FRA-Nord” for projects in existing infrastructure and “Ausbau Süd” for projects to expand or create capacity. The “Ausbau Süd” project, in particular the construction of the new Terminal 3, continues to progress stably within the schedule despite a challenging market situation for construction services (see also chapter “Key Sites”). Strained supply chains and limited material availability can partly be countered with a forward-looking procurement strategy. Nevertheless, the following risks exist:

Risks	Measures	Trend →
Risks could arise from the following developments in particular: • Increase in construction costs • Supplier bankruptcies • Insolvencies • 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 coronavirus pandemic, such as the availability of resources • Changes in requirements related to new market conditions after resolution of the coronavirus pandemic	• Monitoring measures to enable timely countermeasures • Active market development and consistent change management to counter increases in costs	**Risk assessment:** substantial 

Opportunities

The following developments could have a favorable impact on capital expenditure projects:

- Greater competition in the procurement market due to weakening demand could dampen price increases
- 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)

Risks	Measures	Trend →
The following factors could cause a downward trend in foreign airport operator projects: • Unforeseen official intervention in local tariff, tax, and levy structure • Environmental requirements and social conditions • Country, market, political, and foreign exchange risks which can lead to a significant impairment of the future earnings outlook or increase expenses up to a total loss of the investment • Economic sanctions in response to political conflicts with financial implications for investments • Political instability in the respective concession countries • Exceeding construction budgets for airport expansion programs and/or failure to meet completion dates under the corresponding concession agreements	• Collaboration with experienced local partners • Non- or limited-recourse project financing • Investment protection insurance • Monitoring measures to enable timely countermeasures	**Risk assessment:** 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 detected. The broad diversification of the investments creates opportunities compared to focusing on one site.
- 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 return to the old growth path in terms of traffic development faster than expected

In the expansion project at Jorge Chávez Airport in Lim (Peru) operated by Lima Airport Partners (LAP), the construction measures for the airside expansion of the airport have now been completed. For the construction of the new passenger terminal, LAP has commissioned a construction consortium which, as general contractor, will take over the EPC services (engineering, procurement, construction) that are commonly used within the industry including all planning, procurement, and construction measures. Project financing for the ongoing infrastructure and expansion measures was concluded in December 2022. Potential risks remain due to the size, complexity, and duration of the expansion project. However, compared to the previous year, these are assessed as “moderate” as of the balance sheet date (previous year: “substantial”). For risks from developments in Peru in the fiscal year 2023, please see the section “Events after the Balance Sheet Date”.

Personnel risks and opportunities

Risks

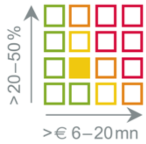
- Loss of know-how resulting from crisis-related staff loss and downsizing
- Staff loss due to reduced salary development (emergency collective agreement, inflation)
- More difficult recruitment due to current labor market conditions
- Training periods for the recruitment of less qualified workers and thus later availability
- Staff shortages in the air transport industry can have a negative impact on operational service delivery and consequently on the expected business development.

Measures

- Reorganization and process optimization within the scope of "Zukunft FRA – Relaunch 50"
- Centralized monitoring of personnel management measures
- Temporary granting of labor market allowances for staff recruitment, incentives through above-tariff remuneration schemes
- Improving employer attractiveness through modern work formats

Trend →

Risk assessment: moderate



Opportunities

- Weakening economy could have a relaxing effect on the labor market and positive impact on recruitment opportunities
- Increased appeal through modern collaboration models and flatter governance structure as part of the strategic program "Zukunft FRA – Relaunch 50"

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 decrease. Thus, the funding shortfall will grow continuously in the company pension plan.
This increases the risk that the ZVK will demand compensation payments from Fraport to make up for the gaps in coverage.

Measures

- Discussions with the ZVK about different solution approaches

Trend →

Risk assessment: substantial

Risks of exceptional incidents

Risks

- Business interruptions due to exceptional local events such as terrorist attacks, accidents, fires, drone flights, technical malfunctions, actions by climate activists, or strikes
- Impact on national and international air traffic caused by natural disasters, extreme weather conditions, armed conflicts, and pandemics

Measures

- Implementation of a local central crisis team
- Local plans to maintain critical business and operating processes (business continuity and emergency teams)
- Safety management system
- Drone detection technology and drone defense tests
- Property and business interruption insurance

Trend →

Risk assessment: considerable

Cyber risks

Risk

- Serious business disruption due to a severe IT system failure or substantial loss of data as a result of cyberattacks, computer viruses, or hacker attacks
- Rise in threat level according to increased number of warnings from the German Federal Office for Information Security

Measures

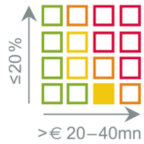
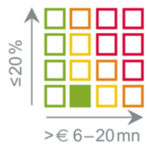
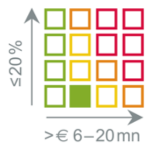
- Redundant implementation of relevant IT infrastructure
- Preventative IT security management to protect business-critical IT systems
- IT security policy and IT security guidelines
- Established emergency process with defined roles and competencies
- Interregional collaboration to develop uniform security standards for IT environments
- Compliance with IT security requirements is checked regularly by Internal Auditing, IT security management or external advisors

Trend ↑

Risk assessment: substantial

Financial risks and opportunities

“Risk report“ in accordance with section 289 (2) no. 1 HGB and section 315 (2) no. 1 HGB

Interest rate risks • In particular occurring from the capital requirements for capital expenditure and from existing floating interest rate financial liabilities and assets • Future interest rate increases may have a greater impact than expected on the planned refinancing measures • Increased interest expenses from the valuation of long-term provisions • 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 failed to materialize or has ceased to exist	**Measures** • Fixed interest rate agreements for most financial debt	**Trend ↑** **Risk assessment:** considerable 
Foreign currency risks • Planned revenue not covered by expenses in matching currencies • Change compared to previous year due to increased foreign currency volume in the planning period mainly as a result of airport expansion programs at foreign Group companies	**Measures** • Ongoing sale of currencies not covered by matching currencies or conclusion of forward (exchange) transactions	**Trend ↑** **Risk assessment:** moderate 
Credit risks • Primary and derivative financial instruments with a positive fair value and the risk that the counterparty will be unable to meet 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 counterparties rated at least “BBB–” • Issuer ratings are regularly reviewed to enable any necessary decisions on further dealings with the financial asset or derivative. • Investments in unrated bonds are continuously indicated in the reporting. • Limit caps are adjusted, if necessary, to reflect changes in creditworthiness	**Trend →** **Risk assessment:** 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 assessment:** 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 the strategic liquidity reserve is continuously monitored and, if necessary, replenished in the event of reduction • Due to sufficiently secured inventory financing, the risk assessment decreases.	**Trend ↓** **Risk assessment:** low 

Opportunities

- Favorable exchange rate and interest rate developments could 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) could 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 Risk increase due to the rising number of regulations and requirements with possible effects on business activities.	• Continuous analysis of legal changes for timely identification of and response to potential negative changes • Implementation and expansion of a Group-wide compliance organization • Group Guideline on the Compliance Management System • Further development of the centralized ICS • Code of Conduct • Whistleblower system • Continuous monitoring of tax changes • Regular dialog with tax authorities	**Risk assessment:** considerable 

Opportunities
- Legal or tax-related changes or court decisions with positive effects on Fraport Group’s operations and financial indicators

Overall assessment of risks and opportunities by the company management

Fraport consolidates and aggregates all 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 overall risk situation in fiscal year 2022 has improved mainly due to the development of the coronavirus pandemic, although opposing effects resulting from rising energy costs and increasing interest rates may have an impact on future business development (see trend developments described above). 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 projections for future developments in the Fraport Group. The Executive Board firmly believes that the strong liquidity and earning situation 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.

Further development of the risk management system

As part of the continuous development and improvement of the risk management system, a methodology for analyzing human rights-related and environmental risks in the company's own business and at direct suppliers was developed and integrated into the risk management process. In particular, the provisions of the Act on Corporate Due Diligence Obligations in Supply (LkSG) were complied with. The risk analysis required by the LkSG will be carried out once a year starting from fiscal year 2023 onwards, as well as on an ad-hoc basis if a greatly changed or expanded risk situation in the supply chain is to be expected.

Information on the accounting-related internal control system in accordance with section 289 (4) HGB and section 315 (4) 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 terms of the accounting process of Fraport AG, the company regards the internal control and risk management system as a process that is embedded in the company-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 laid down in a schedule detailing each individual step, including deadlines and responsibilities. Group Accounting monitors the progress and is schedule assisted by a system. In order to ensure standardized procedures, important operational processes of the sub-ledgers (accounts payable, accounts receivable, 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. A dual control method is implemented when preparing the financial statements of the general ledger, and subsequent mainly manual monitoring controls are carried out additionally for the purpose of ensuring the completeness and accuracy 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 are implemented in the departments involved in the accounting process 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 consolidated financial statements reconcile commercial balance sheet I to commercial balance sheet II. The effectiveness and accuracy 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 performing a control self-assessment.

The consolidated financial statements are prepared by 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 the Group Accounting department.

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 performed by the specialist departments.

Key sub-processes of the accounting process for the Group and Fraport AG, as well as the performed internal controls, are subject to scheduled audit by the Internal Audit department.

Information on the central internal control system[1)]

In addition to the accounting-related internal control system and the risk management system, the Fraport Group identifies, evaluates, and manages strategic, operational, and compliance process risks as part of the central internal control system. To assess the design and effectiveness of the system, a control self-assessment (CSA) is carried out annually, analogous to the accounting-related internal control system. The primary objective of the CSA is to review the design and effectiveness of business process controls and to identify and report any control weaknesses in business processes. The knowledge gained is used, among others, for the continuous improvement and further development of the central internal control system.

Quarterly reports on the current group-wide risk and opportunity situation are given at Executive Board meetings, and the result of the CSA of the central internal control system is presented annually. On the basis of these findings and any process-independent audits, the Executive Board annually assesses the design and effectiveness of Fraport AG's risk management and central internal control system described above.

The central Group Internal Audit performs process-independent audit activities on the risk management and central internal control systems. Audit reviews regularly provide information and findings on the central internal control system, which are to be remedied by measures taken by the REW-RS department together with the departments. The measures for findings from completed audit reviews are currently being processed.

Based on the overall information, the Executive Board has no indication that the risk management system or the central internal control system were not adequate or effective as at December 31, 2022.

Since inherent risks are subject to a probability of detection, a risk management or central internal control system that is judged to be adequate and effective cannot fully ensure complete coverage of all potential risks or exclusion of process violations of any kind.

The Finance and Audit Committee of the Supervisory Board is systematically involved in monitoring the design and effectiveness of the risk management and central internal control system. It receives a semi-annual report on the current risk and opportunity situation and an annual report on the results of the CSA of the central internal control system.

[1)] The statements in this section are "non-management report disclosures" that are not subject to the content audit of the management report by the external auditor. The reason for this is that these disclosures go beyond the statutory obligations.

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 substantial turbulence on the financial markets. They are based on the IFRS accounting standards to be applied in the EU at the beginning of the 2023 fiscal year (see also Group notes, note 4).

The “Risk and opportunities report” 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

Despite increased geopolitical uncertainties, the Executive Board expects an overall positive development of the global economy and global trade in the 2023 fiscal year. Based on this assumption, the Executive Board expects a continued high desire to travel and consequently an evident demand for air travel. For Frankfurt Airport, the Executive Board therefore expects passenger numbers in the range of more than 80% to around 90% of the 2019 level.

Compared to the 2022 fiscal year, which was still affected by the coronavirus pandemic at the beginning of the year, this represents clear growth. The Executive Board also forecasts positive traffic development for the Group airports.

The Executive Board assumes that the positive business development will have an increasing effect on the Group's revenue and profit development. The Executive Board expects a further recovery of the Group EBITDA towards the pre-crisis level and forecasts a range between approximately €1,040 million and approximately €1,200 million. In 2019, the Group EBITDA was €1,180.3 million. A Group result of between around €300 million and about €420 million is expected. The ROFRA is forecasted to remain approximately at the same level as 2022. Due to ongoing expansion measures, the free cash flow will again be negative in the mid three-digit million euro range in 2023 and will have an increasing effect on the net financial debt. Due to the positive development of Group EBITDA that is expected, the net financial debt to EBITDA ratio is forecasted to be approximately at the level of 2022. Despite comprehensively planned financing measures, Group liquidity is expected to come in slightly below the level of 2022. This is against the background of negative free cash flow.

The Executive Board continues to project a stable financial situation for the Fraport Group over the forecast period.

For the significant non-financial performance indicators, the Executive Board expects at least stable to slightly better values compared to 2022.

According to the opinion of the Executive Board, the development of an existential threat due to the individual risks described in the “Risk and Opportunity Report” chapter or a combination of these seems to be highly unlikely, in view of projections for future developments in the Fraport Group. 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 2023

Development of structure

Effective January 1, 2023, FraSec Fraport Security Services GmbH transferred in a second step 25% of the shares in FraSec Aviation Security GmbH, formerly FraSec Luftsicherheit GmbH, to the Dr. Sasse Group. As a result of this transfer, the Dr. Sasse Group holds a 51% majority stake in FraSec Aviation Security GmbH. In addition, at the start of the 2023 fiscal year, Fraport assumed management of the aviation security checks at the Frankfurt site. This will have an impact on the asset, financial, and earnings position of the Fraport Group, in particular the Aviation segment. When preparing the Outlook Report, the Executive

Board did not expect any changes to the Group structure that will have a substantial impact on the asset, financial, and earnings position.

Development of competitive position and future markets

Fraport is continuously developing its business activities and Group sites as part of the strategic objective "Growth in Frankfurt and internationally", (see also the "Strategy" chapter). Among other things, the commissioning of the new runway in Lima is planned for 2023, which will strengthen the competitive position of the site in the long term. Fraport continues its aim 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 the strategy and control system

In view of the economic situation arising from the coronavirus pandemic, Fraport will continue to implement measures derived from the Group strategy in fiscal 2023. The business segments and Group companies continue to work intensively to position Fraport successfully in the competitive environment in the long term. In 2023, Fraport will update the materiality matrix with the involvement of all stakeholders. Depending on the results, the Executive Board will adjust the Group's strategy and the resulting control system.

As described in the "Control system" 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 2023.

Forecasted economic environment 2023

Development of the macroeconomic conditions

The global economic outlook for 2023 is subject to a high degree of uncertainty: the further course of the Ukraine war and the associated economic consequences, as well as the future inflation dynamics and the resulting tightening measures of the central banks determine the forecasts of the economic institutes. Only low growth rates or recessions are expected for a large part of the developed economies. The International Monetary Fund expects much weaker global growth of 2.9% for the current year. World trade is expected to reach 2.4% in 2023.

For the US economy, the International Monetary Fund expects an increase of 1.4% for 2023. Growth rates in emerging markets are predicted to be higher than the values in industrialized countries, though projected trends within this group vary. Growth of 5.2% is forecasted for the Chinese economy. Overall expectations for the euro area stand at 0.7%. The German economy is expected to stagnate.

The following GDP trends are expected in 2023 for countries with key Group sites: USA 1.4%, Slovenia 1.7%, Brazil 1.2%, Peru 2.6%, Greece 1.8%, Bulgaria 3.0%, Türkiye 3.0%.

Source: IMF (October 2022, January 2023), OECD (December 2022), Deutsche Bank Research (December 2022), Deka Bank (December 2022), Ifo Institute for Economic Research (December 2022).

Development of the legal environment

At the time the consolidated annual financial statements were prepared, the Executive Board saw no changes in the legal environment in fiscal year 2023 that could have substantial effects on the Fraport Group.

Development of the industry-specific conditions

Based on the expected development in general economic conditions and considering the financial situation of the airlines, IATA anticipates global passenger growth of 21.1% in 2023 compared to the previous year, based on revenue passenger kilometers (RPKs). This would represent a recovery of around 85% 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 2023 versus 2019 by Region

Changes compared to the previous year in %	
Worldwide	–14.5
Europe	–11.3
North America	–2.8
Asia-Pacific	–29.2
Latin America	–4.4
Middle East	–2.2
Africa	–13.7

The Airports Council International (ACI) expects a more positive development of European passenger traffic in 2023 and assumes traffic to reach 91% of the pre-crisis level. The German Airports Association (ADV) also anticipates a clear recovery in travel demand and forecasts that passenger arrivals at German airports in 2023 will reach 82% of the level in the pre-crisis year of 2019.

With travel restrictions largely lifted in the wake of the coronavirus pandemic, a strong increase in long-haul traffic to Asia is expected. Despite inflation and increased ticket prices, the desire to travel will remain high in 2023. Business travel demand is also expected to recover further.

Nevertheless, business travel will recover more slowly than leisure travel relative to 2019.

Source: IATA "Economic Performance of the Airline Industry" (October 2022), ACI Airport Traffic Forecast, ADV Press Release 18/2022.

Forecasted business development for 2023

The recovery phase at the Group airports continues to be positive with varying degrees of intensity. Airports with a strong focus on tourism will recover disproportionately and in some cases will be above pre-crisis levels in 2023. Based on the current framework conditions, the following passenger developments are expected in 2023.

The German population will still have a strong desire to fly in 2023. However, in addition to the private travel segment, the recovery of passenger demand in **Frankfurt** is largely dependent on economic development and the recovery of business travel. Based on the current demand dynamics, a further recovery in passenger numbers is expected in 2023. Overall, passenger numbers at Frankfurt Airport in the 2023 fiscal year are expected to be over 80% up to about 90% of the 2019 level.

Positive traffic development is also expected at the **international Group airports**, as follows:

At the **Ljubljana** site, the Executive Board expects a volume of around three quarters of the passenger arrivals seen in 2019. A further passenger recovery compared to the previous year is expected at **Lima** airport and at the Group airports in **Fortaleza** and **Porto Alegre**. This means the respective passenger volumes are continuing to move towards the levels reached in 2019. At the 14 **regional Greek airports**, the passenger arrivals are expected to be around the same high level as the previous year. Passenger volumes in **Antalya** will also continue to recover and move toward the pre-crisis level.

Depending on how the war in Ukraine progresses as well as geopolitical developments, changes to the outlook provided are possible.

Forecasted results of operations for 2023

Although uncertainties remain in connection with the operational business development, the expected passenger developments in 2023 will lead to an increase in Group revenue in the 2023 fiscal year. The traffic-related revenue growth is supported by price developments of the charges at the Frankfurt site and at the key Group companies Lima, Fortaleza, and Porto Alegre, as well as at Fraport Greece. On the cost side, the Executive Board also expects higher traffic-related expenses at the Frankfurt site as well as rising concession charges at the Group company Lima and at Fraport Greece. Despite the recent easing on the European energy markets, the Executive Board expects higher expenses from utility services in 2023 compared to 2022. Uncertainties regarding the development of expenses exist in particular due to possible increases in collective bargaining costs at the Frankfurt site, negotiations for which had not yet been concluded at the time the forecast was prepared. 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 also have a positive or negative impact on the earnings contribution from Group companies. The largely earnings-neutral takeover of the management of aviation security controls at the Frankfurt site will also have the effect of increasing revenue and expenses. In contrast, the at-equity inclusion of FraSec Aviation Security GmbH from January 1, 2023 will lead to a reduction in revenue and expenses.

Due to the traffic ranges and the aforementioned uncertainties in view of the development of expenses and income, the Executive Board forecasts a **Group EBITDA** of between approximately €1,040 million and approximately €1,200 million. The **Group result** is expected to be between about €300 million and up to about €420 million, with increasing depreciation and amortization as well as an improvement in the financial result. This is mainly due to the discontinuation of the write-off of loan receivables in connection with the St. Petersburg Airport commitment from 2022. The **ROFRA** is forecasted to be around the 2022 level.

In the context of the economic impact of the coronavirus pandemic, the Executive Board expects to again forego the distribution of dividends for fiscal 2023.

Forecasted segment development for 2023

The planned traffic developments will have a positive impact on the revenue of the four Fraport segments. The Executive Board expects EBITDA in the **Aviation** segment to exceed the level of 2019 and, depending on passenger development, to be up to around €300 million. The Executive Board also expects an improvement in EBITDA in the **Retail & Real Estate** segment, which will continue to develop toward pre-crisis levels. Despite volume and price-driven revenue growth, the Executive Board assumes continued cost pressure to ensure quality in the **Ground Handling** segment. The Executive Board therefore expects segment EBITDA to remain in negative territory in the 2023 fiscal year. Due to the discontinuation of one-off effects from the sale of the investment in Xi'an Airport, which was consolidated at equity, as well as declining compensation effects in connection with the coronavirus pandemic, the Executive Board expects a clear decline in segment EBITDA despite positive operating development in the **International Activities & Services** segment, which is, however, expected to remain above the level of 2019. Adjusted for the aforementioned special effects, segment EBITDA is expected to be roughly at the level of 2022.

Forecasted asset and financial position for 2023

Despite the traffic-related improvement in operating results, the Executive Board expects **free cash flow** to remain negative in 2023 due to ongoing expansion activities at the Frankfurt and Lima sites and is forecasted to be in the mid negative triple-digit million euro range. The negative free cash flow will further increase net financial debt. Moreover, cash inflows and outflows in connection with the Group companies as well as exchange rate effects will influence the development of net financial debt. Depending on the improvement in the operating result, the ratio of **net financial debt to EBITDA** is expected to be roughly at the level of 2022, slightly above to slightly below. **Group liquidity** is projected to come out at a slightly lower level than in 2022, primarily due to the negative free cash flow, despite plans for comprehensive financial measures.

Forecasted non-financial performance indicators for 2023

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 2023. Accordingly, the Executive Board has also set a target of 80% for the fully consolidated Group airports. The Executive Board expects **baggage connectivity** to be at least 97.0%.

In the “**Attractive and responsible employer**” category, the next Group-wide survey to measure **employee satisfaction** will be conducted in 2024. The goal for both the Group and Fraport AG is to exceed the figure for the same period in 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 at all levels.

In the category of “Occupational Health and Safety,” in 2023 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 2023 to be roughly on a par with the previous year.

Medium-term outlook

Over the medium term, a strong recovery in the global economy is expected, with a return to the previous growth track. After successfully overcoming the coronavirus pandemic and lifting the travel restrictions, the demand for air travel is rising again. A return to 2019 passenger levels in Frankfurt is expected roughly by 2026. Despite the increasing cost of living, the growth driver internationally will continue to be private consumption, which generally supports high demand for air travel. Group airports will also benefit from forecasted medium- to long-term global market growth and show positive traffic development (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. Against the backdrop of revenue-increasing price effects and long-term operational efficiency measures, the Executive Board expects to reach and subsequently exceed the Group EBITDA from the pre-crisis level of 2019 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 remain well in the negative range until 2024 and then recover noticeably. Due to this development, the Group's net financial debt will continue to increase temporarily before decreasing from the 2025 fiscal year onwards. In particular, due to the expected improvement in Group EBITDA, the net financial debt to EBITDA ratio will again approach the target value of five in the medium term.

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).

For the dividend payment, the Executive Board aims to resume a dividend policy in the medium term. Before the start of the coronavirus pandemic, this was invested with a pay-out ratio of between 40% and 60% of the profit share of the shareholders of Fraport AG as well as with a dividend that was at least stable compared to the previous year. 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 (see also the “Control system” chapter).

Frankfurt/Main, February 24, 2023

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. Stefan Schulte   Anke Giesen   Julia Kranenberg   Dr. Pierre Dominique Prümm   Prof. Dr. Matthias Zieschang

Where the statements made in this document relate to the future rather than the past, they are based on a number of assumptions about future events and are subject to a number of uncertainties and other factors, many of which are beyond the control of Fraport AG Frankfurt Airport Services Worldwide and which could have the effect that the actual results will differ materially from these statements. These factors include, but are not limited to, the competitive environment in deregulated markets, regulatory changes, the success of business operations, and a substantial deterioration in the underlying economic conditions in the markets in which Fraport AG Frankfurt Airport Services Worldwide and its Group companies operate. Readers are cautioned not to rely to an inappropriately large extent on statements made about the future.