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GCS Gesellschaft für Cleaning Service mbH & Co.
Airport Frankfurt/Main KG
(since the change of legal form on March 31, 2022:
Fraport Facility Services GmbH), Frankfurt am Main

Annual financial statements as of December 31, 2021
and management report for the fiscal year from January 1
to December 31, 2021

INDEPENDENT AUDITOR'S REPORT

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Management Report for the 2021 Fiscal Year

I. Basic information on the company

1. Business activities

GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG (GCS) generates its sales mainly at and in the area near Frankfurt Airport.

Its primary areas of activity at these premises include cleaning the buildings, parking garages, glass, air conditioning systems, and ventilation duct systems as well as servicing restroom facilities and maintaining fire doors. The new business areas of baggage cart management, moving logistics, and pest control were added during the 2021 fiscal year.

2. Financial and non-financial key performance indicators

The key financial performance indicators for GCS are sales and net return on sales, EBITDA (earnings before interest and taxes, depreciation and amortization), and net income for the year.

The key non-financial performance indicators for GCS, which are relevant both internally and externally, are derived from quality scores taken from the FraQS evaluations performed by Fraport AG. These are systemically based quality indicators on the basis of on-site inspections. Passenger ratings of the cleaning services in the terminal, which are collected by Fraport AG, are also significant. A further key performance indicator is the sickness rate.

II. Economic report

1. Business performance in the reporting year

General economic development

The situation in the aviation industry was extremely volatile in the 2021 fiscal year as a result of the ongoing coronavirus pandemic. The vaccination rollout to the German population began in January 2021. The vaccination schedule was determined on the basis of a table of priority groups, which assigned the highest level of priority to at-risk groups. The number of coronavirus cases remained virtually unchanged at a moderate to high level in the months from January through May due to an initial shortage of the vaccine and the requirement for every person to receive a second vaccine dose. This meant that the social restrictions first announced in 2020 remained in place and passenger volumes at the airport remained low. The outbreak of the “third wave” around Easter time also prevented the pickup in travel that had originally been anticipated at the airport. From June onward, European governments promised – and later followed through with – the first relaxations of travel restrictions, which boosted flight reservations to warm water destinations. People began looking ahead to the summer vacation and booking trips very quickly. They commenced travel at the onset of the summer vacation, which pushed passenger numbers up to as high as 49% of their pre-coronavirus level. This coincided with an improvement in orders for the cleaning industry, as cleanliness and hygiene in particular formed the basis for safe travel at the airport. The positive situation continued until the end of the year. When the highly infectious omicron variant first appeared in December, uncertainty among the population started to rise again on the one hand. On the other hand, the commencement of “booster vaccines” gave people hope of some level of protection against the variant. The situation therefore remained strained for the aviation industry and for the companies closely affiliated with it.

Fraport AG and GCS cleaning contract (Terminal 1, service units, and administrative area)

GCS’s major cleaning contract with Fraport AG has a term until April 30, 2024, and gives the client an option to extend the contract for an additional year (until April 30, 2025). This provides a stable baseline for the order situation.

Development of the company

GCS's business also mirrored the general economic development outlined above. The reduced level of orders from 2020 continued into the first quarter of 2021. The situation remained strained in the second quarter as well. To counteract this, GCS continued to use the short-time work scheme that was introduced in 2020 with very little change in intensity. The cost-cutting measures introduced in the previous year were also retained. This meant the restriction on employing external staff continued to apply during the first half of the year. The decision to move the cost-intensive night shift to the day shift remained in place, which again saved the company the extra night shift pay. Extra pay for operating machines and cleaning toilets was also axed from January 1, 2021. Interest in air travel increased sharply from June when European governments began to ease coronavirus restrictions. This ad hoc increase in passengers at the airport meant a significant increase in cleaning work for GCS. At the same time, it became apparent that employing external staff available on a short-term basis was the only way for the company to guarantee the cleaning quality required. So management decided to suspend short-time work starting on July 5, 2021. Continuation of this positive development led GCS to stop the short-time work scheme entirely in October. In 2021, GCS's subsidies for short-time work totaled €808,121.99.

Changes to the business activities that GCS performs and its business areas were as follows in 2021. Since January 1, 2021, GCS's technical service unit has been providing services to clean up fire hazards on the escalators and in the elevators and change the filters in ventilation and air conditioning systems at Frankfurt Airport. The existing fire damper maintenance work for the service and administrative area in the terminal was also expanded. In connection with this, the company acquired 20 employees from FraGround as part of a transfer of operations. From May 1, 2021, the new order for operational baggage cart management in Terminal 1 of Frankfurt Airport and the maintenance of all baggage carts at the airport were added to the company's business activities. On May 31, 2021, GCS ceased managing the dog kennels. The coronavirus pandemic resulted in a continuing loss in this business area with no prospect of improvement. The former dog kennel manager is continuing this operation on his own account. Fraport AG transferred the associated business contract to the new operator along with all permanent contracts with customers. From August 1, 2021, GCS started the business area of pest control for Fraport AG at Frankfurt Airport. Not only this, but it has already acquired its first pest control orders from other customers as well.

The new business and the improved economic situation in the second half of the year meant that the company increased its sales by 3.1% overall, from €29.8 million in the previous year to €30.7 million in 2021. Sales with Fraport AG increased by 5.3% to €26.9 million and sales with the other Group companies also went up by 1.9% to €1.0 million. The contribution from third-party business was 13.0% lower than in the previous year at €2.9 million. Operating expenses increased, mainly as a result of the higher expenditure on employing personnel and external staff to perform the required quality assurance services. The high one-off effects from the short-time work scheme, which ran for almost the entire year in 2020, did not recur. This has resulted in lower net income year-on-year (the figures are presented in detail in section II 2.).

The coronavirus pandemic produced a high degree of uncertainty around the projected figures for 2021. The comparison of planned and actual figures shows correspondingly high deviations. Overall, the projected figures were based on a faster economic recovery, which meant that actual sales fell short of our projections. By contrast, a much greater increase in costs was expected. Operating expenses were also lower than projected as a result of the many continued countermeasures. GCS thus performed much better than anticipated across all earnings figures.

The non-financial targets were again overshadowed by the impacts of the coronavirus pandemic. The cleaning quality provided by GCS, which is measured by Fraport through the FraQS system, was consistently above target in the 2021 reporting year in spite of short-time work. The quality targets stipulated in the cleaning contract are 55% for operations, 65% for hygiene, and 60% for passengers. The figures are collected by way of regular inspections of the terminal. FraQS is Fraport's own system for mobile quality assurance, which is used by the Fraport department and GCS to provide quality assurance for the cleaning services performed. Random checks are carried out to measure the quality across the three quality areas. As a guarantee of service performance and for the purpose of operational management, the data is measured – and, above all, analyzed – across the quality areas of hygiene, passengers, and operations.

The second quality measurement and contractual component is Fraport's passenger satisfaction ratings. To compile the passenger satisfaction ratings, passenger surveys are carried out on a regular basis on various topics relating to Frankfurt Airport, including cleaning. The points that are particularly relevant for GCS are "cleanliness of the gate", "cleanliness of the terminal", and "cleanliness of the restroom facilities". No passenger surveys have been carried out since April 2020 due to the coronavirus pandemic, which is why there is no target/actual comparison anymore either. For this reason, the penalty rule continued to be suspended in 2021 as well.

The target figure for the sickness rate was unchanged at 8% in 2021 on the basis of productive hours worked. The actual situation included a large number of coronavirus-related absences, particularly in the first half of 2021. At the end of the year, GCS reported a sickness rate of 8.76%.

Realignment of the company

A project to restructure the GCS and VCS companies was initiated in 2021. The aim is for all activities to be carried out by just one limited liability corporation (GmbH) in the future. The project was executed in two stages, observing the provisions of the German Transformation Act (UmwG, Umwandlungsgesetz). The first stage involved changing the legal form of GCS from a GmbH & Co. KG (partnership) to a GmbH (limited liability corporation). The planned change of company name to the new company name Fraport Facility Services GmbH was carried out immediately during this stage as well. The second stage now entails merging VCS into the changed and renamed legal entity, Fraport Facility Services GmbH. This means that the company will be managed directly under Fraport Facility Services GmbH. There are also plans to conclude a control and profit and loss transfer agreement for the future corporation with the parent company, Fraport AG. Implementation of the realignment required the approval of the Supervisory Board, the Group Executive Board, and the Shareholders’ Meeting. The associated meetings took place in the first quarter of 2022.

2. Position of the company

a) Results of operations

Sales increased by €0.9 million (+3.1%) to €30.7 million. Sales of €29.8 million were generated in the previous year. The main reasons for this are the slight improvement in the economic situation from the second half of the year onward and the sales from the new business areas. We fell €0.9 million short of the target figure of €31.7 million (-3.0%) as our projections were based on a faster recovery in the overall economic situation.

As in previous years, our main client is the parent company Fraport AG, with whom we generated 87.4% of our sales in the reporting year (previous year: 85.6%).

Other operating income of €461 thousand was almost at the previous year's level of €420 thousand.

GCS's cost of materials totaled €5.2 million in 2021, which is €1.0 million (+24.1%) higher than the previous year's figure of €4.2 million. The increase can mainly be attributed to the use of external staff, whereas the company had abandoned the practice of employing such staff entirely in 2020. Expenditure for consumption of materials also went up as a result of the increase in orders.

Personnel expenses went up by €1.3 million year-on-year to €20.5 million (previous year: €19.2 million). The increase was predominantly as a result of the short-time work scheme coming to an end on August 5, 2021, as from this point on there ceased to be an expense-reducing effect from the associated short-time work grants.

Up to this point in 2021, GCS received short-time work grants of €808 thousand from the German Federal Employment Agency. In the previous year, the grants totaled €1.9 million. The wage rate increase, which applied from January 1, 2021, also increased expenses by 2.9%. This was counterbalanced by a reduction in the workforce. The average headcount went down from 673 in the previous year to 643 in 2021.

Other operating expenses were €2.78 million at the end of 2021, only marginally higher than the previous year's figure of €2.75 million. There were no significant individual effects.

Earnings before interest and taxes, depreciation and amortization (EBITDA) amounted to €2.8 million, which was down by €1.4 million (-33%) on the previous year's figure of €4.1 million but significantly exceeded the target figure of €1.2 million.

The lower EBT drove income taxes in the form of trade tax down by €222 thousand to €595 thousand (previous year: €818 thousand).

At the end of the full year in 2021, there was a net income for the year of €1.8 million, which corresponds to a decrease of €1.2 million (-40%). This reflects the considerably greater increase in cost of materials compared with the increase in sales. The higher personnel expenses as a result of the rate increase and the lower short-time work grants were also instrumental to the decrease. The target figure was €0.6 million, which means that the company achieved a much better result than projected.

Net return on sales was lower than last year at 6.0% (previous year: 10.2%). This actual figure far outstripped the target figure of 1.9%.

b) Net assets

At €6.9 million, total assets were €1.7 million (-19.5%) lower than the previous year's figure of €8.5 million. Fixed assets totaled €761 thousand, which is on a par with the previous year (€752 thousand). Current assets declined by €1.7 million to €6.0 million (previous year: €7.7 million). This decline is largely evident in the item “Receivables from affiliated companies”, which reflects the amount of cash in the cash pool with Fraport AG. The decline can be explained by factors including the considerable distribution from net income in 2020, the settlement of tax liabilities, and the lower net income for the year in 2021 compared with 2020.

Equity taking into account net income for the year, any retained profits brought forward, and reserves from implementation of the German Accounting Law Reform Act (BilMoG, Bilanzrechtsmodernisierungsgesetz) fell by €0.9 million (-21.9%) to €3.4 million (previous year: €4.3 million). The capital share of the limited partner covers long-term fixed assets in full. The long-term claim for reimbursement under other assets is financed through long-term pension obligations. Retained profits brought forward rose to €430 thousand, primarily as a result of the retained profits of €280 thousand.

Borrowing of €3.5 million is largely short-term in nature. In the previous year, GCS used borrowed capital of €4.2 million. It was mainly used to make outstanding tax payments in 2021, reducing the associated provision amount by €0.7 million. Long-term borrowing relates to pension obligations, which amounted to €957 thousand at the end of the fiscal year (previous year: €938 thousand), provisions for anniversary bonuses of €212 thousand (previous year: €196 thousand), and the provision for the archive of €82 thousand (previous year: €149 thousand).

Looking at the balance sheet structure as of December 31, 2021, fixed assets account for a share of 11.1% of total assets (previous year: 8.8%). The equity ratio has decreased slightly to 48.8% (previous year: 50.3%).

c) Financial position

As of the balance sheet date, GCS had total available cash and cash equivalents of €3.3 million (previous year: €5.6 million), which, alongside cash-in-hand of €1,000, originate almost entirely from receivables in the cash pool with Fraport AG. The liquidity situation was assessed on a regular basis and was secured at all times.

d) Staff and welfare

On December 31, 2021, GCS employed a total of 640 employees (previous year: 636), of which 599 hourly paid workers, 38 salaried employees, and 3 casual workers. Of the total 640 employees, 234 are women, 65 have a severe disability, and 60 work part-time.

GCS's average headcount was 643 employees (previous year: 673), thereof 602 hourly paid workers (previous year: 632), 39 salaried employees (previous year: 38), and 3 casual workers (previous year: 3).

III. Forecast, opportunity, and risk report

1. Opportunities of future development

The contract that was concluded with Fraport AG on May 1, 2020 forms the basis for the cleaning services that have been provided to date at Frankfurt Airport. This contract has allowed GCS to secure its business basis up to April 30, 2024. The new business areas of baggage cart management, pest control, and moving services have since been added as well, and will be expanded further in the coming months.

The technical service unit has consolidated and the services it provides – particularly the servicing of restroom facilities and maintenance of fire dampers – were performed to Fraport's full satisfaction. Fraport therefore intends to award further contracts for technical services to GCS. This will expand and consolidate GCS's position as a "subcontractor" for Fraport. Based on this concept, Fraport utilizes the more favorable cost structure and greater flexibility afforded by the subsidiary to award contracts within the Group for services that cannot ideally be performed within Fraport AG.

The coronavirus pandemic has placed special emphasis on all forms of virus protection measures and associated hygiene concepts. For GCS as a service provider specializing in the cleaning business, this presents opportunities to acquire further orders and new customers and to retain them over the long term.

2. Risks of future development

As a subsidiary of Fraport AG, GCS is integrated in the risk management system of the parent company and reports on discernible business risks once per quarter.

Furthermore, since mid-2014 GCS has also been included in Fraport's systematic internal control system (ICS), which means that material risks and controls are documented in a standardized way and assessed by means of a self-assessment. On the basis of this assessment, GCS presents the material external and business risks by order of priority below. Financial risks stem primarily from the cleaning contract for Terminal 1 at Frankfurt Airport. Risk drivers are the quality requirements and the associated risk of penalty payments if the company fails to meet these requirements, particularly on the basis of the applicable passenger ratings, which are an integral part of the cleaning contract.

GCS's order situation is determined to a large extent by the cleaning and service orders from Fraport AG. Fraport AG, in turn, is highly dependent on the overall development of Frankfurt Airport, which means that GCS is heavily impacted by this development as well. For this reason, the further course of the coronavirus pandemic is a key factor affecting the further course of GCS's business. As the uncertain general economic developments, and particularly the uncertain development of Frankfurt Airport and the environment it operates in, continue as a result of the coronavirus pandemic and the Ukraine crisis, there is a chance that the aforementioned risks may escalate. If Fraport AG were to terminate its contract, this would constitute a threat to GCS's continued existence. There are no current indications at all that this scenario will occur.

To mitigate the impact of the coronavirus pandemic, the management has taken numerous steps to protect the workforce against infection and allow it to adapt its business operations flexibly to the changing situation. Protective measures that are worthy of mention include, in particular, the supply of medical masks, the provision of hand sanitizers, the option to work from home for administrative staff, the installation of sneeze guards, the setup of air filters, and the implementation of social distancing in the offices.

As things stand, there are no risks jeopardizing the company's continued existence as a going concern, even taking into account the letter of comfort with subordination agreement issued by the limited partner, which is time-limited and limited in amount. The letter of comfort with subordination agreement relates to the agreement that was already known on July 7, 2020. Under this agreement, the limited partner undertakes to financially support the company by granting interest-bearing loans to ensure that it remains in a position to meet its obligations on time. The commitment is limited to a total amount of €8.0 million and has a time limit until December 31, 2022. The agreed subordination will end automatically on December 31, 2022, unless it is canceled prior to this date by mutual agreement. Termination and repayment of the loans is only possible so long as the company is not insolvent or overindebted, or would risk becoming such as a result of terminating and repaying the loans.

3. Forecast

a) Sales and earnings development

According to the adopted business development plan, net sales of €38.5 million are expected for 2022. Sales of €31.2 million were forecast for 2021, which means that an increase in sales of €7.3 million is anticipated for 2022. This is reflected as a volume effect of €2.9 million from building cleaning. This can be attributed, on the one hand, to the expansion of existing business and, on the other, to taking up the order for pest control at the airport, which started on August 1, 2021. The company is further anticipating an increase of €0.2 million in business volumes for building cleaning at the Fraport subsidiaries. Additional sales of €0.9 million are expected to be generated in external cleaning from the cleaning of passenger bridges. An increase of €0.4 million in business volumes is anticipated for baggage cart management, driven by the rise in passenger numbers in 2022 compared with 2021. Expansion of the portfolio for technical services is expected to increase business volumes by €2.1 million. Low-level technical services are to be expanded further in 2022. The company is planning to gradually integrate additional caretaker services, including changing light bulbs, in the GCS TS portfolio going forward. An increase in business volumes of €0.8 million is forecast in third-party business. In the area of logistics and moving, for instance, GCS has won back the order to supply Lufthansa lounges with catering from Gate Gourmet. This is projected to generate annual sales of €0.15 million. According to the adopted plan, EBITDA is expected to come to just under €3.2 million. Net income for the year is expected to be €1.9 million, which equates to a return on sales of 5.0%.

b) Investments

Investments in tangible assets of €864 thousand are planned in 2022. Due to the continued situation where interest rates on cash pools are either non-existent or barely available, lease finance will be purchased for commercial vehicles used in operations. At 42%, planned investments in commercial vehicles account for the largest share of total investments for 2022. After moving out of Building 170, the company will be investing in new office equipment for the new administrative building. Investments in cleaning will primarily include purchasing new cleaning equipment to replace defective equipment. Defective airport scooters will also be replaced with new scooters for baggage cart management in the terminal. In the administrative area, the company is investing in digital personnel files and in a key management system.

Investments will not be made in the new business areas until such time as they are actually acquired.

c) Personnel

Meeting staffing requirements will be significant going forward, especially during pronounced passenger peaks. The plan is to start hiring cleaning staff again from the start of 2022. We will also start to recruit staff for the new business areas of baggage cart management, moving & logistics (moving services), and pest control that were added in 2021. Based on the inquiries we have made to date, the technical service unit has a need for approximately 20 to 30 skilled workers over the long term in the disciplines of electrics, plumbing, and mechanics. GCS is not planning any further short-time work in 2022. Fraport AG has already been skilling trainees in the disciplines of glass and building cleaning for many years. And because there is now a demand for skilled workers in the technical service unit, from August 2022 Fraport AG will begin skilling trainees in the disciplines of plumbing, electrics, and mechanics as well.

d) Non-financial key performance indicators

Management will be continuing the actions it has taken so far to reduce the sickness rate and improve quality. In particular, these include return to work interviews for employees who have been sick. The company's planning assumes a sickness rate of 8%. The standard of quality will need to be maintained at the level required by Fraport.

Key performance indicators for GCS, which are relevant both internally and externally, include quality scores taken from the FraQS evaluations and scores taken from the passenger surveys carried out by Fraport AG. For 2022, it will be crucial for GCS to achieve the expectations that have been agreed with Fraport with regard to its own FraQS quality measurements and the passenger satisfaction ratings. The management is currently anticipating the same high quality standards as in the previous year. The checks performed by GCS and Fraport employees in the form of inspections of the terminal will be continued in 2022 as well. The passenger rating system will be reintroduced from January 2022. The penalty rule will also come back into force.

The company is not able to make more accurate statements in light of the continued uncertainty at present around general economic developments as well as the development of Frankfurt Airport and the environment it operates in as a result of SARS-CoV-2 and the Ukraine crisis.

Frankfurt am Main, June 3, 2022
Fraport Facility Services GmbH
The management

Holger Gottschling
(Managing Director)

Annual Financial Statements for the Fiscal Year from January 1 to December 31, 2021

GCS Gesellschaft für Cleaning Service mbH & Co.
Airport Frankfurt/Main KG
(since the change of legal form on March 31, 2022:
Fraport Facility Services GmbH),
Frankfurt am Main

Balance Sheet as of December 31, 2021

Assets

	Dec. 31, 2021	Dec. 31, 2020
	€	€
A. Fixed assets		
I. Intangible assets Purchased software	18,889.00	3,068.00
II. Tangible assets		
1. Technical equipment and machinery	497,516.00	594,356.00
2. Operating and office equipment	244,927.00	154,617.00
	742,443.00	748,973.00
	761,332.00	**752,041.00**
B. Current assets		
I. Inventories		
Raw materials, consumables, and supplies	327,657.05	305,361.96
II. Receivables and other assets		
1. Trade receivables	588,562.22	542,582.77
2. Receivables from affiliated companies	4,409,297.56	6,030,375.65
(thereof from shareholders: €4,361,083.77; previous year: €5,937,674.83)		
3. Other assets	678,072.44	802,436.49
	5,675,932.22	7,375,394.91
III. Cash-in-hand and bank balances	1,000.00	500.00
	6,004,589.27	**7,681,256.87**
C. Deferred tax assets	**104,366.57**	**103,381.81**
	6,870,287.84	**8,536,679.68**

Equity and liabilities

		Dec. 31, 2021	Dec. 31, 2020
		€	€
A.	**Equity (limited partner capital)**		
	I. Capital shares of limited partners (fixed capital)	1,025,000.00	1,025,000.00
	II. Revenue reserves	67,032.67	67,032.67
	III. Retained profits brought forward	430,206.74	150,206.74
	IV. Net income for the year	1,832,697.26	3,054,560.41
		3,354,936.67	**4,296,799.82**
B.	**Provisions**		
	1. Provisions for pensions and similar obligations	957,278.00	938,400.00
	2. Tax provisions	152,959.74	851,338.30
	3. Other provisions	980,799.28	1,103,463.34
		2,091,037.02	**2,893,201.64**
C.	**Liabilities**		
	1. Trade payables	23,960.44	16,089.62
	2. Liabilities to affiliated companies	55,164.59	74,377.56
	(thereof to shareholders: €52,460.00; previous year: €51,771.00)		
	3. Other liabilities	1,292,506.88	1,206,123.62
	(thereof taxes: €178,173.46; previous year: €142,197.26)		
	(thereof social security: €23,247.90; previous year: €15,583.62)		
		1,371,631.91	**1,296,590.80**
D.	**Deferred tax liabilities**	**52,682.24**	**50,087.42**
		6,870,287.84	**8,536,679.68**

GCS Gesellschaft für Cleaning Service mbH & Co.
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(since the change of legal form on March 31, 2022:
Fraport Facility Services GmbH),
Frankfurt am Main

Income Statement for the Period from January 1 to December 31, 2021

		2021	2020
		€	**€**
1.	Sales	30,734,301.67	29,801,776.39
2.	Other operating income	460,740.41	420,340.36
3.	**Gross revenue for the period**	**31,195,042.08**	**30,222,116.75**
4.	Cost of materials		
	a) Cost of raw materials, consumables, and supplies	-808,066.70	-623,299.32
	b) Cost of purchased services	-4,352,219.68	-3,535,937.47
		-5,160,286.38	-4,159,236.79
5.	Personnel expenses		
	a) Wages and salaries	-17,181,686.64	-16,089,202.08
	b) Social security and pension costs	-3,309,718.52	-3,076,183.32
	(thereof in respect of old age pensions: €31,523.51; previous year: €29,916.49)		
		-20,491,405.16	-19,165,385.40
6.	Amortization of intangible assets and depreciation of tangible assets	-314,311.73	-244,149.82
7.	Other operating expenses	-2,777,245.99	-2,749,978.69
8.	**Operating result**	**2,451,792.82**	**3,903,366.05**
9.	Other interest and similar income	15,324.61	17,634.68
10.	Interest and similar expenses	-25,074.11	-28,219.00
	(thereof from interest on provisions: €24,445.00; previous year: €28,219.00)		
11.	**Net interest income**	**-9,749.50**	**-10,584.32**
12.	**Earnings before taxes**	**2,442,043.32**	**3,892,781.73**
13.	Income taxes	-597,391.06	-826,255.32
	(thereof deferred taxes: expenses of €1,610.06; previous year: expenses of €8,105.34)		
14.	**Earnings after taxes**	**1,844,652.26**	**3,066,526.41**
15.	Other taxes	-11,955.00	-11,966.00
16.	**Net income for the year**	**1,832,697.26**	**3,054,560.41**

GCS Gesellschaft für Cleaning Service mbH & Co.
Airport Frankfurt/Main KG (since the change of legal form
on March 31, 2022: Fraport Facility Services GmbH),
Frankfurt am Main

Notes to the Annual Financial Statements for the 2021 Fiscal Year

I. Accounting policies

1. General

GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG (GCS) is headquartered in Frankfurt am Main and was entered in the commercial register of the District Court of Frankfurt am Main (HR A reg. no. 28529).

Since the change of legal form on March 31, 2022, the company has been called: Fraport Facility Services GmbH, Frankfurt am Main, and is entered in the commercial register of the District Court of Frankfurt am Main (HR B reg. no. 126925).

Up to the change of legal form on March 31, 2022, the sole general partner, with no capital contribution, was VCS Verwaltungsgesellschaft für Cleaning Service mbH, Frankfurt am Main (VCS). Under Article 6 (1) of the GCS articles of partnership, VCS is entitled and obligated to manage and represent GCS.

Up to the change of legal form, the sole limited partner of GCS was Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main (Fraport AG) with a liable capital contribution of €1,025 thousand.

Following the change of legal form to a limited liability corporation, both companies are shareholders of Fraport Facility Services GmbH. The share capital of €25 thousand is divided into 25,000 capital shares each with a nominal amount of €1.00, whereof Fraport AG holds 24,999 capital shares. VCS holds one capital share in trust for Fraport AG.

As a commercial partnership, GCS meets the criteria of Section 264a of the German Commercial Code (HGB). As of the balance sheet date of December 31, 2021, the company is a medium-sized company within the meaning of Section 267 (2) and (4) HGB.

The fiscal year is the calender year.

The annual financial statements of GCS for the 2021 fiscal year were prepared in accordance with the requirements for companies as defined in Section 264a of the German Commercial Code (HGB) and the supplementary provisions of the articles of partnership, which require application of the provisions applicable to large corporations.

The item “Earnings before taxes” was added to the structure of the income statement. The expansion of the structure is intended to improve the presentation of the company’s results of operations.

In accordance with Article 75 (6) Sentence 1 of the Introductory Act to the German Commercial Code (EGHGB) as amended in conjunction with Section 253 (2) Sentence 1 of the German Commercial Code (HGB) as amended, in the annual financial statements for the 2021 fiscal year, as in the previous year, pension obligations (provisions for pensions) have been measured using the average market interest rate for the past ten fiscal years.

Where disclosures may be optionally presented in the balance sheet and the income statement or in the notes to the financial statements, they have been presented in the notes.

The income statement was prepared using the total cost (nature of expense) method.

The annual financial statements were prepared under the going concern assumption. The letter of comfort with subordination agreement issued by the limited partner Fraport AG serves as a going concern assumption for GCS. Please see section II. point 6. “Capital shares of limited partners” for more information.

2. Fixed assets

Purchased intangible assets and tangible assets are carried at acquisition cost, less amortization or depreciation.

Amortization and depreciation are recognized on a straight-line basis over the standard useful life for the individual items of fixed assets as follows:

Asset items	Amortization or depreciation method / useful life in years	
Intangible assets	Straight-line	3–4
Technical equipment and machinery	Straight-line	3–8
Operating and office equipment	Straight-line	1–13

Moveable fixed assets and intangible assets are depreciated or amortized pro rata temporis in the year of acquisition.

Low-value assets with a value of €50.01 up to a value of €800.00 are written down in full in the year of acquisition and recognized as disposals. Moveable fixed assets with a value between €800.01 and €3,000.01 are reported in a collective item and are written off through profit and loss at a rate of 20% a year over five years.

3. Inventories

Cleaning materials and uniforms are measured at cost or at the lower of cost and fair value.

A fixed carrying amount was recognized for supplies like screws and sockets, which are used for plumbing.

4. Receivables and other assets

With the exception of claims for reimbursement from companies of the Piepenbrock Group in connection with the transfer of pension obligations, these items are measured at nominal value, taking into account all discernible risks.

The claims for reimbursement from companies of the Piepenbrock Group are measured on the basis of the underlying pension obligations in accordance with actuarial principles.

5. Cash and cash equivalents

Cash and cash equivalents (cash-in-hand and bank balances) are reported at nominal value.

6. Deferred taxes

Deferred taxes are recognized for all differences between the tax carrying amounts and accounting carrying amounts of the balance sheet items. Deferred taxes are measured on the basis of the tax rates applicable for the company. A tax rate of 16.10% (previous year: 16.10%) was applied. The tax rate takes into account trade tax.

7. Capital shares of limited partners

The capital shares of the limited partner are carried at their nominal amount.

8. Provisions for pensions and similar obligations

In accordance with Section 253 (1) and (2) HGB, provisions for pensions and similar obligations have been calculated using the projected unit credit method and an interest rate of 1.87% p.a. (previous year: 2.31% p.a.); it should be noted here that the German federal cabinet resolved on January 27, 2016 to extend the period for calculating averages to determine interest rates from seven to ten years. The interest rate of 1.87% p.a. stated here is the ten-yearly average interest rate, whereas the corresponding seven-yearly average interest rate for the reporting year is 1.35% p.a. (previous year: 1.60% p.a.). The difference pursuant to Section 253 (6) Sentence 1 HGB between the calculation of pension provisions using the ten-yearly average interest rate and using the seven-yearly average interest rate is €58,607 for the current fiscal year (previous year: €79,955).

Furthermore, a pension adjustment of 1.75% p.a. (previous year: 1.75% p.a.) and a salary trend of 2.00% p.a. (previous year: 2.00% p.a.) were applied. 2018 G Heubeck mortality tables were used to calculate the mortality rate. The projected unit credit method used is equivalent to the "projected unit credit method" as defined in IAS 19 (International Accounting Standards), which is used as a basis for calculation.

9. Miscellaneous provisions

Tax and other provisions take into account all discernible risks and uncertain obligations. They are recognized at the full settlement amount required on the basis of prudent business judgment. The discount rate of 1.35% p.a. (previous year: 1.60% p.a.) and a staff turnover rate of 2.00% (previous year: 2.00% p.a.) were applied for the provision for anniversary bonuses. 2018 G Heubeck mortality tables were used as the biometric basis.

10. Liabilities

Liabilities are recognized at their settlement amount.

11. Foreign currency translation

Transactions in foreign currencies are generally recognized using the historical exchange rate that applied at the time of initial recognition. Balance sheet items are measured as follows at the balance sheet date: Short-term receivables in foreign currency (remaining term of one year or less) and cash or other short-term assets in foreign currencies are translated at the middle spot exchange rate on the balance sheet date. Short-term liabilities in foreign currency (remaining term of one year or less) are generally translated at the middle spot exchange rate on the balance sheet date. There are no long-term assets and liabilities in foreign currency.

II. Notes to the balance sheet

1. Fixed assets

The structure and development of the items of fixed assets presented in the balance sheet can be seen in the statement of changes in fixed assets, which is attached as an annex to the notes.

2. Inventories

Inventories mainly relate to cleaning materials and spare parts for the technical service unit.

The fixed carrying amount of €1 thousand for supplies like screws and sockets, which are used for plumbing, is unchanged.

3. Receivables and other assets

As in the previous year, receivables and other assets are due within one year, with the exception of the receivables from Eduard Piepenbrock Unterstützungskasse e. V., Osnabrück; Piepenbrock Flughafenreinigung GmbH, Frankfurt/Main; and Piepenbrock Unternehmensgruppe GmbH + Co. KG, Berlin (legal successor of Hartwig Piepenbrock GmbH & Co. KG, Berlin), which are due to the cumulative assumption of debt with respect to pension obligations for employees who became employees of GCS through a transfer of operations pursuant to Section 613a of the German Civil Code (BGB).

Under the contractual agreement on participation in pension obligations, the aforementioned companies of the Piepenbrock service group shall assume the pro rata pension obligations in respect of the named employees, where they relate to years of service rendered to the Piepenbrock Group. In the 2008 fiscal year, Piepenbrock Unternehmensgruppe GmbH + Co. KG, Berlin (Piepenbrock) succeeded Hartwig Piepenbrock GmbH & Co. KG and explicitly stated that it would assume all the rights and obligations of Hartwig Piepenbrock GmbH & Co. KG, particularly those referred to in the aforementioned agreement on participation in pension obligations. These obligations are assumed at the time of payment. Of the receivables from companies of the Piepenbrock Group totaling €679 thousand (previous year: €671 thousand), €18 thousand (previous year: €18 thousand) are due within one year.

Receivables from affiliated companies include a cash pool receivable of €3,345 thousand (previous year: €5,552 thousand) from the shareholder Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main (Fraport AG). As in the previous year, miscellaneous receivables from affiliated companies are the result of receivables from the provision of goods and services and mainly concern the shareholder Fraport AG in the amount of €1,016 thousand (previous year: €386 thousand).

4. Other assets

The presentation of this item primarily relates to the claim for reimbursement from companies of the Piepenbrock Group amounting to €679 thousand (previous year: €671 thousand).

5. Deferred tax assets

Deferred tax assets increased by €1 thousand to €104 thousand. They relate to temporary differences between accounting carrying amounts and tax carrying amounts under the balance sheet item “Provisions for pensions and similar obligations” and some of which are recognized under the balance sheet item “Other provisions” mainly relating to the item of restructuring costs. If there are excess deferred tax assets overall, the capitalization option under Section 274 (1) Sentence 2 HGB is exercised.

6. Capital shares of limited partners

The capital shares of the limited partner (liable capital contributions) are fully paid in.

In light of potential risks to business development, on July 7, 2020, the limited partner Fraport AG issued a letter of comfort with subordination agreement, which is time-limited and limited in amount, as security for the company. Under this agreement, the limited partner undertakes to financially support the company by granting interest-bearing loans to ensure that it remains in a position to meet its obligations on time. The commitment is limited to a total amount of €8.0 million and has a time limit until December 31, 2022. The agreed subordination will end automatically on December 31, 2022, unless it is canceled prior to this date by mutual agreement. Termination and repayment of the loans is only possible so long as the company is not insolvent or overindebted, or would risk becoming such as a result of terminating and repaying the loans.

7. Revenue reserves

The revenue reserves are in connection with the first-time application of the accounting policies under the German Accounting Law Reform Act (BilMoG) and result from the deferred taxes recognized in the opening balance sheet on January 1, 2010.

8. Retained profits brought forward and net income for the year

The articles of partnership stipulate that the net income for the year will not allocated to the limited partner until it has been approved by the Supervisory Board.

The withdrawal amount is calculated using the same provisions as for amounts that are barred from distribution for corporations. The amount is therefore recognized in accordance with Section 268 (8) HGB (capitalization of deferred taxes – balance: €52 thousand; previous year: €53 thousand) and Section 253 (6) Sentence 1 HGB (difference from the calculation of pension provisions using the ten-yearly average interest rate and using the seven-yearly average interest rate – €59 thousand; previous year: €80 thousand). As of December 31, 2021, the total amount was €111 thousand (previous year: €133 thousand). Fully withdrawing the net profit for the year and retained profits brought forward (including the total amount mentioned above) would reinstate the liability of the limited partner in accordance with Section 172 (4) Sentence 3 HGB, taking revenue reserves into account.

9. Provisions for pensions and similar obligations

There are pension provisions of €957 thousand (previous year: €938 thousand) in connection with the acquisition of employees by way of transfers of operations in 1998.

10. Tax provisions

There are tax provisions of €153 thousand for trade taxes due.

11. Other provisions

Other provisions were predominantly recognized for outstanding vacation entitlements (€552 thousand; previous year: €516 thousand), outstanding invoices (€91 thousand; previous year: €78 thousand), anniversary bonuses (€212 thousand; previous year: €208 thousand), and restructuring/process costs (€43 thousand; previous year: €148 thousand). A provision of €82 thousand (previous year: €131 thousand) was recognized for future archiving costs.

12. Liabilities

Liabilities to affiliated companies of €52 thousand (previous year: €52 thousand) are from the provision of goods and services and mainly concern the general partner VCS.

Other liabilities include tax liabilities of €178 thousand (previous year: €142 thousand). Also reported under this item in particular are liabilities to employees from payroll accounting for the month of December amounting to €1,089 thousand (previous year: €1,016 thousand).

As in the previous year, all liabilities are due within one year. As was the case last year, no security is provided for these liabilities.

13. Deferred tax liabilities

Deferred tax liabilities increased by €3 thousand to €53 thousand. They relate to temporary differences between accounting carrying amounts and tax carrying amounts under the balance sheet item “Other assets”.

III. Notes to the income statement

1. Sales

As in the previous year, the company’s sales were solely domestic and were primarily generated from cleaning buildings, air conditioning systems, and ventilation duct systems at Frankfurt Airport and for a larger number of third-party customers. In addition, they include cleaning income of €1,884 thousand (previous year: €1,958 thousand) for Fraport AG leased premises, which form part of the cleaning service offering for Fraport AG. This item also contains prior-period amounts of €1 thousand (previous year: €141 thousand).

2. Other operating income

Other operating income of €461 thousand (previous year: €420 thousand) largely comprises revenue for private motor vehicle use of €128 thousand (previous year: €134 thousand) and insurance proceeds of €79 thousand (previous year: €14 thousand). The item also includes prior-period income of €199 thousand (previous year: €239 thousand) mainly resulting from insurance proceeds (€17 thousand; previous year: €106 thousand) and from the reversal of provisions (€161 thousand; previous year: €75 thousand).

3. Cost of materials

Cost of materials amounting to €5,160 thousand (previous year: €4,159 thousand) mainly includes subcontractor services purchased from external third parties and from affiliated companies within the Group as well as costs for temporary workers. It also includes rental costs from leasing premises as part of the regular cleaning services specified in the master contract with Fraport AG.

4. Personnel expenses

The pension costs of €31 thousand (previous year: €30 thousand) included in personnel expenses primarily result from the change in pension provisions and the related claims for reimbursement.

The personnel expenses item contains reductions in expenses from the receipt of short-time work grants to cover payments and social security contributions totaling €808 thousand (previous year: €1,932 thousand).

5. Other operating expenses

Other operating expenses include operating expenses of €1,918 thousand (previous year: €1,627 thousand) and administrative and selling expenses of €859 thousand (previous year: €1,123 thousand).

Operating expenses mainly comprise vehicle fleet expenses of €618 thousand (previous year: €655 thousand), incidental premises expenses including maintenance of €481 thousand (previous year: €475 thousand), and miscellaneous operating expenses of €819 thousand (previous year: €497 thousand) (primarily including: rental costs for tools and equipment, compensation payments, insurance policies, voluntary social benefits).

Administrative and selling expenses include, among other items, reimbursement of expenses incurred by the general partner VCS in connection with the management of GCS. Additionally, they contain postage and telephone costs of €197 thousand (previous year: €164 thousand) and training expenses of €56 thousand (previous year: €63 thousand). The item also includes expenses of €100 thousand originating from a management contract with IFM to supply a business development manager (previous year: €100 thousand).

Other operating expenses include prior-period expenses of €22 thousand (previous year: €128 thousand), mainly comprising damage compensation payments of €10 thousand (previous year: €109 thousand) and impairment losses on receivables of €11 thousand (previous year: €1 thousand).

6. Other interest and similar income

The item includes interest on the receivables from Piepenbrock resulting from the assumption of pension obligations totaling €15 thousand (previous year: €18 thousand).

7. Interest and similar expenses

Interest and similar expenses include expenses of €24 thousand (previous year: €28 thousand) from interest on provisions.

8. Income taxes

Income taxes include trade tax expenses of €596 thousand for the current 2021 fiscal year (previous year: €822 thousand) and expenses of €2 thousand from the adjustment of deferred taxes (previous year: expenses of €8 thousand). In the previous year, there was also tax income for prior years of €4 thousand.

IV. Supplementary disclosures

1. Total auditor’s fee

The company makes use of the exemption pursuant to Section 285 No. 17 HGB with respect to disclosing the auditor’s fee. For more information in this regard, refer to the consolidated financial statements of Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main, as of December 31, 2021.

2. Employees

The company’s average headcount in the 2021 fiscal year was 643 employees (previous year: 673). Thereof, 605 were hourly paid workers (previous year: 632), 35 were salaried employees (previous year: 38), and 3 were casual workers (previous year: 3).

3. Contingent liabilities and off-balance sheet transactions

The company does not have any contingent liabilities.

There are off-balance sheet transactions in the form of operating leases in accordance with Section 285 No. 3 HGB for technical auxiliary production materials. These mainly include cleaning equipment and cars. This is intended to increase the flexibility of the fleet vehicles, ensure a relatively new fleet, and reduce capital commitment. Risks may arise from the contract term if the items can no longer be used to the full extent, but there are not currently any indications of this. Neither are there any indications at present that the contractual terms and conditions will not be met.

4. Other financial commitments

The company has the following payment commitments under leases for vehicles, cleaning equipment, and radio systems; under rental agreements with Fraport AG; and for technical equipment:

	Dec. 31, 2021	Dec. 31, 2020
	€ thousand	€ thousand
In 2021	0	2,543
In 2022	2,494	2,517
In 2023	2,501	2,440
In 2024	813	841
In 2025	12	0
	5,820	8,341

Of these other financial commitments, €5,236 thousand were to affiliated companies (previous year: €7,407 thousand). The commitments are connected with the conclusion of the cleaning contract and the related leases with Fraport AG.

The purpose and the benefits of these transactions not being presented in the balance sheet primarily include a lower level of cash being tied up and the ability to use technical equipment that is state of the art. There are no material risks.

5. Related party transactions

No significant related party transactions were carried out under conditions that were not customary for the market.

6. Management and general partners

GCS is managed by the sole general partner, VCS Verwaltungsgesellschaft für Cleaning Service mbH, Frankfurt am Main (VCS). It is represented by its sole managing director, Mr. Holger Gottschling. The general partner has not made any capital contribution, does not hold any capital shares, and does not have a stake in the company's assets. It does not have any voting rights.

Since GCS changed its legal form on March 31, 2022, it has been managed by the managing director of Fraport Facility Services GmbH, Mr. Holger Gottschling, Bad Homburg v.d. Höhe.

The company has elected not to disclose management remuneration in accordance with Section 286 (4) HGB.

The fully paid in subscribed capital of the general partner VCS amounts to €26,000.00 and is held in full by Fraport AG.

7. Supervisory Board

Under Article 7 of the GCS articles of partnership, the company has a Supervisory Board, which has the following members:

Mathias Müller
Fraport AG, Integrated Facility Management, IFM
-- Chairman of the Supervisory Board --

Thomas Schäfer
Fraport AG, Head of Environmental Impacts from Noise and Air Pollutants, FTU-LL
-- Deputy Chairman of the Supervisory Board --

Patrick Schäfer
Fraport AG, Head of Real Estate Rental, HVM-IV

Zafer Memisoglu
Fraport AG, Works Council

Meydan Simsek
GCS, Chairman of the Works Council

The members of the Supervisory Board were dismissed by means of a resolution of the shareholders on June 1/2, 2022 as a result of the change of legal form. Under the new Articles of Association, the new Supervisory Board has a total of six members, of which two members are appointed and dismissed under the terms of the German One-Third Participation Act (DrittelbG, Drittelbeteiligungsgesetz). By the same resolution, the following were appointed as shareholder representatives on the Supervisory Board:

Mathias Müller
Fraport AG, Integrated Facility Management, IFM

Thomas Schäfer
Fraport AG, Head of Environmental Impacts from Noise and Air Pollutants, FTU-LL

Martina Zimmermann
Fraport AG, Head of Terminal Management, AVN-P

Felix Kreutel
Fraport AG, Head of Real Estate and Energy

The members of the Supervisory Board did not receive any remuneration for their supervisory activities on behalf of the company, as was the case in the previous year.

8. Appropriation of net profit

The legal representative of the company will propose to the Shareholders' Meeting that the net income for the year be distributed to the limited partner up to a partial amount, which is currently €1,288 thousand.

9. Events after the end of the reporting period (supplementary report)

On February 17, 2022, the Supervisory Board approved the planned realignment of GCS at an extraordinary Shareholders' Meeting. At the start of March 2022, approval was subsequently granted by the Group Executive Board at a board meeting. At the Shareholders' Meeting on March 23, 2022, notarial certification was made of the change of legal form from a partnership to a limited liability corporation and the company name was changed to Fraport Facility Services GmbH. These changes were entered in the commercial register on March 31, 2022 by the District Court of Frankfurt am Main, whereupon the conversion and the change of legal form became legally valid.

In Q1 2022, the decision was taken within the Fraport Group to integrate the three sewer cleaning companies

- Flughafen Kanalreinigungsgesellschaft mbH, Kelsterbach
- Frankfurter Kanalreinigungsgesellschaft mbH, Kelsterbach
- Fraport Beteiligungs-Holding GmbH, Kelsterbach

into Fraport Facility Services GmbH. The merger of the companies yielded optimization potential within overhead structures, within processes at the interface with Fraport AG, and among the subsidiaries themselves. The implementation date is currently under assessment. The Group favors implementation in 2022 and alternatively within the first half of 2023.

Russian forces started an invasion of Ukraine on February 24, 2022. Far-reaching European and international sanctions were levied – and are still being levied – against Russia, Russian companies, and Russian citizens in response to this invasion. The ramifications for GCS of this military conflict and the sanctions that have already been imposed are very difficult to gage. Negative impacts on business performance are not currently anticipated due to the relatively low proportion of Russian passengers.

No further significant events that require reporting occurred after the balance sheet date.

10. Group affiliation

The company is included in the consolidated financial statements of Fraport AG, which prepares consolidated financial statements for the smallest and the largest consolidated group. The consolidated financial statements are published in the German Federal Gazette.

Frankfurt am Main, June 3, 2022

Fraport Facility Services GmbH

Holger Gottschling
(Managing Director)

Original document is available

Statement of Changes in Fixed Assets for the Fiscal Year from January 1 to December 31, 2021 (Annex to the Notes)

GCS Gesellschaft für Cleaning Service mbH & Co.
Airport Frankfurt/Main KG
(since the change of legal form on March 31, 2022:
Fraport Facility Services GmbH),
Frankfurt am Main

Statement of Changes in Fixed Assets
for the Fiscal Year from January 1 to December 31, 2021

	Acquisition or production costs				
	Jan. 1, 2021	**Additions**	**Disposals**	**Reclassifications**	**Dec. 31, 2021**
	€	**€**	**€**	**€**	**€**
I. Intangible assets Purchased software	256,216.14	27,600.00	50,576.73	0.00	233,239.41
II. Tangible assets					
1. Technical equipment and machinery	1,224,424.94	90,327.87	326,941.58	196,934.41	1,184,745.64
2. Operating and office equipment	662,559.10	282,917.86	273,275.36	-196,934.41	475,267.19
	1,886,984.04	373,245.73	600,216.94	0.00	1,660,012.83
	2,143,200.18	**400,845.73**	**650,793.67**	**0.00**	**1,893,252.24**

Depreciation and amortization					Residual book values	
Jan. 1, 2021	**Additions**	**Disposals**	**Reclassifications**	**Dec. 31, 2021**	**Dec. 31, 2021**	**Dec. 31, 2020**
€	**€**	**€**	**€**	**€**	**€**	**€**
253,148.14	11,779.00	50,576.73	0.00	214,350.41	18,889.00	3,068.00
630,068.94	144,828.87	284,602.58	196,934.41	687,229.64	497,516.00	594,356.00
507,942.10	157,703.86	238,371.36	-196,934.41	230,340.19	244,927.00	154,617.00
1,138,011.04	302,532.73	522,973.94	0.00	917,569.83	742,443.00	748,973.00
1,391,159.18	**314,311.73**	**573,550.67**	**0.00**	**1,131,920.24**	**761,332.00**	**752,041.00**

INDEPENDENT AUDITOR'S REPORT

To Fraport Facility Services GmbH, Frankfurt am Main

Audit opinions

We have audited the annual financial statements of GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG (since the change of legal form on March 31, 2022: Fraport Facility Services GmbH, Frankfurt am Main) – comprising the balance sheet as of December 31, 2021, the income statement for the fiscal year from January 1 to December 31, 2021, and the notes to the annual financial statements, including the presentation of the accounting policies. In addition, we have audited the management report of GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG for the fiscal year from January 1 to December 31, 2021.

In our opinion, based on the findings of our audit,

- the attached annual financial statements comply in all material respects with the requirements of German commercial law and give a true and fair view of the company's net assets and financial position as of December 31, 2021, and of its results of operations for the fiscal year from January 1 to December, 2021, in accordance with the German principles of proper accounting.

- the attached management report as a whole presents an accurate view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal regulations, and suitably presents the opportunities and risks of future development.

Pursuant to Section 322 (3) Sentence 1 HGB, we state that our audit has not led to any reservations with regard to the compliance of the annual financial statements or the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors – IDW). Our responsibility according to these regulations and standards is described in further detail in the "Responsibility of the auditor for the audit of the annual financial statements and the management report" section of our auditor's report. We are independent of the company in compliance with the provisions of German commercial law and professional law and have fulfilled our other German professional obligations in compliance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions regarding the annual financial statements and the management report.

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements and the management report

The legal representatives are responsible for preparing the annual financial statements, which in all material respects comply with the requirements of German commercial law, and for the annual financial statements giving a true and fair view of the net assets, financial position, and results of operations of the company in accordance with the German principles of proper accounting. Furthermore, the legal representatives are responsible for the internal controls that, in accordance with the German principles of proper accounting, they deemed necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's status as a going concern. In addition, they have a responsibility to disclose matters related to the status as a going concern, if relevant. They are also responsible for accounting on the basis of the going concern principle, unless prevented by actual or legal circumstances.

Moreover, the legal representatives are responsible for preparing the management report, which as a whole provides an accurate view of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal regulations, and suitably presents the opportunities and risks of future development. The legal representatives are also responsible for the arrangements and measures (systems) that they considered necessary to enable the preparation of a management report in compliance with the applicable German legal regulations and to allow sufficient, suitable evidence to be provided for the statements in the management report.

The Supervisory Board is responsible for monitoring the company's accounting process for the preparation of the annual financial statements and the management report.

Responsibility of the auditor for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an accurate view of the company's position and is in all material respects consistent with the annual financial statements and with the findings of the audit, complies with German legal regulations and suitably presents the opportunities and risks of future development, and to issue an auditor's report containing our audit opinions regarding the annual financial statements and the management report.

Reasonable assurance is a high level of assurance but not a guarantee that an audit carried out in compliance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements can result from transgressions or inaccuracies and are deemed material if it could be reasonably expected that they would individually or together influence the financial decisions made by users on the basis of the annual financial statements and management report.

We exercise due discretion during the audit and maintain a critical attitude. In addition,

- we identify and evaluate the risk of material misstatements, whether due to fraud or error, in the annual financial statements and the management report, plan and implement audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements are not uncovered is higher in the case of transgressions than in the case of inaccuracies, as transgressions can entail fraudulent collaboration, falsifications, deliberate omissions, misleading depictions, or the suspension of internal controls.

- we gain an understanding of the internal control system relevant for the audit of the annual financial statements and of the arrangements and measures relevant for the audit of the management report in order to plan audit procedures that are appropriate given the circumstances, but not with the aim of providing an audit opinion regarding the effectiveness of these systems of the company.

- we evaluate the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values presented by the legal representatives and the associated disclosures.

- we draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is material uncertainty regarding events or circumstances that could cause significant doubt about the company’s ability to continue as a going concern. If we come to the conclusion that there is material uncertainty, we are obliged to call attention to the associated disclosures in the annual financial statements and in the management report in the auditor’s report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor’s report. However, future events or circumstances may mean that the company is no longer a going concern.

- we evaluate the overall presentation, the structure, and the content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events such that the annual financial statements give a true and fair view of the net assets, financial position, and results of operations of the company in accordance with the German principles of proper accounting.

- we evaluate the consistency of the management report with the annual financial statements, its legality, and the view it gives of the position of the company.

- we conduct audit procedures regarding the forward-looking disclosures made by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we examine the significant assumptions underlying the legal representatives' forward-looking disclosures in particular and evaluate the appropriateness of the derivation of the forward-looking disclosures from these assumptions. We do not provide a separate audit opinion regarding the forward-looking disclosures or the underlying assumptions. There is a considerable, unavoidable risk that future events will differ significantly from the forward-looking disclosures.

Topics for discussion with those responsible for monitoring include the planned scope and scheduling of the audit as well as significant audit findings, including any deficiencies in the internal control system that we find during our audit.

Frankfurt am Main, June 3, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Guido Tamm
German Public Auditor

ppa. Matthias Böhm
German Public Auditor

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