HR neo

HRneo is the largest development program in HR in recent years. It aims to realign the HR department and further increase Fraport´s attractiveness as an employer. Team spirit within the workforce is also to be strengthened across the Group through HRneo. The five sub-projects “Leadership, Culture, Image, Talent & Development”, “Recruitment & Skills”, “Remuneration & Benefits”, “Processes & Systems” and “Organization, Efficiency & Realignment” deal with the relevanttopics also with the involvement of employees.

Following an initial analysis and concept phase, the medium-term program is currently in the implementation phase.

Combined Management Report for the 2023 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 in terms of the number of passengers carried and metric tonnes of cargo handled. The main site of the Group is Frankfurt Airport, one of the most important passenger and cargo airports in the world, in respect of which the Group's parent company, Fraport AG Frankfurt Airport Services Worldwide (abbreviated: Fraport AG), has an operating permit with no time limit. Beyond the Frankfurt site, the Group operates on four continents, mainly on the basis of concession agreements at international airports. The main sites outside Frankfurt, which are designated as "investments in airport operating projects," include 14 airports in Greece, Lima Airport in Peru, and two airports in Brazil – Porto Alegre and Fortaleza, as well as Antalya Airport in Turkey (see also the "Key sites" chapter).

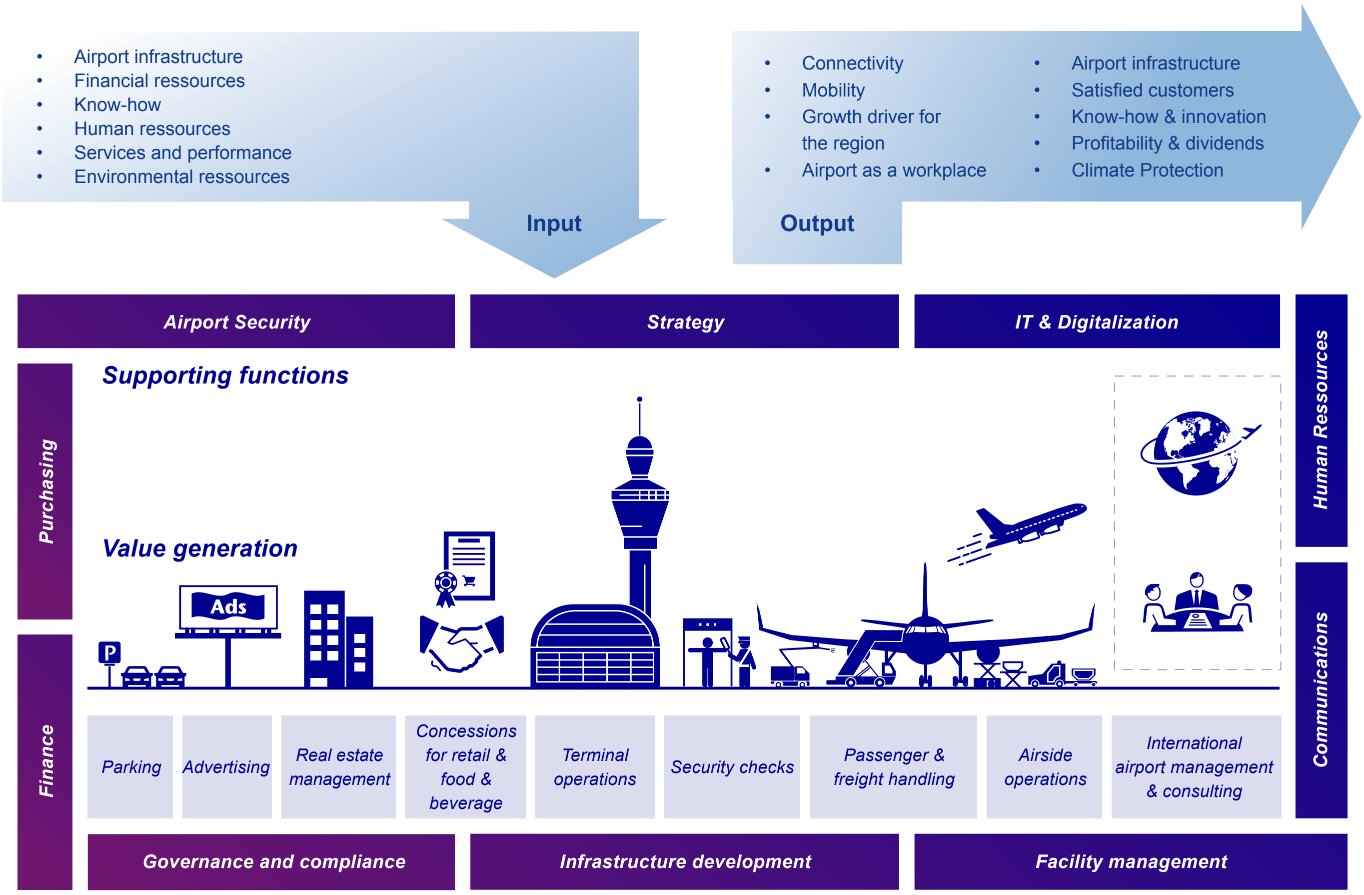
As an airport operator, Fraport provides a wide range of operational and administrative services for airport and terminal operations. Within the framework of the concession agreements, the scope of the services offered varies from contractually binding construction and expansion activities, administration and control of airport processes, to the management of retail areas. In addition to the services provided, the concession models differ in terms of their term and the structure of the concession fees to be paid. The Fraport Group also offers planning and consulting services as well as IT services and facility management. Fraport aims to ensure that customers are the focus of all its 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 Group generates the majority of its revenue and earnings from the passenger and freight business at each of its sites. Apart from passengers, its main customers include airlines, tenants of office and retail space, authorities and freight forwarders. Fraport primarily levies charges for the use of the airport infrastructure, generates income from the development of commercial areas, and offers additional operational services. Fraport reports the main revenue streams resulting from this as "airport charges," "infrastructure charges," "ground services" and "security services," "retail," "real estate" and "parking." In the area of airport concessions, revenue from "construction and expansion services in accordance with IFRIC 12" are also reported. In its reporting, Fraport distinguishes between the following four segments:

- **Aviation** – holistic management of the terminal facilities and passenger processes at Frankfurt Airport.
- **Retail & Real Estate** – development and renting of space at the airport and in the area near the airport in Frankfurt. This primarily includes the retail business, building and space leasing as well as parking management.
- **Ground Handling** – ground services such as loading, baggage and passenger services as well as 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. 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 broad 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. The influencing factors can both positively and negatively affect passenger and freight demand as well as the range of aircraft movements and passenger capacity at Group 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. High **inflation rates** potentially reduce disposable income and can have a negative impact on business development. **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, whose functional currencies are converted into the currency of the Group, the euro.

Price fluctuations on 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. Operating restrictions, such as night flight bans and noise control measures, as well as travel restrictions and taxes, can have a negative impact on airline offerings. This may also affect passenger and cargo volume at the affected sites and may contribute to 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

After FraSec Fraport Security Services GmbH, a wholly owned subsidiary of Fraport AG, transferred 26% of the shares in FraSec Aviation Security GmbH, formerly FraSec Luftsicherheit GmbH, to the Dr. Sasse Group in the 2022 fiscal year, FraSec Fraport Security Services GmbH transferred a further 25% of the capital shares as at January 1, 2023. As a result of the transfer, FraSec Fraport Security Services GmbH now holds 49% of the capital shares in FraSec Aviation Security GmbH, which has since been included as a joint venture in the Fraport Group.

As part of a transfer agreement, the German Federal Ministry of the Interior and Community (BMI) has transferred responsibility for the organization, financing, control and implementation of aviation security checks at Frankfurt Airport to Fraport AG effective January 1, 2023. Fraport also assumes responsibility for procuring security equipment at Frankfurt Airport and for calculating and levying aviation security charges from the airlines. In future, the aviation security checks will be carried out at the Frankfurt site by specialist personnel on behalf of Fraport AG, under the supervision of the German Federal Police.

In September 2023, the Supervisory Board of Fraport AG decided to extend the contract with Dr. Stefan Schulte, Chairman of the Executive Board of Fraport AG, for an additional three years until August 31, 2027 with effect as of September 1, 2024. In addition, the Supervisory Board extended the contract with Dr. Pierre Dominique Prümm, Member of the Executive Board and Executive Director Aviation and Infrastructure, for an additional five years until July 31, 2029 with effect as of August 1, 2024.

Beyond that, no fundamental changes were made to the legal and organizational Group structure in the 2023 fiscal year.

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, 2023 there were 56 consolidated companies excluding companies accounted for using the equity method, and 78 companies including companies accounted for using the equity method (in the previous year: 55 and 76 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 (Member of the Executive Board and Executive Director Retail & Real Estate), Julia Kranenberg (Labor Relations Director), Dr. Pierre Dominique Prümm (Member of the Executive Board and Executive Director Aviation and Infrastructure), and Prof. Matthias Zieschang (Member of the Executive Board and 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 include the Group companies involved in each of these business processes. The central units of Fraport AG in Frankfurt are 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. The Aviation segment is responsible for ensuring safe, efficient, and customer-oriented processes in the flight operating areas and terminals as well as the implementation of airport and air safety tasks in compliance with legal requirements.

The **Retail & Real Estate segment** is responsible in particular for the commercial development of the Frankfurt site, including the retail activities as well as real estate and land. 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. In addition to the stationary business at Frankfurt Airport, the focus is, among other things, on greater use of online retail offers and sales channels.

The **Ground Handling segment** consists of loading, baggage, and passenger services, airmail and luggage transport, and freight handling at Frankfurt Airport. The segment is primarily responsible for the quality of Frankfurt Airport's role as a hub, characterized by transfer processes. The provision of the central infrastructure, in particular the baggage transfer system, is also allocated to this segment.

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

As at December 31, 2023, 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	• Fraport Ground Services • FraCareServices	• FraSec Flughafensicherheit • FraSec Services	• Fraport Facility Services

A detailed description of the structure and operation of the management and control body is presented in the "Combined statement on corporate governance." The annually updated "Combined Statement on Corporate Governance" does not form part of the annual audit of the consolidated accounts by the auditor.

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[1]	Fixed minimum + revenue component
	Porto Alegre	Fraport Brasil S.A. Aeroporto de Porto Alegre	100	2017	2042[1]	
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[2])	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[3]	1999	2051	Fixed amount

[1] Extension option.
[2] The Group company Fraport Regional Airports of Greece Management Company S.A. is included for financial reporting purposes.
[3] 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. Regionally, there is competition for passengers and air freight with airports in the original catchment area. Internationally, Frankfurt Airport competes for domestic and international transfer passengers and transshipment freight on the basis of its function as an international transfer airport. The main customer at the Frankfurt site remains the Lufthansa Group, which maintained its share of more than 60% of passengers in Frankfurt in the 2023 fiscal year. The largest competitors for transfer passengers are primarily the hub airports London Heathrow, Paris Charles de Gaulle, Amsterdam Schiphol, Istanbul, and Munich, which are in particular influenced by the global route networks of 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 Middle East, the Frankfurt site is also in intercontinental competition with these airports.

In particular, the expansion and modernization programs contribute to maintaining and improving the international competitive position. For example, the northward relocation of the security checks in Terminal 1 should lead to a much improved transfer process. Terminal 3 (“Expansion South”) should also ensure 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 flight schedule in 2026.

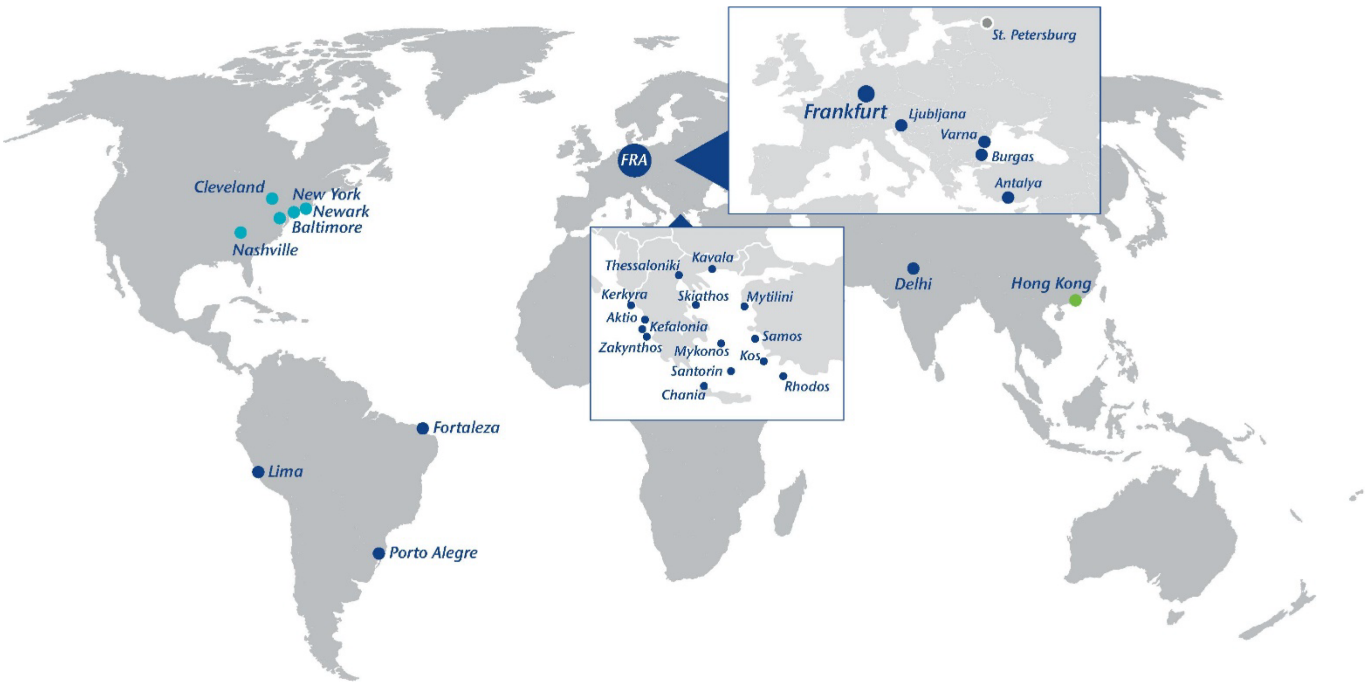
The ranking of the top 10 airports in Europe, which has changed due to the crisis, is slowly returning to the pre-crisis structure (ranking according to ACI Europe; as of: February 2023). With 48.9 million passengers, Frankfurt Airport ranked sixth among the leading airports in terms of passengers in the reporting year. The Group airport Antalya (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.

Competetive position in Europe

Rank[1)]	2023	2022	2019	Airport	Passengers	delta %	Rank[1)]	2023	2022	2019	Airport	Air freight	delta %
↑	1.	2.	1.	LHR - London	79,183,190	28.5	→	1.	1.	1.	FRA - Frankfurt	1,828,091	-5.0
↓	2.	1.	5.	IST - Istanbul	75,899,236	18.1	→	2.	2.	2.	CDG - Paris	1,814,952	-1.8
→	3.	3.	2.	CDG - Paris	67,424,082	17.3	↑	3.	5.	5.	IST - Istanbul	1,516,396	6.3
→	4.	4.	3.	AMS - Amsterdam	61,889,586	17.9	↑	4.	6.	3.	LHR - London	1,387,059	2.7
→	5.	5.	6.	MAD - Madrid	60,181,604	18.9	↓	5.	4.	4.	AMS - Amsterdam	1,378,041	-4.2
→	6.	6.	4.	FRA - Frankfurt	59,355,389	21.3	↑	6.	10.	11.	MXP - Milan	665,655	-7.0
→	7.	7.	7.	BCN - Barcelona	49,883,928	19.9	↑	7.	12.	10.	MAD - Madrid	643,534	13.6
→	8.	8.	10.	LGW - London	40,902,076	24.5	↑	8.	11.	12.	BRU - Brussels	579,549	-5.9
↑	9.	12.	11.	FCO - Rome	40,494,654	38.0	↑	9.	16.	15.	MUC - Munich	277,200	7.1
↑	10.	11.	13.	SAW - Istanbul	37,097,582	20.5	↑	10.	15.	16.	ZRH - Zurich	268,164	-0.1

[1)] Ranking according to ACI Europe (February 2024).

Competitive Position Outside the Frankfurt Site



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

The competitive positions of the major airports in the Fraport Group are presented below.

As the airport of the country's capital, the development of **Ljubljana** Airport is closely linked to the economic and tourist situation in Slovenia. As an originating airport, Ljubljana is in particular in competition with airports in its catchment area, such as Zagreb Airport near the border. Compared to the previous year, the airport recorded a clear recovery in traffic. This is mainly due to improved connectivity and the resumption of flight connections that were temporarily suspended due to the bankruptcy of Adria Airways in the fall of 2019 and the impact of the coronavirus pandemic. Alongside a large number of connections to European capitals and business sites, an increasing number of charter flight connections to tourist regions continued to contribute to the appeal of the site and the airport.

Passenger numbers at the two Brazilian airports **Porto Alegre** and **Fortaleza** are strongly influenced by domestic originating traffic. The share of domestic passenger numbers was around 95% in both Fortaleza and Porto Alegre. The three major airlines LATAM Brazil, GOL and Azul continue to dominate the Brazilian market and accordingly offer numerous connections from Porto Alegre and Fortaleza. Porto Alegre benefits from its geographical proximity to the economic center of Brazil. Fortaleza Airport is highly tourist-oriented and is conveniently located for flights to Europe and North America. However, during the year the airport was affected by the weak development of the economy and a decline in tourist numbers. In addition, GOL has moved part of its fleet to other Brazilian sites. Freight volumes at both airports developed positively.

The Jorge Chávez Airport in **Lima** is Peru's leading airport, and one of the largest airports in South America. The site profits from its geographical position, which makes the airport an attractive transfer point for traffic between South and North America. LATAM Airlines Group has the largest share of aircraft movements and passengers at Lima Airport. The largest low-cost airlines at the site, SKY Airline and Jetsmart, continue to pursue a growth strategy and contribute to positive traffic growth. The expansion project at the Jorge Chávez Airport includes the construction of a new passenger terminal, a new runway, including aprons and taxiways, as well as other peripheral infrastructure. This will ensure that sufficient capacity is available for further growth in the South American aviation market in the future. The second runway and the air traffic control tower started operations in April 2023. The construction of the new passenger terminal continues to progress. It is scheduled to open at the end of 2024.

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 and the associated potential for a further increase in demand should continue in the coming years. Despite isolated natural events, such as the forest fires on Rhodes and Corfu, traffic figures continued to increase and reached a new peak in 2023.

The Black Sea airports in **Burgas** and **Varna** are the second- and third-largest passenger airports in Bulgaria after Sofia. The flight schedule included 64 destinations in Varna and 75 destinations in Burgas in 2023. In addition to charter services, low-cost transport promises further growth potential. Wizz Air provided the largest share of passengers by far, at around 26%. In 2023, the airline stationed three aircraft in Varna, two since October 2023. The modular expansion of the terminals at both sites offer sufficient capacity to be able to meet the regional growth expected in the medium term.

Antalya was the second-largest passenger airport in Turkey 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 Turkey. 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 until January 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

Following the worldwide traffic decline caused by the coronavirus pandemic, the volume of traffic is recovering globally. In the long term, stable growth of the aviation market is expected to continue. Fraport aligns its strategy to the long-term forecasted development of the global aviation market and its trends. In particular, projected global economic growth and stable world trade will have a positive impact on the development. The world's growing population, combined with the expanding middle class, which tends to consume more, are the main factors driving tourism demand. Disproportionate growth is still expected from and in the economic emerging markets.

Long-term market development

Global economic performance

Growing **global gross domestic product** and increasing **global trade** will promote the development of air traffic

Growing world population

Globalization and a pronounced **trend towards private travel** are contributing positively to this development

Forecast for the long-term development of global air traffic underpins growth prospects

Source	Term	Reference	Average annual growth
Airbus	2019 – 2042	Passenger kilometers sold	+3.6%
Boeing	2019 – 2042	Passenger kilometers sold	+3.7%
Embraer	2019 – 2042	Passenger kilometers sold	+3.2%
ACI	2019 – 2041	Number of passengers	+3.5%

Strategic objectives

The vision of the Fraport Group, with its five strategic objectives, serves to implement the mission and remains unchanged despite short-term volatility:

A description as well as target values and time horizons for the most important financial and important non-financial key figures can be found in the “Control system” chapter, and the development during the past fiscal year can be found in the “Economic Report” chapter. The forecast values for the key financial performance indicators for the 2024 fiscal year are included in the “Outlook Report” chapter. Substantial risks and opportunities 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. Against this background, Fraport is aligning the company to ensure competitiveness and to participate sustainably in this growth – both at the Frankfurt site and internationally.

Based on this, it is expected that traffic volume at Group airports will follow the general market trend, the aviation value added will increase, and sustainable EBITDA growth will be achieved in the non-aviation segment. The international business is also expected to continue to grow 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 according to plan, and the new terminal will open for the 2026 summer flight schedule. The resulting additional capacity of around 20 million passengers will make it possible to gradually modernize older terminal infrastructure. In particular, Terminal 2 will be temporarily closed and modernized.

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 business field. Infrastructural expansion areas at Frankfurt Airport, the e-commerce segment, and the forecasted overall economic upswing are expected to contribute to growth in freight in the coming years.

Fraport is continuing the expansion measures required to meet capacity that it has begun at international sites. In Peru, expansion measures are well advanced. The new terminal will be opened at the end of 2024 following the inauguration of the runway and air traffic control tower. Compared to 23.6 million passengers carried in 2019, the airport's capacity will be increasing to around 40 million passengers. The terminal at Varna Airport in Bulgaria is also to be expanded in the next few 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 (Return on Fraport Assets), net financial debt to EBITDA ratio, and free cash flow. In view of the dynamic economic environment, Fraport is also focusing on securing Group liquidity in the long term.

Service-oriented airport operator

Motivated employees, efficient processes and infrastructure that meets current needs ensure that Group airports reach a leading position in their respective aviation market and underpin the claim of Fraport of having a strong customer and service orientation at all sites.

As of January 1, 2023, Fraport is responsible for the organization, control, and implementation of aviation security checks at Frankfurt Airport. This is a substantial milestone in optimizing control of the travel process. In combination with the gradual rollout of new computer tomography (CT) scanners, queues at security checkpoints will be reduced. Customer experience will improve 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.

In addition to the passengers, airport business partners including airlines, retailers, and logistics specialists are of key importance to Fraport. Fraport aims to provide its partners Group-wide with a good commercial basis. Processes and interfaces are technologically supported and are intended to be improved continuously. This simplifies and accelerates processes. With the founding of FraAlliance GmbH, Fraport and Lufthansa have strengthened their strategic and operational cooperation at the Frankfurt site. The main focus in the reporting period was on improving the gastronomic and retail offerings.

Customer and service orientation will also be continually improved at the other 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. 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

Fraport aims to ensure that Group companies, business fields and services perform with quality and cost structures that can compete with specialized aviation service providers. Optimized collaboration enables the operating cost to be reduced further and made more flexible.

In order to support the restart of air traffic and ensure the long-term success of Fraport, the focus is on adapting the organization and its processes. Among other things, a bundling of ground services in Frankfurt within the framework of a joint operation is planned. 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. The intention is for risks and opportunities to be recognized at an early stage, and changes in the market 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 within the Group on specific airport management issues. One example of this is the “Sustainability X-Change,” in which sustainability experts and managing directors of the international Group companies and Fraport AG regularly exchange ideas and drive forward joint projects. The main focus in 2023 was to extend the decarbonization master plan to the Group level.

The volatile business environment in which Fraport operates requires a high level of adaptability from the organization and its staff. Fraport is increasingly building on digital solutions with collaborative value creation and is thus consistently implementing its digitalization and innovation strategy. The partnership with Microsoft established as part of the AI@FRA initiative is primarily used to improve the handling process in flight operations. The first concrete use cases for artificial intelligence are also being worked on in the administrative area. The basis for this work is, among other things, appropriate data quality. The Data Literacy training program aims to consistently prepare employees for more data-based work. Fraport considers digitalization and innovation to be a lever to improve customer satisfaction and financial performance indicators. 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 throughout the Group.

Being a good neighbor means communal, cultural, and social engagement in the respective regions. At the Group sites, the regions close to the airport benefit from the economic performance of the airports. Donations or sponsoring activities are carried out independently by the Group companies.

Active and passive noise abatement serves to reduce 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 field of climate protection, Fraport is pursuing the goal of reducing Group-wide CO_2 emissions to a maximum of 95,000 metric tons by 2030. Fraport aims to be carbon-free by 2045. No emissions will be compensated. In 2022, the “Decarbonization Master Plan” for Fraport AG was developed as a policy paper for decarbonization. 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 CO_2 emissions. In the 2023 fiscal year, the master plan was also rolled out to the relevant Group companies. Key components include packages of measures to increase energy efficiency, the conversion of the vehicle fleet to electric drives and the procurement of energy from renewable sources.

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. For this purpose, the HRneo strategic program was launched in 2023. It comprehensively addresses the requirements of the personnel market and aims to position Fraport as a top employer. In this way, Fraport aims to secure its own long-term competitiveness in an increasingly tight labor market. HRneo takes a holistic view of HR work and will also revise the current understanding of leadership.

Comprehensive, integrated occupational health and safety is also an important component of the Fraport Group's understanding of sustainability.

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” forms 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.

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

Research and Development

Fraport does not conduct research and development in the narrowest sense. Nevertheless, the company is eager to ensure necessary developments are made and to integrate market proven solutions in a timely manner. The focus therefore lies on continuously observing markets and technologies in order to identify and implement promising developments at an early stage.

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, 2023 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 28.

The shares of Fraport AG are not subject to any restrictions on voting rights under the company statutes or the law. None of the shares issued by Fraport AG certify any rights that confer special supervisory powers on the holders. In the event of a change of control following a takeover bid, there are no compensation agreements with members of the Executive Board or employees.

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 Annual General Meeting, 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 Annual General Meeting has to be passed by a three-quarter majority of the represented capital stock.

The Executive Board is entitled, with the consent of the Supervisory Board, to increase the capital stock on one or more occasions by up to a total of €458,843,520.00 until May 31, 2026 by issuing up to 45,884,352 new no-par value bearer shares in return for cash (“Authorized Capital II”). In principle, the shareholders are to be granted a subscription right. The new shares may also be acquired by a credit institution to be determined by the Executive Board or a company (financial institution) acting in accordance with the first sentence of Section 53(1) of the German Banking Act (KWG) or the first sentence of Section 53b(1) or Section 53b(7)

KWG or a consortium of such credit or financial institutions with the obligation to offer them to the company's shareholders for subscription (indirect subscription right). The new shares will participate in the net income from the beginning of the fiscal year of their issue. To the extent legally permissible, the Executive Board, with the consent of the Supervisory Board and in deviation from Section 60 (2) AktG, can determine that the new shares will participate in net income from the beginning of a fiscal year that has already expired and for which no resolution has yet been passed by the Annual General Meeting on the appropriation of the profit earmarked for distribution at the time of their issue. The Executive Board is further authorized, also with the consent of the Supervisory Board, to exclude the subscription right of the shareholders one or more occasions, insofar as this is necessary to compensate for residual amounts. The Executive Board is authorized to determine, with the consent of the Supervisory Board, the further details of the capital increase, the further content of the share rights and the terms and conditions of the issue of shares. The Supervisory Board is authorized to adjust the wording of Section 4 of the company statutes in accordance with the respective utilization of Authorized Capital II and after the expiration of the authorization period.

The capital stock is conditionally increased by up to €120,209,310.00 through the issue of up to 12,020,931 new no-par value bearer shares (Contingent Capital). The contingent capital serves exclusively to grant shares to the holders or creditors of convertible bonds and/or bonds with warrants or a combination of all these instruments, which are issued by the company in accordance with the authorization up to May 31, 2026 resolved by the Annual General Meeting on June 1, 2021 under agenda item 7 a) and grant a conversion or option right to new no-par value bearer shares in the company or determine a conversion or option obligation or a right to tender and insofar as the issue takes place in return for cash. The new shares are issued at the conversion or option price to be determined according to the previously mentioned authorization resolution. The contingent capital increase is only to be carried out to the extent that conversion or option rights are exercised, or the conversion/option obligation is satisfied, or shares are tendered, and no other forms of fulfillment are used. The new shares will participate in the profits from the beginning of the fiscal year in which they are created by exercising conversion or option rights or through the fulfillment of corresponding obligations (fiscal year of origin); in deviation from this, the new shares will participate in the profits from the beginning of the fiscal year preceding the fiscal year in which they were created if the Annual General Meeting has not yet passed a resolution on the utilization of the profit earmarked for distribution from the fiscal year preceding the fiscal year in which they were created. The Executive Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of conditional capital increases.

As part of the annual employee stock program, 35,625 shares of Fraport AG were issued in the reporting period, which are subject to a one-year lock-up period. In addition, each member of the Executive Board is obliged to acquire shares of Fraport AG in the amount of at least one annual gross base remuneration within a five-year establishment phase in annual installments, and to hold them permanently during their membership on the Executive Board.

Furthermore, there are loans with contractually agreed credit clauses. These clauses relate, among other things, to changes in the shareholder structure, and control of the company. If these changes have a proven negative effect on the credit rating of Fraport AG, the creditors have, above a certain threshold, the right to call the loans due ahead of time on a case-by-case basis.

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, 2023. Of this, the State of Hesse held 31.31% and Stadtwerke Frankfurt am Main Holding GmbH 20.92%. The voting rights in Fraport AG owned by the City of Frankfurt/Main are held indirectly via the Stadtwerke Frankfurt am Main Holding GmbH subsidiary.

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: 20.92%) 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.”

Combined 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 combined statement on corporate governance pursuant to Section 289f HGB and Section 315d HGB read in conjunction with Section 289f HGB, in order to enable a general statement on the Group’s corporate governance principles. The combined statement on corporate governance is published in the “To our shareholders” chapter and on the corporate website at 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 2023 annual financial statements.

Annual General Meeting (AGM)

At the past virtual AGM on May 23, 2023, Fraport received a clear majority from its shareholders on all agenda items. Of the capital entitled to vote, 73,253,707 no-par-value shares and the same number of voting rights (79.22% of capital) were exercised. The AGM for the 2023 fiscal year will be held on May 28, 2024 as an in person meeting.

Control system

The “Control system” chapter explains the key indicators used by the Executive Board to make the corporate measures taken as part of the Group strategy measurable and to evaluate them

Changes compared with the previous year

The following changes were made to the Group’s control system in the 2023 fiscal year. The “Non-financial performance indicators” section is part of the “Combined non-financial statement.” As in the previous year, the non-financial performance indicators are still presented in this chapter. The Executive Board dealt with the requirements of the Corporate Sustainability Reporting Directive (CSRD). In preparation for the implementation, the control system was determined and checked to ensure it was up to date. The first step was to analyze and define the non-financial performance indicators. A comprehensive revision of the control system, along with the adoption of the materiality matrix and the further development of the Fraport.2030 Group strategy, is planned for 2024 (see also the “Business outlook” chapter). The relevance of the key financial performance indicators to control activities was confirmed for the 2023 fiscal year.

As planned, the employee satisfaction indicator was not measured during the reporting period. The focus is on the development and implementation of measures derived from the last survey in 2022.

Beginning with the reporting for the 2023 fiscal year, the Executive Board will focus on the following financial and non-financial performance indicators, the developments of which are presented in the “Group results of operations,” “Asset and financial position,” “Value management,” and “Non-financial performance indicators” chapters. Corresponding forecasts for the key financial performance indicators have been stated in the “Business outlook” chapter.

Financial performance indicators

Overview financial key performance indicators

Topic	Target	Key figure	Scope	Term	Target level	Value 2023
Earnings position/ Assets and financial position	We generate long-term earnings growth and maintain financial strength at a high level despite future investments.	EBITDA (€ million)	Group	2024	Between roughly €1,260 million and around €1,360 million	1,204.0
		Group result (€ million)	Group	2024	Between around €435 million and roughly €530 million	430.5
		Free Cash Flow (€ million)	Group	2024	Negative mid three-digit million € amount	–656.4
		Group liqudity (€ million)	Group	Long term	≥ €1 billion, temporarily clearly higher	4,041.3
		Net financial debt to EBITDA	Group	Long term	Max. 5x	6.4
		ROFRA (%)	Group	Long term	>WACC (2023: 7.6 %)	6.6
		Net profit (€ million)	Fraport AG	Long term	Between around €300 million and roughly €350 million	329.1
		Liquidity (€ million)	Fraport AG	Long term	≥ €1 billion, temporarily clearly higher	3,285.6

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 support this.

Fraport 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 (value management), as key financial performance indicators. 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 2024 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 relevant for the Executive Board in relation to the company’s long-term management.

The most important financial performance indicators for Fraport are **EBITDA** and the **Group result**.

EBITDA and, indirectly, the Group result through the earnings per share (EPS) are a component of the Executive Board remuneration and underline the relevance of these financial key figures as a control element.

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. Net financial debt consists of long-term and short-term financial liabilities less Group liquidity. The Executive Board has decided on a ratio of a maximum of 5 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.

Free cash flow is the result of the cash flow from operating activities less the effects resulting from the application of IFRS 16, investments in airport operating projects, capital expenditure for other intangible assets, capital expenditure in property, plant, and equipment, investments for "investment property" and capital expenditure in companies accounted for using the equity method, plus dividends from companies accounted for using the equity method. The free cash flow provides information about the financial funds 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 capital expenditure for expansion activities in Frankfurt and internationally, as well as the after-effects of the coronavirus pandemic on the operating activities of Fraport, the free cash flow continues to be extraordinarily burdened and temporarily negative. In the medium term, the aim is to achieve a clear increase in free cash flow in positive territory.

Group liquidity includes cash and cash equivalents (as at the statement of financial position) plus short-term realizable items in "other financial assets" and "other receivables and financial assets." This key figure 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).

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 costs.

ROFRA is also an element of the Executive Board remuneration and underlines the long-term goal of Group-wide business activities that create value.

Other important key indicators for the results of operations

The **passenger numbers** at the Group sites are of particular importance for the financial development of Fraport. Closely related to this, **revenue** is an important key indicator for measuring the performance of the Group. Details on this can be found in the Group notes, note 5, and Fraport AG's Notes, note 5. In order to limit fluctuations in connection with the recognition of expansion obligations in the balance sheet and thus show organic growth, revenue is adjusted for effects from the application of IFRIC 12 "Service Concession Agreements" and reported separately as the key figure **Revenue adjusted for IFRIC 12**. **EBIT** – the operating result before interest and taxes – is also an important indicator for measuring the operating result in the Group.

At Fraport AG level, **net income** is a key figure of great importance for the development of shareholders' equity and profit earmarked for distribution. The **liquidity** of Fraport AG is also relevant for management. Against the background of the capital-intensive expansion at the Frankfurt site and the international business as well as the temporarily high net financial debt, the Executive Board is aiming for minimum liquidity that is well above the long-term target of €1 billion.

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 7.6% (before taxes, 2022: 7.3%). 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 regulatory WACC is composed as follows:

Calculation of the WACC

Cost of equity	Cost of debt
Equity cost rate before taxes 14.2%	Debt cost rate before taxes 2.1%
Shareholders' equity ratio 48% (based on market value)	Debt ratio 52% (interest-bearing 39% / non interest-bearing 13%)

WACC before taxes 7.6%

Non-financial Performance Indicators[1]

Overview non-financial key performance indicators

Topic	Target	Key figure	Scope	Term	Target level	Value 2023
Customer satisfaction and product quality	We continuously optimize customer and service orientation at the Group airports.	Global satisfaction of passengers (%)	Group	2026	≥80	74
		Global satisfaction of passengers (%)	Fraport AG	2026	≥80	67
		Baggage connectivity (%)	Frankfurt Airport	2026	>98.5	95.8
Attractive and responsible employer	We create good working conditions and increase employee satisfaction.	Employee satisfaction [1]	Group [2]	2026	>4.9 and at least 0.1 better than 2024	4.76[3]
			Fraport AG	2026	>4.8 and at least 0.1 better than 2024	4.64[3]
	We increase the share of women in management positions.	Women in management positions (first level below the Executive Board) (%)	Group (Germany) [4]	2026	30.8	24.4
		Women in management positions (second level below the Executive Board) (%)	Group (Germany) [4]	2026	30.2	33.9
		Women in management positions (first level below the Executive Board) (%)	Fraport AG	2026	31.8	23.8
		Women in management positions (second level below the Executive Board) (%)	Fraport AG	2026	30.9	31.8
Occupational health and safety	We stabilize the sickness rate in the medium term and reduce it in the long term.	Sickness rate (%)	Group (Germany) [4]	2025	≤7.2	8.7
			Fraport AG	2025	≤7.2	7.1
Climate protection	We reduce the CO_2 emissions.	CO_2 emissions (total of scope 1 and 2) (t)	Group [6]	2030	95,000 [5]	158,065[7]
			Fraport AG	2030	50,000 [5]	117,480[7]

1) Employee satisfaction was not surveyed in 2023 as planned. The next scheduled survey will take place in 2024.
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) Values 2022.
4) Includes Fraport AG and the fully consolidated German Group companies.
5) Target value 2045: 0 t CO2 ("Net Zero Carbon" according to the Intergovernmental Panel on Climate Change).
6) Includes Fraport AG and the Group companies Facility Services, Fraport Ground Services, FraCareS, Expansion South, FraSec Group (three companies in 2022; two companies in 2023), Media, Fraport Greece, Fraport Slovenija, Lima, Fortaleza, Porto Alegre and Twin Star.
7) Subsequent verifications may result in changes to the values.

In addition to the key figures for its financial development, Fraport measures the development of “Non-financial performance indicators,” which are also relevant 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” in the Group strategy.

The description of the development of the 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 statement” chapters.

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 the company’s own quality and customer satisfaction to a high level. Fraport uses performance indicators for the purposes of measurement and control. The key indicators include the **global satisfaction** of passengers and **baggage connectivity**.

[1] Part of the combined Non-Financial Statement

Global satisfaction describes passengers' satisfaction with the services and processes offered and the service at Fraport airports. 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 2023. This target value is to be maintained at least until the inauguration of Terminal 3. The target value for Group global satisfaction also remained unchanged at 80% after the survey was resumed in the 2023 fiscal year.

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 a good quality of baggage processes. The objective 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 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. As of the 2022 reporting year, the key figure is measured every two years on the basis of an extensive 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. 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. If this figure is already reached in 2024, the aim is to improve the 2026 survey result by at least 0.1. The Group is to achieve at least a value of 4.9. Here, too, the value should be at least 0.1 higher than in 2024.

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 is systematically addressed within the framework of 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 is also in line with the objective of the "Act to Supplement and Amend the Regulations for the Equal Participation of Women in Management Positions in the Private and Public Sector" (FüPoG II). 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 management level below that 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 using, among other things, the **sickness rate**. The calculation excluding illness-related absences beyond sick pay (extended sick leave) 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 sickness rate in the international Group companies plays a more 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. The continuous implementation of this master plan for Fraport AG started back in 2022, and it was rolled out within the Group in 2023. The aim is 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). Information on CO_2 emissions is based in part on estimates, assumptions and projections and in part comes from external energy service providers.

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, 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 secure its independence from financing sources. The significant financing measures at Fraport AG are related mainly to 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. Appropriate financing instruments are selected based on the situation, depending on the attractiveness of the price as well as 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 company's 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 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 should also ensure that attention is paid to further 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 provided 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.

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 chapter “Supplementary Management Report on the Separate Financial Statements of Fraport AG”.

The non-financial report complies with the commercial law requirements and was prepared in accordance with Sections 289c to 289e the German Commercial Code (HGB), Sections 315c in conjunction with 289c to 289e HGB and Article 8 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 and the Delegated Acts issued thereunder. It is integrated in the combined management report and can be found in the chapter “Combined Non-Financial Statement”.

The section “Non-financial performance indicators” is shown as part of the “Combined Non-Financial Statement” in the 2023 fiscal year. As in the previous year, the section is presented in the Economic Report.

Group accounting takes account of the International Financial Reporting Standards (IFRS) in force on the reporting date (December 31, 2023) 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).

The Executive Board prepared the combined management report as of December 31, 2023, at its meeting on March 12, 2024, presented the prepared consolidated financial statements to the audit committee and the Supervisory Board for review and approval and released them for publication on March 19,2024.

General Statement by the Executive Board

In the past fiscal year, most of the Group airports recorded an increase in passenger numbers compared to the previous year. Accordingly, Group revenue amounted to €4,005.5 million, an increase of €806.1 million over the previous year (+25.2%). Adjusted for contract revenue from construction and expansion services based on the application of IFRIC 12, revenue increased by €621.8 million to €3,485.1 million (+21.7%).

Due to high one-off effects in the previous year, other operating income decreased to €59.0 million in the reporting period, down €80.3 million on the previous year.

Operating expenses (personnel expenses and cost of materials as well as other operating expenses) increased by €562.2 million to €2,906.0 million. Adjusted for expenses related to the application of IFRIC 12, operating expenses stood at €2,390.6 million (+€377.9 million). Group EBITDA was €174.2 million higher than in the previous year at €1,204.0 million thanks to the positive operating development. The financial result improved to –€148.9 million (previous year: –€330.6 million) and resulted in a Group result of €430.5 million (previous year: €166.6 million).

As a result of the increase in operating result, cash flow from operating activities increased to €863.2 million (previous year: €787.3 million). The free cash flow improved to –€656.4 million (previous year: –€741.0 million). Group liquidity increased by €174.4 million to €4,041.3 million.

The operational challenges at Frankfurt Airport had a negative effect on the development of non-financial performance indicators such as global satisfaction of passengers and baggage connectivity. In contrast, CO_2 emissions came down despite the higher passenger numbers compared to the previous year.

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

The **global economy** lost momentum during the course of the 2023. The global industrial economy was in a weak phase due to sluggish demand globally, and world trade was thus also subdued. Even the trend of decreasing inflation did not provide consumption impulses, and the interest rate hikes of many central banks put a damper on the willingness to invest. The geopolitical crises worldwide provided uncertainty.

Consumer demand from private households was weaker in the **Eurozone** given the less favorable trend in real wages. In addition, the energy price shock from the previous year continues to burden the industrial economy, in particular in Central Europe.

The export-oriented **German economy** suffered under the global economic weakness and slipped into a recession. The loss of purchasing power and the continued consumer uncertainty slowed down private consumption. Besides industry, value creation in construction and trade also declined. On the whole, the German economy performed weaker than the European average.

In the **US**, the economy proved to be robust, contrary to expectations. Despite the restrictive monetary policy, consumer sentiment remained positive. Inflationary pressure in **emerging markets** declined noticeably during the course of the year. The development within this group was mixed. In China, the economy was negatively affected in particular by the downturn in the real estate market and the debt overhang, despite government support measures.

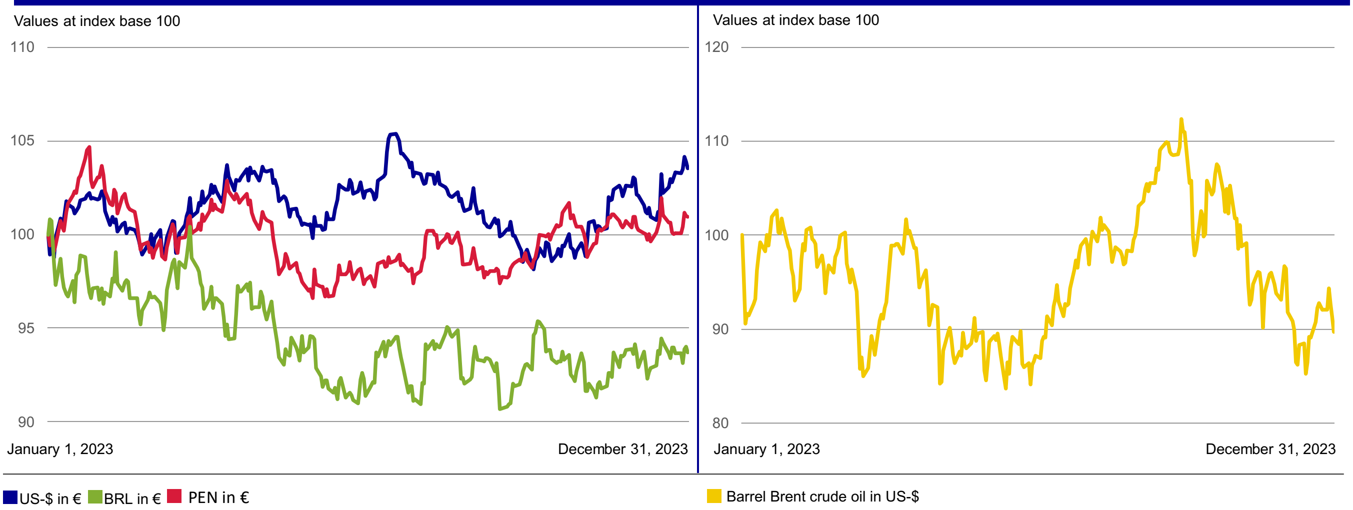
Gross domestic product (GDP)/world trade[1)]

Real changes compared to the previous year in %	2023	2022
World	+3.1	+3.5
Eurozone	+0.5	+3.4
Germany	–0.3	+1.8
USA	+2.5	+1.9
Latin America (incl. Caribbean)	+2.5	+4.2
China	+5.2	+3.0
Japan	+1.9	+1.0
World trade	**+0.4**	**+5.2**

[1)] 2023 and 2022 figures: Data and estimates based on International Monetary Fund (IMF, January 2024); German GDP: The Federal Statistical Office, Press release (January 15, 2024).

The price of crude oil and the exchange rates for the Fraport Group developed as follows in 2023:

Significant exchange rates for Fraport and crude oil price 2023



Source: Bloomberg

Development of the legal environment

During the past fiscal year, there were no changes to the legal conditions with 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 28.3% in the period from January to November 2023 compared to the same period the previous year. Air freight volume fell by 3.7%. European airports also recorded an increase in passenger numbers of 18.9%. In terms of air freight, European airports posted a decline of 4.8%. The passenger numbers at German airports recovered by 19.9%. Cargo tonnage decreased by 7.2%.

Passenger and cargo development by region 2023

Changes compared to the previous year in %	Passengers 2023 January until November	Air freight 2023 January until November
Germany	+19.9	–7.2
Europe	+18.9	–4.8
North America	+12.2	–7.4
Latin America	+14.7	+0.7
Near/Middle East	+30.7	+2.8
Asia-Pacific	+76.6	–1.6
Africa	+21.0	+5.3
World	**+28.3**	**–3.7**

Source: ACI Pax Flash and Freight Flash (ACI 11/2023, January 25, 2024), ADV for Germany; cargo instead of air freight (ADV 11/2023, as on January 15, 2024).

Business Development

Development at the Frankfurt site

With traffic of around 59.4 million **passengers**, **Frankfurt Airport** achieved growth of 21.3% in the 2023 fiscal year compared to 2022. Measured against the traffic volume of pre-crisis year 2019, this was equivalent to a recovery of around 84%. In addition to the dominating holiday travel volume, business travel gained momentum during the course of the year. Western European and intercontinental destinations benefited from this in particular. However, **domestic travel** also increasingly recovered primarily due to the feeder traffic function, it remained around 30% below the pre-crisis level however. **European traffic** gained around 16% compared to 2022. **Intercontinental traffic** increased by 28.1% compared to the previous year. This was mainly due to the North America traffic that was almost at the pre-COVID level. Far East traffic grew dynamically by +76.8% compared to the previous year, in particular due to recovery in the China traffic.

Cargo volume declined by 5.0% to around 1.9 million metric tons compared to 2022. Compared to 2019, this meant a reduction in tonnage of 10.6%. Demand in the overall economy remained weak. Increasing interest rates had a negative impact on capital expenditure in the industry and persistently high inflation curbed demand.

With 430,436 **aircraft movements**, growth of just under 13%, or almost, 50,000 flights, compared to the previous year was achieved. This was equivalent to a level of 84% measured against the pre-crisis year 2019. With 394,869 flights, passenger flights in 2023 recovered by a share of around 82% compared to 2019. The occupancy rate for passenger flights achieved new highs almost every month, which resulted in the highest occupancy rates in the history of the airport for 2023 as a whole. The seat load factor of around 81% was approximately three percentage points above the previous year's figure. The quotient **passengers per passenger aircraft movement** increased by around 5% to a high of 150.3. **Maximum take-off weights** increased compared to the previous year by 11.4% to 27.0 million metric tons, thus reaching 85% of the year 2019.

Development outside the Frankfurt site

The passenger volume at **Ljubljana** Airport grew by 30.9% to around 1.3 million passengers compared to the previous year. This positive development is primarily due to the resumption of flight connections, which had been suspended due to the temporary insolvency of Adria Airways in autumn 2019 and the effects of the coronavirus pandemic.

Passenger numbers at the Brazilian airports **Fortaleza** and **Porto Alegre** developed in opposite directions due to differing circumstances during the course of the year. In Fortaleza, the decrease in domestic tourist travel and the pullout of some GOL connections were the main reasons for the reduction in domestic passenger numbers. In contrast, Porto Alegre recorded an increase in domestic passenger numbers due to its geographical proximity to important Brazilian aviation hubs in São Paulo and its relevance as an industrial location in southern Brazil. The development of international traffic was positive at both airports. The frequencies and routes on international lines rose successively in particular in South America. On the whole, both airports recorded passenger numbers of 13.1 million passengers. This corresponds to growth of +5.4% compared to 2022. Fortaleza welcomed 5.3 million domestic passengers (–4.5%) and around 0.3 million international passengers (+26.0%) in the year as a whole. Porto Alegre recorded 7.1 million domestic passengers (+10.9%) and around 0.4 million international passengers (+53.0%).

With around 21.2 million passengers in 2023, **Lima** Airport recorded an increase in traffic compared to the previous year (+14.1%) despite the effects of the political situation in the first half of the year domestic passenger operations recorded around 13.1 million passengers (+11.7%). In the international segment, the airport recorded growth in particular with the connections to North America and Europe. International traffic therefore also made a positive contribution to growth with 8.1 million passengers (+18.2%).

With around 33.9 million passengers, **Fraport Greece** recorded an increase of around 11.8% in the 2023 reporting period compared to the adjusted previous year's figure of around 30.3 million passengers (adjusted value in the 2022 Annual Report: 31.2 million passengers). Passenger numbers were already above the respective previous year's figures at the beginning of the year. This trend continued during the important main tourist season and the entire year. Overall, domestic traffic was 17.0% above the previous year's level, while international traffic grew by 6.5%. The largest number of foreign passengers in terms of total passengers came from Great Britain (around 20%), followed by Germany (around 14%), and Italy (around 6%).

At the Bulgarian airports in **Varna** and **Burgas** operated by Fraport Twin Star, the number of passengers in 2023 increased to approximately 3.7 million, 17.9% above the previous year's figure. The overall recovery in traffic after the pandemic was weaker than at other tourist airports in Europe in 2023. In particular, the charter business in Burgas developed below expectations. From the end of February, the war in Ukraine and Israel resulted in a shortfall of Ukrainian, Belarusian, Russian and Israeli passengers, which was partly offset by higher demand from Central and Eastern European countries. In addition, more traffic in the off-season in the first half of the year was recorded. For the year as a whole, this led to an increase in both domestic (+6%) and international passenger numbers (+19%) compared to the previous year. Most of the passengers came from Germany (around 20%), Poland (around 17%), and Great Britain (around 15%).

Passenger numbers at **Antalya** Airport in the 2023 fiscal year were around 35.7 million passengers (previous year: 31.1 million). This surpassed the previous record passenger numbers from 2019. International passenger traffic showed a growth rate of +17.1%, while domestic traffic grew by +5.9%. Compared to the previous year, almost all relevant international passenger groups achieved double-digit growth rates. The passenger numbers from Poland, Romania and Germany had particularly strong growth. Due to the war, no passengers were recorded for Ukraine. The largest passenger groups were travelers from Germany (approximately 28%), Russia (approximately 22%), and Great Britain (approximately 10%).

Traffic development at the signifikant Group sites

	Share in %	Passengers[1]		Cargo (air freight + air mail in m. t.)		Movements	
		2023	Change in %[2]	2023	Change in %[2]	2023	Change in %[2]
Frankfurt	100	59,355,389	+21.3	1,869,090	– 5.0	430,436	+12.6
Ljubljana	100	1,270,382	+30.9	11,443	– 8.3	22,749	+5.5
Fortaleza	100	5,589,563	– 3.3	45,911	+9.9	53,199	– 2.0
Porto Alegre	100	7,492,866	+12.7	40,422	+4.9	72,634	+9.4
Lima	80.01	21,246,660	+14.1	213,775	– 2.2	170,515	+13.7
Fraport Greece	65	33,870,682	+11.8	5,927	+4.8	264,744	+4.9
Fraport Twin Star	60	3,686,997	+17.9	2,618	– 58.8	27,024	+14.0
Antalya	51/50[3]	35,735,407	+15.0	n.a.	n.a.	222,235	+14.8

[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 passenger development

	2023	Adjustments during the year Interim Report Q2/6M 2023	Forecast 2022	2022[1)]	2019
Frankfurt	59,355,389	Middle of the given forecast	Passenger growth of over 80% to around 90% of the 2019 level	48,918,482	70,556,072
Ljubljana	1,270,382	–	Approximately 75% of the passenger volume in 2019	970,152	1,721,355
Fortaleza	5,589,563	–	Further recovery compared to 2022	5,778,038	7,218,697
Porto Alegre	7,492,866	–	Further recovery compared to 2022	6,654,062	8,298,205
Lima	21,246,660	–	Further recovery compared to 2022	18,619,536	23,578,600
Fraport Greece	33,870,682	Passenger numbers above previous year's level	Approximately at previous yeahr high level	31,193,278	30,152,728
Fraport Twin Star	3,686,997	–	Further recovery compared to 2022	3,127,767	4,970,095
Antalya	35,735,407	–	Further recovery towards pre-crisis level	31,077,452	35,483,190

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

Passenger traffic at the Group airports predominantly developed within the forecasts provided in the 2022 Annual Report and adjusted in the second quarter/half-yearly report 2023. Due to the lower number of domestic passengers, the forecast for Fortaleza Airport could not be achieved.

Group's Results of Operations

Revenue

At €4,000.5 million, revenue in the Fraport Group in the 2023 fiscal year was above the previous year’s figure by €806.1 million. Adjusted for contract revenue from construction and expansion services based on the application of IFRIC 12, revenue increased by €621.8 million to €3,485.1 million.

The increase at the Frankfurt site mainly resulted from higher revenue from airport charges (+€196.0 million) as well as higher revenue from infrastructure charges (+€76.4 million) and ground services (+€51.6 million) based on traffic volumes and prices. The retail and parking revenue also increased by +€33.1 million and +€22.7 million respectively based on traffic volume. Due to the take-over of the management of aviation security checks at the Frankfurt site at the beginning of the fiscal year, revenue from aviation security charges of €220.8 million was achieved for the first time in the reporting period. In contrast, revenue from security services decreased by €155.3 million compared to the previous year as a result of the deconsolidation of the Group company FraSec Aviation Security GmbH as at January 1, 2023.

Among the international Group airports, contributions to adjusted revenue growth came, in particular, from Fraport Greece (+€74.8 million) and the Group company Lima (+€48.5 million) based on the positive traffic developments.

Other operating income

At €59.0 million, other operating income was below the previous year by €80.3 million.

In the reporting period, the two Brazilian Group companies reached a further agreement regarding compensation for the effects of the coronavirus pandemic. The reimbursement claims realized amounted to a total of €18.6 million. Furthermore, other operating income was positively impacted by a total of €11.1 million due to the pro-rata disposal and the associated deconsolidation of the Group company FraSec Aviation Security GmbH as at January 1, 2023, as well as the recognition of the remaining shares (49%) at fair value. Moreover, income of €11.0 million resulted from the settlement of a legal dispute at the Group company Fraport USA in connection with the early termination of the retail concession agreement in Pittsburgh.

In contrast, other operating income in the prior year period was impacted positively impacted 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, other operating income in the previous year included reimbursement claims for Fraport Greece (€23.6 million) and the Brazilian Group companies (€18.5 million).

Expenses

Personnel expenses in the Group increased in the 2023 fiscal year by €39.3 million to €1,076.0 million. Despite a lower average number of employees, the increase is primarily due to increases in the collective bargaining agreement at the Frankfurt site.
Non-staff costs (cost of materials and other operating expenses) were €1,830.0 million (+€522.9 million). Adjusted for expenses related to the application of IFRIC 12, non-staff expenses were €1,314.6 million (+€338.6 million). The increase is mainly attributable to higher external services costs (+€224.7 million), primarily in connection with taking over the management of security checks at Frankfurt Airport. In addition, based on traffic volume, higher variable concession charges at the International Group companies (+€69.4 million) and higher expenses for maintenance (+€33.0 million) as well as utility services (+€14.5 million) contributed to the increase in the cost of materials.

EBITDA and EBIT

At €1,204.0 million, Group EBITDA was €174.2 million above the level in the same period of the previous year. Greater depreciation and amortization of €501.2 million (+€35.9 million) resulted in Group EBIT of €702.8 million (+€138.3 million).

Financial result

The financial result in the reporting period amounted to –€148.9 million (previous year: –€330.6 million). The change compared to the same period of the previous year is essentially due to the other financial result. This was negatively impacted in the previous year by the full write-off of a loan made to Thalita Trading Ltd. in the amount of €163.3 million in connection with the investment in St. Petersburg Airport.
Interest income increased by €47.9 million in the 2023 fiscal year compared to the previous year, primarily due to higher interest from call and time deposits. The interest expenses of –€317.9 million in the reporting period were €4.4 million below the previous year (previous year: –€315.5 million). This was, in particular, a result from higher financing costs at Fraport AG. This was offset by one-off effects in the previous year amounting to –€19.3 million in connection with the refinancing in Greece.

The result from companies accounted for using the equity method increased by €7.5 million to €84.5 million. This is in particular due to be increase in earnings of the operating company in Antalya (+€22.0 million). The positive one-off effect in the previous year in connection with the write-up of the shares in the Group company Xi'an due to the sale in the amount of €20.0 million was clearly overcompensated by this.

EBT, Group result, and EPS

EBT in the reporting period amounted to €553.9 million (previous year: €233.9 million). With a consolidated tax rate of 22.3%, the income tax expense amounted to €123.4 million (previous year: €67.3 million). The Group result was €430.5 million (previous year: €166.6 million). This resulted in basic earnings per share of €4.26 (previous year: €1.43).

Development of the Group's financial figures

€ million	2023	2022	Change	Change in %
Revenue	4,000.5	3,194.4	+806.1	+25.2
Revenue adjusted for IFRIC 12	3,485.1	2,863.3	+621.8	+21.7
Personnel expenses	1,076.0	1,036.7	+39.3	+3.8
Cost of materials	1,637.3	1,101.6	+535.7	+48.6
EBITDA	1,204.0	1,029.8	+174.2	+16.9
Depreciation and amortization	501.2	465.3	+35.9	+7.7
EBIT	702.8	564.5	+138.3	+24.5
Group result	430.5	166.6	+263.9	> 100
Number of employees as of December 31	18,057	19,211	–1,154	–6.0
Average number of employees	17,840	18,850	–1,010	–5.4

Comparison with the forecasted development

€ million	2023	Adjustments during the year Interim Report Q2/6M 2023	Forecast 2022	2022	Change	Change in %
EBITDA	1,204.0	In the upper range of the forecasts	Between approximately €1,040 million and approximately €1,200 million	+1,029.8	+174.2	+16.9
Group result	430.5	In the upper range of the forecasts	Between about €300 million and up to about €420 million	+166.6	+263.9	> 100
Dividend per share in €	0.00	–	No distribution	0.0	0.0	–

The key figures EBITDA and the Group result trended at the upper end or slightly above the forecast provided in the 2022 Annual Report.

Results of Operations for Segments

Revenue in the 2023 fiscal year in the **Aviation** segment increased by €270.7 million to €1,098.8 million (+32.7%). Higher revenue from airport charges (+€196.0 million) based on the higher traffic volume and positive price effects primarily contributed to revenue growth. Due to the take-over of the management of aviation security checks at the Frankfurt site at the beginning of the fiscal year, revenue from aviation security charges of €220.8 million was achieved in the reporting period. In contrast, revenue from security services decreased by €155.3 million as a result of the deconsolidation of the Group company FraSec Aviation Security GmbH as at January 1, 2023. Other operating income of €11.1 million resulted from the recognition of the remaining shares of FraSec Aviation Security GmbH at fair value and the realization of the equity disposal. Personnel expenses also decreased to €244.0 million (–€81.6 million) due to reduced headcount as part of the deconsolidation with a countervailing price effect. On the other hand, the cost of materials increased by €203.8 million compared to the same period of the previous year to €255.9 million. This was particularly related to increased expenses for external services in the course of taking over the management of aviation security checks. Due to the positive operating performance, the segment's EBITDA amounted to €308.3 million (previous year: €175.4 million). With higher depreciation and amortization (+€21.7 million), EBIT amounted to €151.8 million (previous year: €40.6 million).

Aviation

€ million	2023	2022	Change	Change in %
Revenue	1,098.8	828.1	+270.7	+32.7
Personnel expenses	244.0	325.6	–81.6	–25.1
Cost of materials	255.9	52.1	+203.8	> 100
EBITDA	308.3	175.4	+132.9	+75.8
Depreciation and amortization	156.5	134.8	+21.7	+16.1
EBIT	151.8	40.6	+111.2	> 100
Number of employees as of December 31	3,496	5,624	–2,128	–37.8
Average number of employees	3,447	5,569	–2,122	–38.1

The positive traffic development was also reflected in the **Retail & Real Estate** segment's revenue of €498.8 million (+€52.4 million). The reason for this was higher retail and parking revenue (+€33.1 million and +€22.7 million respectively) Net retail revenue per passenger was €3.30 (previous year: €3.33). Other operating income decreased to €16.5 million (previous year: €30.7 million). The reason for the decline was high one-off income from the sale of shares in the Group company D-Port Logistik GmbH, which is accounted for using the equity method, in 2022. Personnel expenses increased in particular as a result of increases in the collective bargaining agreement (+€5.7 million). The cost of materials increased by €12.1 million. The reason was mainly price increases in utility services. Despite the higher personnel expenses and cost of materials, the EBITDA segment amounted to €369.9 million (+€27.0 million). With higher depreciation and amortization (+€9.3 million), segment EBIT stood at €274.0 million (+€17.7 million).

Retail & Real Estate

€ million	2023	2022	Change	Change in %
Revenue	498.8	446.4	+52.4	+11.7
Personnel expenses	54.6	48.9	+5.7	+11.7
Cost of materials	158.6	146.5	+12.1	+8.3
EBITDA	369.9	342.9	+27.0	+7.9
Depreciation and amortization	95.9	86.6	+9.3	+10.7
EBIT	274.0	256.3	+17.7	+6.9
Number of employees as of December 31	600	573	+27	+4.7
Average number of employees	594	576	+18	+3.1

At €676.8 million, revenue in the **Ground Handling** segment in the 2023 fiscal year was €126.7 million higher than in the same period of the previous year. The strong traffic development at Frankfurt Airport and price increases led to higher revenue from infrastructure charges (+€76.4 million) and ground services (+€51.6 million). Staff number and price effects led to an increase in personnel expenses by €69.5 million. Cost of materials increased by €20.5 million to €108.9 million. This was mainly due to the increased use of employees from personnel service provider agencies due to the traffic volume, in particular at the Group company Fraport Ground Services GmbH (formerly FraGround Fraport Ground Handling Professionals GmbH). Segment EBITDA was –€34.1 million (previous year: –€73.9 million). Segment EBIT improved to –€74.0 million (previous year: –€111.6 million).

Ground Handling

€ million	2023	2022	Change	Change in %
Revenue	676.8	550.1	+126.7	+23.0
Personnel expenses	451.7	382.2	+69.5	+18.2
Cost of materials	108.9	88.4	+20.5	+23.2
EBITDA	–34.1	–73.9	+39.8	+53.9
Depreciation and amortization	39.9	37.7	+2.2	+5.8
EBIT	–74.0	–111.6	+37.6	+33.7
Number of employees as of December 31	8,010	7,404	+606	+8.2
Average number of employees	7,716	7,035	+681	+9.7

In the reporting period, revenue from the **International Activities & Services** segment rose by €356.3 million to €1,726.1 million. Adjusted for contract revenue from construction and expansion services based on the application of IFRIC 12, revenue grew to €1,210.7 million (+€172.0 million) due to the Group-wide positive traffic development. Other operating income in the segment was €34.8 million. Other operating income in the previous year was mainly impacted positively by the disposal of shares in the Group company Xi'an, which was accounted for using the equity method, in the amount of €53.7 million. Personnel expenses increased by €45.7 million to €325.7 million primarily due to the increased traffic volume. Cost of materials in the segment increased by €299.3 million to 1,113.9 million (+36.7%) compared to the same period of the previous year. Adjusted for the expenses relating to the application of IFRIC 12, the cost of materials increased by €115.0 million to €598.5 million (+23.8%). This was caused, in particular, by higher variable concession charges. Segment EBITDA decreased to €559.8 million (–€25.6 million) due to lower other income. With depreciation and amortization virtually unchanged, segment EBIT stood at €350.9 million (–€28.3 million).

International Activities & Services

€ million	2023	2022	Change	Change in %
Revenue	1,726.1	1,369.8	+356.3	+26.0
Revenue adjusted for IFRIC 12	1,210.7	1,038.7	+172.0	+16.6
Personnel expenses	325.7	280.0	+45.7	+16.3
Cost of materials	1,113.9	814.6	+299.3	+36.7
Cost of materials adjusted for IFRIC 12	598.5	483.5	+115.0	+23.8
EBITDA	559.8	585.4	–25.6	–4.4
Depreciation and amortization	208.9	206.2	+2.7	+1.3
EBIT	350.9	379.2	–28.3	–7.5
Number of employees as of December 31	5,951	5,610	+341	+6.1
Average number of employees	6,083	5,670	+413	+7.3

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

€ million	Share in %	Revenue[1]			EBITDA			EBIT			Result		
		2023	2022	Δ %	2023	2022	Δ %	2023	2022	Δ %	2023	2022	Δ %
Fraport USA	100	115.7	103.4	+11.9	61.6	49.6	+24.2	29.0	4.8	> 100	16.4	–1.8	–
Fraport Slovenija	100	43.4	33.9	+28.0	12.8	7.6	+68.4	2.4	–2.7	–	1.8	–2.6	–
Fortaleza + Porto Alegre[2]	100	108.3	90.0	+20.3	66.4	60.1	+10.5	31.0	28.8	+7.6	2.4	–3.5	–
Lima	80.01	792.0	590.1	+34.2	109.2	100.2	+9.0	80.3	83.4	–3.7	32.1	37.2	–13.7
Fraport Greece[3]	65	545.2	443.8	+22.8	271.3	271.7	–0.1	206.3	208.5	–1.1	79.1	69.9	+13.2
Twin Star	60	51.2	43.5	+17.7	20.6	19.3	+6.7	10.9	8.6	+26.7	5.8	4.2	+38.1
Antalya	51/50[4]	467.7	396.6	+17.9	371.6	323.0	+15.0	255.3	208.3	+22.6	163.7	119.6	+36.9

[1] Revenue adjusted for IFRIC 12: Lima 2023: €326,4 million (2022: €277,9 million); Fraport Greece 2023: €508,3 million (2022: €433,5 million); Fortaleza + Porto Alegre: 2023: €95,4 million (2022: €81,3 million); Antalya 2023: €463,2 million (2022: €388,8 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 as well as the Fraport Regional Airports of Greece Management Company are collectively referred to as "Fraport Greece".

[4] Share of voting rights: 51%, dividend share: 50 %.

The recovery in passenger numbers in the 2023 fiscal year resulted in an increase in revenue at **Fraport USA** to €115.7 million (previous year: €103.4 million). Other operating income was primarily driven by the settlement of a legal dispute at the Group company Fraport USA in connection with the early termination of the retail concession in Pittsburgh (€11.0 million). Operating expenses increased by €8.2 million to €65.2 million, mainly due to the increased variable concession charges in connection with the positive traffic development. At €61.6 million, EBITDA was higher than in the same period the previous year of €49.6 million. With lower depreciation and amortization costs (–€12.2 million) due to an unscheduled depreciation in the previous year, EBIT amounted to €29.0 million (previous year: €4.8 million). Despite negative currency effects, the result increased slightly by €18.2 million to €16.4 million (previous year: –€1.8 million).

The increased demand for travel in 2023 was reflected in higher revenue of €43.4 million (+€9.4 million) at the Group company **Fraport Slovenia**. Operating expenses increased by €4.6 million to €31.1 million due to the increased traffic volume. Compared to the previous year, EBITDA improved by €5.2 million to €12.8 million (previous year €7.6 million). Constant depreciation and amortization led to an EBIT of €2.4 million (previous year: –€2.7 million). The result improved to €1.8 million (previous year: –€2.6 million).

In the 2023 fiscal year, the overall positive traffic development at the Brazilian Group companies **Fortaleza** and **Porto Alegre** was reflected in higher revenue of €108.3 million (+€18.3 million). Adjusted for the revenue relating to capacitive capital expenditure based on the application of IFRIC 12, revenue increased by €14.1 million (+17.3%). In addition to higher passenger numbers, the growth in revenue also benefited from exchange rate effects. At €20.4 million, other operating income was again positive due to compensation for the effects from the coronavirus pandemic but was still below the previous year's figure (previous year: €24.5 million). The cost of materials increased by €6.3 million to €39.2 million (+18.8%) in particular due to capacitive capital expenditure based on the application of IFRIC 12. Adjusted for the expenses in connection with capacitive capital expenditure, cost of materials increased by €2.0 million to €26.4 million (+8.7%). Correspondingly, EBITDA increased to €66.4 million (previous year: €60.1 million). EBIT amounted to €31.0 million (previous year: €28.8 million), and the result was €2.4 million (previous year: -€3.5 million).

The ongoing recovery in traffic had a positive effect on the financial development of the Group company in **Lima**. Despite slightly negative currency effects, revenue recorded a significant increase to €792.0 million (+€201.9 million). Adjusted for the revenue relating to capacitive capital expenditure based on the application of IFRIC 12, revenue was €326.4 million (+€48.5 million). The cost of materials increased year-on-year by €185.8 million to €651.9 million. Adjusted for expenses resulting from the application of IFRIC 12, cost of materials increased by €32.3 million to €186.2 million. This was a result of higher concession charges based on the traffic volume as well as higher cost of materials due to the progressing expansion measures. Personnel expenses also increased to €19.1 million (+16.6%). At €109.2 million, EBITDA was €9.0 million higher than in the same period of the previous year (€100.2 million). The inauguration of the new runway resulted in higher depreciation and amortization (+€12.2 million) As a result, EBIT increased year-on-year to €80.3 million (–€3.1 million). With a lower financial result, the result amounted to €32.1 million (–€5.1 million).

In 2023, **Fraport Greece** recorded revenue of €545.2 million (+€101.4 million). Adjusted for contract revenue from capital expenditure relating to the application of IFRIC 12, revenue increased by €74.8 million to €508.3 million. This is primarily due to higher airport charges based on prices and traffic volume, and retail revenue. Operating expenses increased by €78.1 million to €274.1 million. Adjusted for expenses resulting from the application of IFRIC 12, operating expenses increased by €51.4 million to €237.1 million due to higher concession charges. At €271.3 million and €206.3 million respectively, EBITDA and EBIT were almost at the previous year's level (previous year: €271.7 million and €208.5 million respectively). Lower concession payments were made in the previous year. In addition, the previous year's figure was increased by other operating income/compensation claims. The financial result improved slightly, leading to a result of €79.1 million (previous year: €69.9 million).

Revenue also increased to €51.2 million (€7.7 million) at the Group company **Twin Star** due to the improved development of traffic. Driven by volume and price effects, operating expenses during the reporting period amounted to €31.5 million (+€7.2 million). Correspondingly, EBITDA increased slightly to €20.6 million (+€1.3 million). EBIT amounted to €10.9 million, and the result was €5.8 million.

The Group company **Antalya**, which is accounted for using the equity method, generated revenue of €467.7 million in the reporting period, an increase of €71.1 million due to traffic volumes. EBITDA increased accordingly by €48.6 million to €371.6 million. EBIT was €255.3 million (previous year: €208.3 million), and the result was €163.7 million (previous year: €119.6 million).

Comparison with the forecasted development

EBITDA in € million	2023	Forecast 2022	2022	Change	Change in %
Aviation	308.3	Above 2019 level of €273.3 million	175.4	+132.9	+75.8
Retail & Real Estate	369.9	Improvement in EBITDA towards pre-crisis level	342.9	+27.0	+7.9
Ground Handling	–34.1	Negative territory	–73.9	+39.8	+53.9
International Activities & Services	559.8	Significant decline - still above 2019 level	585.4	–25.6	–4.4

The key figures developed in line with the forecasts.

Asset and Financial Position

Asset and capital structure

At €18,890.9 million, **total assets** as at December 31, 2023 were €1,283.3 million (+7.3%) above the previous year.

Non-current assets increased by €687.0 million to €15,053.1 million. This is primarily attributable to the increase in property, plant, and equipment (+€579.7 million) in connection with capital expenditure at the Frankfurt site. Investments in airport operating projects increased by €377.7 million as a result of the ongoing expansion at the Group company in Lima. Other financial assets decreased by €220.3 million due to reclassifications based on maturity, which were offset by lower additions to securities as well as investments in promissory note loans.

At €3,837.7 million, **current assets** were €607.6 million above the comparable value as at December 31, 2022. The increase resulted in particular from higher current financial assets (+€579.5 million). The above mentioned reclassifications based on maturity and other additions to securities were offset by lower scheduled disposals. Furthermore, higher trade accounts receivable (+€94.4 million) due to traffic volumes and higher financial (+€57.0 million) and non-financial receivables and assets (+€39.7 million) due to the balance sheet date contributed to the increase in current assets. Cash and cash equivalents, on the other hand, decreased by €174.7 million.

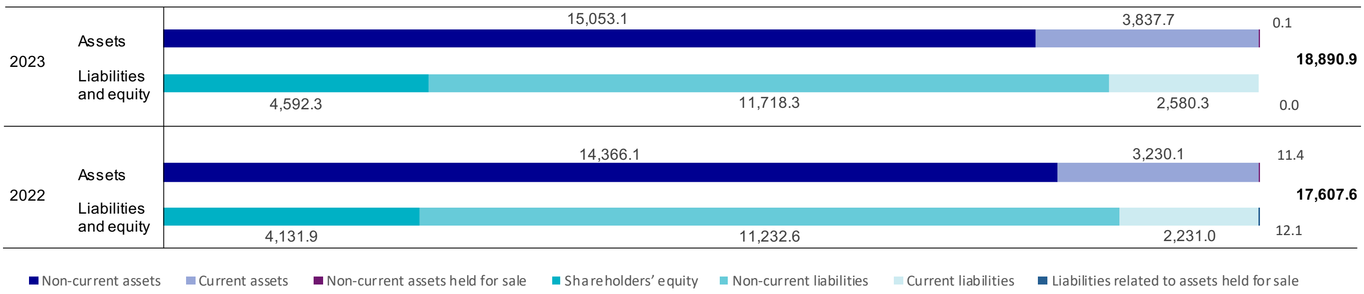
At €4,592.3 million, **shareholders' equity** as at the balance sheet date 2023 was €460.4 million higher than as at December 31, 2022. The increase resulted, in particular, from the positive Group result of €430.5 million. The **shareholders' equity ratio** increased to 22.9% compared to previous year (December 31, 2022: 22.2%).

Non-current liabilities increased by €485.7 million to €11,718.3 million (+4.3%), in particular due to long-term financial liabilities (+€516.5 million). The borrowings in connection with the project financing in Lima, which was completed in December 2022, as well as other long-term financing measures at Fraport AG, were offset by scheduled reclassifications. In addition, **current liabilities** rose in the reporting period by €349.3 million to €2,580.3 million (+15.7%). Reclassifications based on maturity were offset by the repayment of the bridge financing at the Lima Group company and other current financial liabilities of Fraport AG.

Gross financial debt as at December 31, 2023 was €11,753.9 million, up €828.3 million from €10,925.6 million as at December 31, 2022. **Group liquidity** also increased by €174.4 million to €4,041.3 million. Correspondingly, **net financial debt** increased by €653.9 million to €7,712.6 million (December 31, 2022: €7,058.7 million). The **gearing ratio** reached a level of 178.6% (value as at December 31, 2022: 180.6%). The **net financial debt to EBITDA** ratio reached a level of 6.4 (previous year: 6.9).

Structure of the consolidated financial position as at December 31

€ million



Additions to non-current assets

In the 2023 fiscal year, the additions to non-current assets of the Fraport Group totaled €1,501.7 million, €343.0 million more than the previous year (previous year: €1,158.7 million). They related to €955.8 million in property, plant and equipment (previous year: €779.8 million) and €536.9 million (previous year: €374.1 million) in investments in "airport operating projects". The item "Other intangible assets" accounted for €7.7 million (previous year: €4.7 million), and €1.3 million to "investment property" (previous year: €0.1 million). The capitalization of interest expenses relating to construction work amounted to €71.0 million (previous year: €43.9 million).

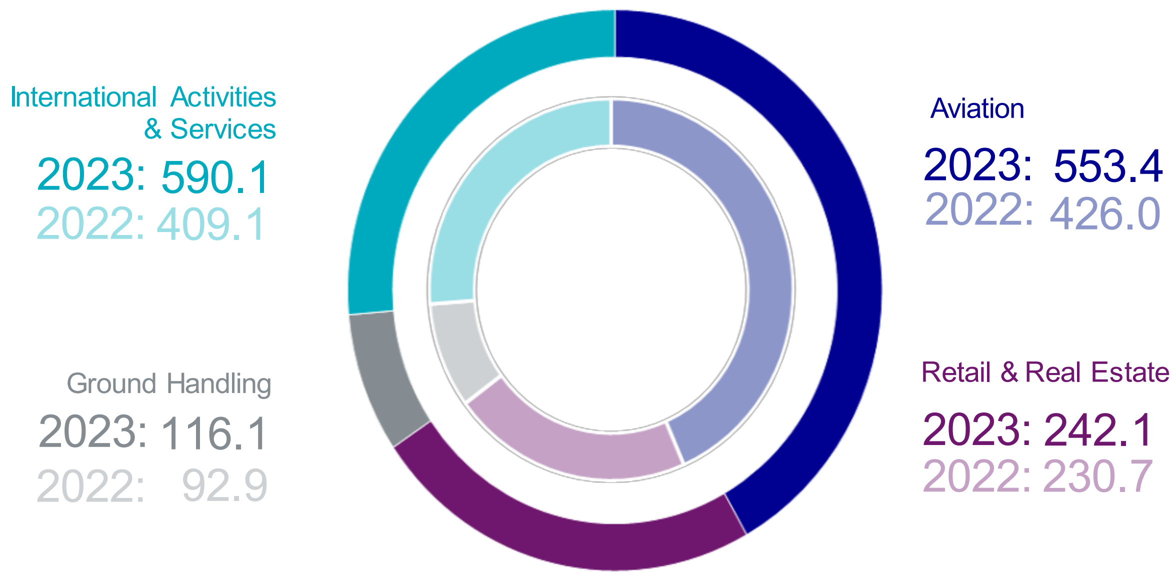
At Fraport AG, the additions to non-current assets amounted to €935.6 million (previous year: €764.6 million). Capital expenditure was mostly attributed to the Expansion South project at the Frankfurt site – mainly relating to Terminal 3 and the passenger transport system – as well as modernization and maintenance measures for existing infrastructure.

In the 2024 fiscal year, additions to assets will also be primarily characterized by multi-year capital expenditure for the capacity expansion in Frankfurt and Lima.

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 €553.4 million (previous year: €426.0 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 the 2023 fiscal year, the **Retail & Real Estate** segment recorded additions to assets in the amount of €242.1 million (previous year: €230.7 million). The measures also concerned, in particular, the Expansion South project.

The **Ground Handling** segment recorded additions amounting to €116.1 million (previous year: €92.9 million). These mainly included the modernization measures for existing facilities as well as capital expenditure in connection with the Expansion South project.

In the **International Activities & Services** segment, additions to non-current assets amounted to €590.1 million (previous year: €409.1 million). The additions related mainly to the Group company Lima in connection with the infrastructure expansion.

Statement of cash flows

In the 2023 fiscal year, **cash flow from operating activities (operating cash flow)** of €863.2 million (2022: €787.3 million) was generated. The improvement of €75.9 million resulted in particular from an increase in the operating result.

Cash flow used in investing activities without investments in cash deposits and securities amounted to €1,482.6 million in the past fiscal year, an increase of €176.8 million year-on-year. The increase was primarily the result of higher investments in airport operating projects, particularly in Lima, as well as increased cash outflows for expansion measures at the Frankfurt site. In the previous year, the cash outflow was mainly impacted by capital contributions of –€375.3 million to the new joint venture that was established in connection with the operating concession at Antalya Airport and, on the other hand, by the proceeds from the disposal of the shares in the associated company Xi'an of +€152.2 million. Considering investments in and revenue from securities, promissory note loans, and time deposits, the overall **cash flow used in investing activities** was €1,818.9 million (2022: €1,216.0 million).

Compared to the previous year, **cash flow used in financing activities** decreased slightly by €86.9 million to €795.4 million. The raising of funds from the project financing concluded in December 2022 at the Group company Lima and the associated repayment of the short-term bridge loan had an effect of €675.1 million on the payments of non-current financial liabilities and –€302.4 million on the change in current financial liabilities. The capital increases "Non-controlling interests" relate to capital contributions to the minority shareholders of the company Lima. In the previous year, the sale of capital and loan shares to a co-shareholder of the Greek companies was reported under "transactions with non-controlling interests". Taking into account exchange rate fluctuations and other changes, the Fraport Group reported cash and cash equivalents based on the consolidated statement of cash flows of €670.3 million as at December 31, 2023 (2022: €826.2 million).

Free cash flow amounted to –€656.4 million (2022: –€741.0 million).

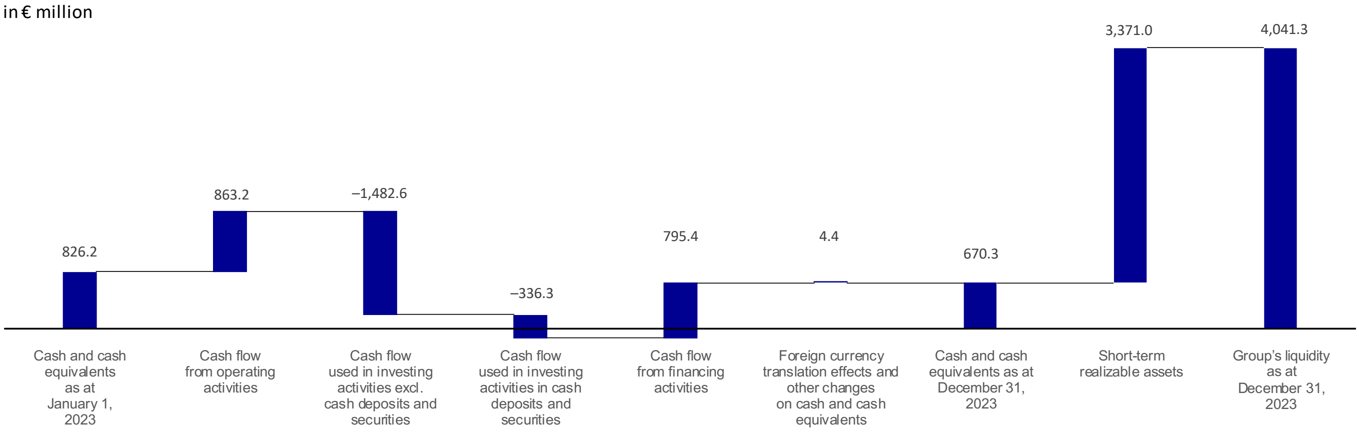
The following table shows a reconciliation to cash and cash equivalents as shown in the consolidated statement of financial position.

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

in € million	December 31, 2023	December 31, 2022
Bank and cash balances	180.1	579.6
Time deposits with a remaining term of less than three months	490.2	246.6
Cash and cash equivalents as at the consolidated statement of cash flows	**670.3**	**826.2**
Time deposits with a remaining term of more than three months	1,614.0	1,619.7
Restricted cash	126.2	139.3
Cash and cash equivalents as at the consolidated statement of financial position	**2,410.5**	**2,585.2**

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

in € million



Financing analysis

In 2023, 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 (20.9%), corporate bonds (17.9%), bilateral loans (43.4%), and project financing (17.8%).

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 project financing in Lima, new interest rate hedging derivatives were concluded in 2023 in order to reduce the interest rate risk from project financing. The related nominal volume amounted to €530.7 million as at year-end (previous year: €0.0 million). Overall, the financial liabilities had an average remaining term of 6.2 years with an average interest maturity of approximately 5.1 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 17%, and the fixed portion approximately 83%. The cost of debt after hedging measures was 2.9%.

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 2023 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 – 2023	2,455.0	2024 – 2034	End of term	Fixed	0.548 % – 5.774 % p. a.
					Floating	6M-Euribor + Margin
Corporate bond	2009 – 2021	2,100.0	2024 – 2029	End of term	Fixed	1.034 % – 5.875 % p.a.
Bilateral loans	1999 – 2023	5,075.4	2024 – 2032	Mainly end of term	Mainly fixed	0.28 % – 5.76 % p. a.
Project financing (fully consolidated foreign Group companies)	2017 – 2023	2,088.5	2024 – 2045	Ongoing repayments during the term	Mainly fixed	4.49 % – 10.33 % p. a.

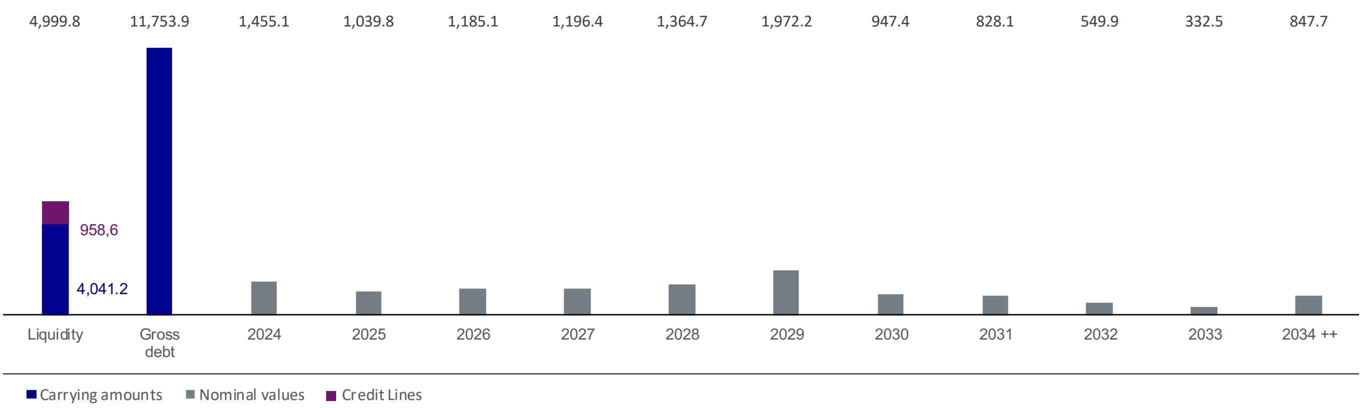
The contractual agreements for the financial liabilities of Fraport AG include two customary non-financial covenants consisting of a negative pledge and a pari passu clause. Only the bilateral loans forming part of the special-purpose loans of Fraport AG entail further obligations typical for this type of financing.

Independent project financing agreements of fully consolidated foreign Group companies, in particular in Lima, 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 2023

in € million



Liquidity in the fully consolidated Group companies was €780.7 million (previous year: €945.3 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 2023 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

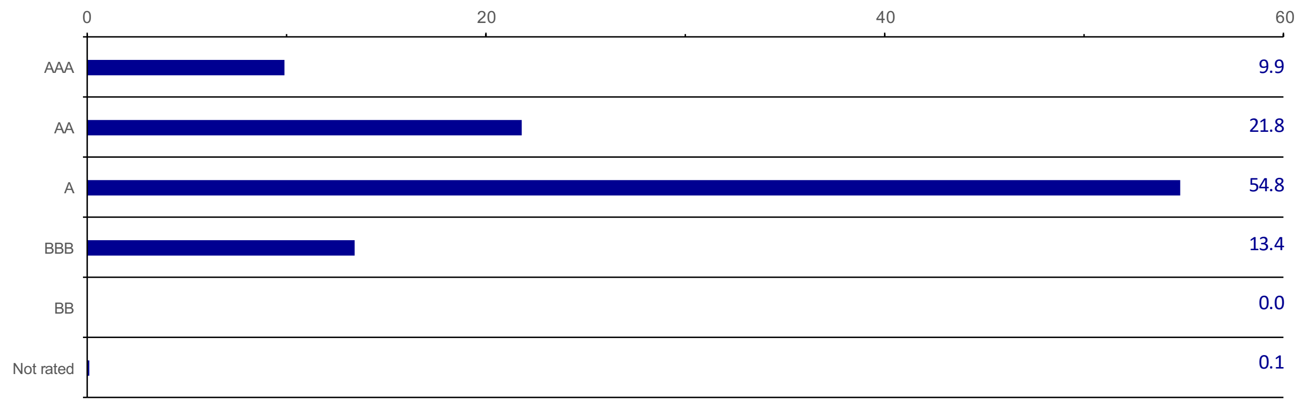
Investment type	Market value [1] in € million	Average remaining term in years	Interest
Promissory note loans	323.0	1.4	Fixed
Time deposits	1,614.0	0.4	Fixed
Bonds	11.0	0.6	Floating
	921.7	1.3	Fixed
thereof financials	6.0	0.3	Floating
	298.3	1.0	Fixed
thereof insurances	5.0	0.8	Floating
	14.2	1.9	Fixed
thereof industrials	609.1	1.5	Fixed
Commercial papers	375.0	0.3	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 was comprised almost exclusively of rated assets (rated: 99.9%, unrated: 0.1%).

The cost of carry, which is calculated using a (tiered statement) maturity-matching principle, was –0.7% (–€22.4 million) as at December 31, 2023.

As at the 2023 balance sheet date, the Fraport Group had credit lines amounting to €958.6 million (previous year: €736.3 million) available, of which €469.4 million were, however, earmarked for future capital expenditure on infrastructure. As at the balance sheet date, Fraport AG had unused credit lines amounting to €489.2 million (previous year: €580.9 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

	2023	Forecast 2022 [Adjustments during the year 2023]	2022	Change	Change in %
Free cash flow (€ million)	–656.4	Still negative in the mid three-digit million € range	–741.0	+84.6	+11.4
Net financial debt to EBITDA	6.4	Level of 2022 [Q2/6M 2023 slight improvement]	6.9	–0.5	–
Group liquidity (€ million)	4,041.3	Slightly lower than 2022	3,866.9	+174.4	+4.5

At €4,041.3 million, Group liquidity was above the forecast value due to higher cash inflow from long-term financial liabilities. The other figures of the asset and financial position were in line with the 2022 forecast.

Development of the value added

€ million	Fraport Group		Aviation		Retail & Real Estate		Ground Handling		International Activities & Services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Adjusted EBIT[1)]	822.9	677.4	155.2	40.7	273.3	258.9	–73.8	–102.1	468.2	479.9
Fraport assets	12,477.7	11,383.8	4,664.1	4,152.3	2,893.5	2,672.6	953.2	852.1	3,966.9	3,706.9
Costs of capital before taxes	948.3	831.0	354.5	303.1	219.9	195.1	72.4	62.2	301.5	270.6
Value added before taxes	–125.4	–153.6	–199.2	–262.4	53.4	63.8	–146.2	–164.3	166.7	209.3
ROFRA in %	6.6	6.0	3.3	1.0	9.4	9.7	–7.7	–12.0	11.8	12.9

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

In the 2023 fiscal year, the **value added** of Fraport Group improved by €28.2 million. However, at –€125.4 million, it remained in the negative range (previous year: –€153.6 million)

The positive development of traffic in the Group primarily contributed to an improvement of €145.5 million in adjusted EBIT to €822.9 million (previous year: €677.4 million). The higher capital expenditure, particularly in the development projects in Frankfurt and Lima, as well as the increase in WACC from 7.3% to 7.6% which resulted in higher capital costs, had an opposite effect.

Due to the positive operating result, the **ROFRA** of the Fraport Group increased by 0.6 percentage points to 6.6% (previous year: 6.0%).

The value added of the **Aviation** segment improved from –€262.4 million to –€199.2 million due to the positive operational development. This was offset by progressing construction activities in the context of the Airport Expansion South project and the increase in capital costs. Segment ROFRA improved from 1.0% to 3.3%.

In the **Retail & Real Estate** segment, higher Fraport assets in the course of the expansion project in Frankfurt resulted in a decrease in the value added from €63.8 million to €53.4 million (–€10.4 million) and of ROFRA to 9.4% (previous year: 9.7%).

The value added in the **Ground Handling** segment improved to –€146.2 million (previous year: –€164.3 million) due to the higher operational result, despite the increase in capital costs. ROFRA of the segment was thus at –7.7% (previous year: –12.0%).

The value added of the **International Activities & Services** segment decreased from €209.3 million to €166.7 million (–€42.6 million). The reason for this was a lower operating result due to special effects in the previous year. Furthermore, the increase in capital costs for the expansion at Lima Airport had a negative effect. In line with the value added, segment ROFRA decreased from 12.9% to 11.8%.

Comparison with the forecasted development

	2023	Forecast 2022	2022	Change	Change in %
Group ROFRA (%)	6.6	Roughly at the level of 2022	6.0	+0.6 PP	–

Group ROFRA of 6.6% was above the forecast provided in 2022 due to the positive operational results.

Non-financial Performance Indicators[1]

Customer satisfaction and product quality

Global satisfaction of passengers

At 67%, global satisfaction of passengers was below the previous year' value (–7 percentage points). General satisfaction (top box share of global satisfaction) was constant at 67% in the first quarter as well as in the third and fourth quarter. In the second quarter, it was slightly higher at 68%. Satisfaction criteria, such as cleanliness criteria, satisfaction with waiting times, the friendliness of personnel and passport control as well as satisfaction with the gastronomic offerings recorded a decline in the third quarter. In contrast, four out of the 25 criteria surveyed in 2023 were positive, including waiting times at the check-in counter, and the speed and stability of the airport Wi-Fi. The new or resumed criteria "Flight to the Frankfurt Airport" and "Arrival at the airport using public means of transport" achieved above average top box results of 84% and 83%.

At the fully consolidated Group airports, on the other hand, global satisfaction reached a cumulative value of 80% in the 2023 reporting year. To determine global satisfaction within the Group, a total of just under 40,000 passengers were surveyed at the sites 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 resulted in a Group-wide global satisfaction of 74% for the reporting year. The reason for the decline was, among other things, distinct peaks in traffic at Frankfurt Airport.

Baggage connectivity

Baggage connectivity at Frankfurt Airport in the past fiscal year remained unchanged at 95.8% and thus 1.2 percentage points below the value forecast in the 2022 Annual Report. While the baggage connectivity value of 95.7% in the first quarter 2023 marked a decrease over the previous year's level, the value increased to 96.6% in the second quarter 2023 (Q2 2022: 95.9%). In the third quarter of 2023, baggage connectivity remained stable at the previous year's level of 95.0% and, with 96.0% exceeded the previous year's figure in the fourth quarter (Q4 2022: 95.1%). In the course of 2023, the gap to the required personnel level was almost closed. Distinct traffic peaks and the overall increased demand however resulted in further capacity bottlenecks. Baggage connectivity in particular suffered, remaining below the target figure for 2023 despite the training initiative in Ground Services.

Attractive and responsible employer

Employee satisfaction

As planned, no Group wide survey of employees was carried out in 2023. The measures derived from Barometer 2022 were supplemented by results from a survey carried out in summer 2023 at the Frankfurt site. Measures planned to improve the aspects Payment, Innovations and Professional Development Opportunities assessed as below average in the Barometer include, for example, a holistic assessment grid for career pathways linked to salary bands and benefit portfolios, an initiative to implement artificial intelligence solutions as well as the introduction of talent management. During the reporting year, the Group companies also worked on deriving measures and implementing them.

Women in management positions

As at December 31, 2023, the proportion of women in management positions at the first management level below Fraport's Executive Board was 24.4% in Germany (previous year: 23.1%). On the management level below this, the share of women in management positions increased to 33.9% (previous year: 31.6%). The filling of vacant management positions with female managers overcompensated for the negative effect from the deconsolidation of the Group company FraSec Aviation Security GmbH as at January 1, 2023. At Fraport AG, the ratio of women in management positions on the first level of management amounted to 23.8% and on the second management level to 31.8% in the reporting period and was thus above the respective previous year's figures (previous year: 19.0% and 30.8%, respectively).

[1] Part of the Combined Non-Financial Statement

Occupational health and safety

Sickness rate

In the 2023 fiscal year, the Group sickness rate in Germany decreased to 8.7% (adjusted value for 2022 due to late reportings: 9.9%; reported value 2022: 8.7%). The development is due to the reduction of staff numbers as a result of the deconsolidation of the Group company FraSec Aviation Security GmbH. The sickness rate of Fraport AG fell by 0.8 percentage points to 7.1% (previous year: 7.9%).

Climate protection

CO2 emissions

In the reporting year, the Group-wide Scope 1 and Scope 2 carbon emissions amounted to around 158,065 metric tons CO_2 and were thus 1.5% lower than in the previous year (adjusted previous year's value due to changed measurement method: 160,489 metric tons CO_2). The CO_2 emissions at Fraport AG also reduced year-on-year by 1.7% to 117,482 metric tons CO_2 (adjusted previous year's value due to changed measurement method: 119,567 metric tons $CO_{2;}$). The adjustment of the previous years figures is due to a re-evaluation and standardization of the measurement methods used for emission factors relating to district cooling for 2022 and 2023. The CO_2 emissions reported in the 2022 Annual Report for the Group were 155,449 metric tons CO_2 and 113,199 metric tons CO_2 for Fraport AG.
The purchase of electricity from renewable sources, the company's own generation of electricity from photovoltaic systems as well as the ongoing conversion of the vehicle fleet to electric mobility also contributed to the reduction.

Comparison with the forecasted development

Indicators	2023	Forecast 2022 [adjustment during the year Q2 / 6M Interim Report]	2022	Change
Global satisfaction of passengers (Group) in %	74	At least 80 % [Falling short of the forecast]	80.0	–6.0 PP
Global satisfaction of passengers (Frankfurt) in %	67	At least 80 % [Falling short of the forecast]	74	–7.0 PP
Baggage connectivity (Frankfurt) in %	95.8	Better than 97 % [Falling short of the forecast]	95.8	0.0 PP
Employee satisfaction (Group)	4.76[3]	Next survey in the 2024 financial year	4.76	–
Employee satisfaction (Fraport AG)	4.64[3]	Next survey in the 2024 financial year	4.64	–
Women in management positions (1st level, Germany) in %	24.4[4]	Slight increase	23.1	+1.3 PP
Women in management positions (2nd level, Germany) in %	33.9[4]	Slight increase	31.6	+2.3 PP
Women in management positions (1st level, Fraport AG) in %	23.8	Slight increase	19.0	+4.8 PP
Women in management positions (2nd level, Fraport AG) in %	31.8	Slight increase	30.8	+1.0 PP
Sickness rate (Germany) in %	8.7	Stabilization at least at the previous year's level	9.9	–1.2 PP
Sickness rate (Fraport AG) in %	7.1	Stabilization at least at the previous year's level	7.9	–0.8 PP
CO_2-Emissions (Group) (Scope 1 and 2) in t[5]	158,065[6]	Roughly at previous year's level	160,489[7]	–2,424
CO_2-Emissions (Fraport AG) (Scope 1 and 2) in t[5]	117,480	Roughly at previous year's level	119,567[7]	–2,087

[1] As planned, employee satisfaction was not surveyed in 2023. The next planned survey will take place in 2024.
[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] Values in 2022.
[4] This includes Fraport AG as well as Group companies in Germany.
[5] Target for 2045: 0 metric tons CO_2 ("Net Zero Carbon" according to the Intergovernmental Panel on Climate Change).
[6] This includes Fraport AG as well as the Group companies Facility Services, Fraport Ground Services , FraCareS, Fraport Ausbau Süd, FraSec Group (three companies in 2022, two companies in 2023), Media, Fraport Greece, Fraport Slovenia, Lima, Fortaleza, Porto Alegre and Twin Star.
[7] Subsequent verifications may result in changes to the figures.

The "Non-financial performance indicators" chapter above provides explanatory notes on deviations from the 2022 forecast.

Employees

Development of employees

Average number of employees	2023	2022	Change	Change in %
Fraport Group	17,840	18,850	–1,010	–5.4
thereof Fraport AG	7,164	7,309	–145	–2.0
thereof Group companies	10,676	11,541	–865	–7.5
thereof in Germany	14,385	15,691	–1,306	–8.3
thereof abroad	3,455	3,159	+296	+9.4

The average number of employees in the Fraport Group (excluding apprentices and employees on leave) decreased by 1,010 to 17,840 in the 2023 fiscal year (previous year: 18,850). The decline resulted mainly from the deconsolidation of the Group company FraSec Aviation Security GmbH as at January 1, 2023 (–2,110 employees). An offsetting effect as a result of the positive development in traffic was seen at the Group company Fraport Ground Services GmbH (formerly FraGround Fraport Ground Handling Professionals GmbH) (+702 employees). At Fraport AG, the headcount decreased (145 employees) primarily due to resignations of staff.
Outside Germany, the headcount increased to 3,455 (+9.4%) due to the Group-wide positive development in traffic, especially at the Group companies in Peru (+143 employees), Bulgaria (+67 employees) and Greece (+38 employees).

Development of employees in the segments

Average number of employees	2023	2022	Change	Change in %
Aviation	3,447	5,569	–2,122	–38.1
Retail & Real Estate	594	576	+18	+3.1
Ground Handling	7,716	7,035	+681	+9.7
International Activities & Services	6,083	5,670	+413	+7.3

The average number of employees in the International Activities & Services, Ground Handling, and Retail & Real Estate segments increased as a result of traffic volumes. In contrast, the headcount in the Aviation segment decreased due to the deconsolidation of the Group company FraSec Aviation Security GmbH as at January 1, 2023.

Development of employees as at the balance sheet date

Number of employees as at the balance sheet date	December 31, 2023	December 31, 2022	Change	Change in %
Fraport Group	18,057	19,211	–1,154	–6.0
thereof Fraport AG	7,095	7,209	–114	–1.6
thereof Group companies	10,962	12,002	–1,040	–8.7
thereof in Germany	14,811	16,145	–1,334	–8.3
thereof abroad	3,246	3,066	+180	+5.9

Compared with the previous year, the number of employees in the Fraport Group (excluding apprentices and employees on leave) decreased by 6.0% (–1,154 employees) to 18,057 as at December 31, 2023. This is a result of the deconsolidation of the Group company FraSec Aviation Security GmbH as at January 1, 2023. This was offset by an increase in particular in the Group companies Fraport Ground Services (formerly FraGround Fraport Ground Handling Professionals GmbH) (+691 employees) and the FraSec Group (+72 employees) due to the volume-based higher demand for personnel. Outside of Germany, employee numbers increased in particular in the Group companies in Peru (+99 employees), Slovenia (+32 employees), Greece (+38 employees), and Brazil (+18 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 12.6% in the reporting year was slightly higher than the value of the previous year (adjusted value for 2022 due to late reportings: 12.1%; reported value 2022: 15.0%). 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, 2023 was 23.8%, clearly below the previous year's level of 26.6%. This was due to the deconsolidation of the Group company FraSec Aviation Security GmbH as at January 1, 2023. The **average age** of the Group's workforce increased slightly to 45.4 years (previous year: 45.3 years). The **percentage of persons with major disabilities** relative to the total number of employees excluding apprentices and temporary staff was 7.1% on a Group-wide basis (adjusted value for 2022 due to late reportings: 7.6%; reported value 2022: 5.8%).

At **Fraport AG**, the proportion of female employees as at the balance sheet date 2023 was 19.7% (previous year: 19.4%). The proportion of employees with major disabilities remained unchanged year-on-year at 12.4%. The average number of apprentices decreased to 227 (previous year: 246). The staff turnover rate at Fraport AG improved to 2.7% (previous year: 3.5%).

Combined non-financial Statement

About this combined statement

The combined non-financial statement complies with the commercial law requirements and was prepared in accordance with Sections 289c to 289e the German Commercial Code (HGB), Sections 315c in conjunction with 289c to 289e HGB and Article 8 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 and the Delegated Acts issued thereunder. Deloitte GmbH Wirtschaftsprüfungsgesellschaft has subjected the content of this combined non-financial statement to a limited assurance review in accordance with ISAE 3000 (revised) as part of a separate engagement.

To avoid duplicates within the combined management report, further information in other chapters is referred to at relevant points. The “Control System” and “Non-financial Performance Indicators” chapters describe the important non-financial performance indicators and their development during the reporting period. The respective concepts and measures are presented in this combined non-financial statement. The target values set for the Fraport Group and Fraport AG can also be found in the chapters, which are part of this combined non-financial statement. The forecast figures for fiscal year 2024 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). 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, therefore they are not audited.

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”. In addition, the ESG Factbook, available at www.fraport.com/publications, provides a detailed overview of the relevant GRI indicators in the Fraport Group.

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.

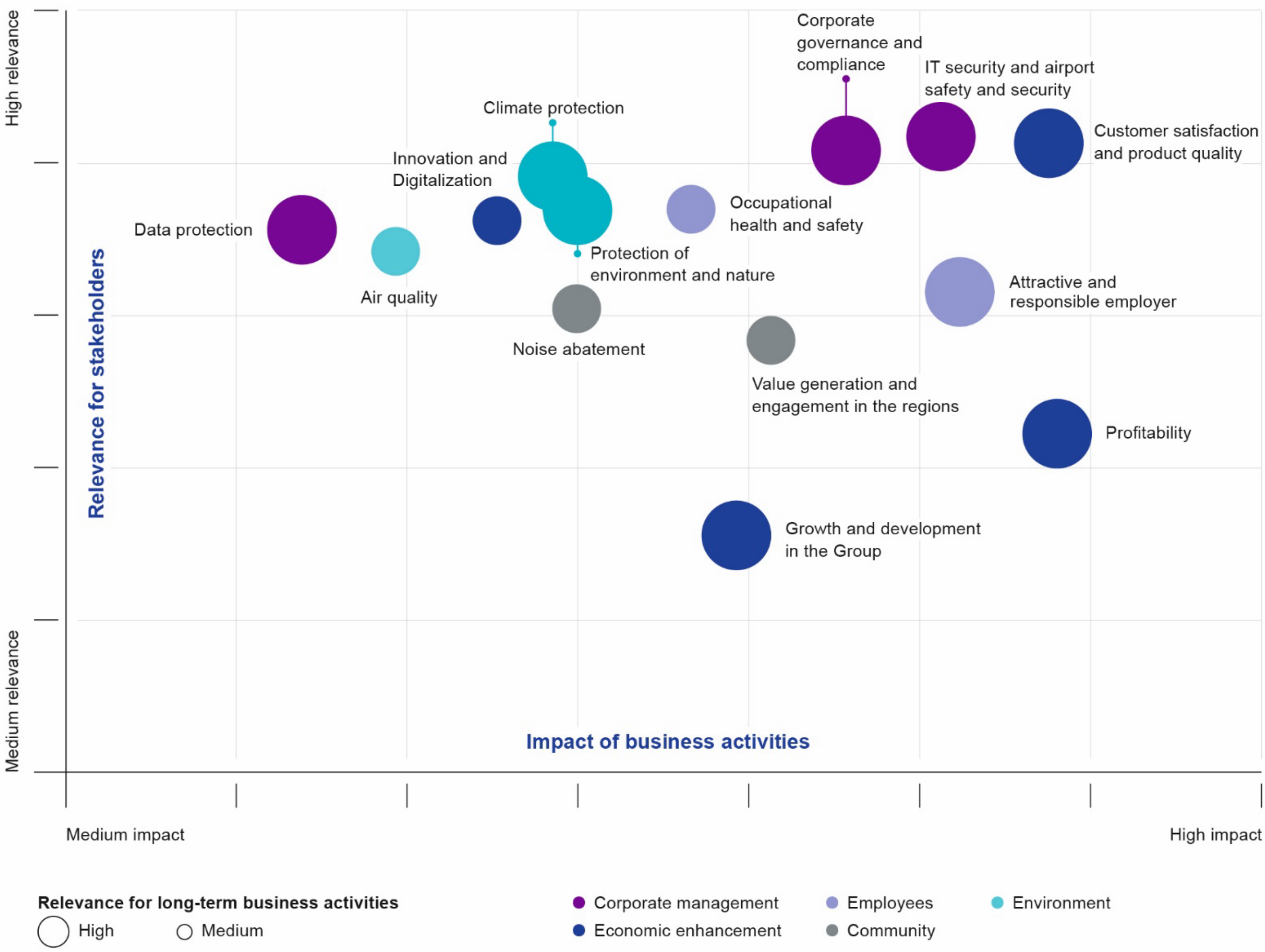
Derivation of materiality

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 important 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. As explained in the “Control System” chapter, the employee satisfaction survey is carried out every two years and is therefore not recorded quantitatively in the reporting period.

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, 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, non-governmental organizations (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 performed in 2018. On the basis of this, the topics are regularly checked to ensure they are up to date. The Executive Board has confirmed the relevance of the topics for 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 the information in connection with the non-financial aspects in a separate chapter. Fraport does not engage in research and development in the strict sense in the “Innovation and Digitalization” section (see “Research and Development” chapter). The measures derived from the Group strategy aim to increase customer satisfaction and product quality. Reporting on this can be found in the “Customer Satisfaction and Security” chapter.

Allocation of material topics to non-financial aspects

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

The Executive Board remuneration system also includes non-financial elements in addition to the financial objectives for the long-term performance-based remuneration. The expansion of the master plan and package of measures on reducing CO_2 in the Group, concept development for alternative drive systems at the Frankfurt site, and the increase in process efficiency in procurement and staffing requirements were determined as non-financial components for the 2023 fiscal year (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 it reflects the worst-case scenario 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 2023, there were no additional reportable risks for Fraport which are very likely to have or will have a substantial negative impact on the reportable aspects in accordance with Section 289c (3) sentence 1, Nos. 3 and 4 HGB, beyond the material risks already listed in the “Risk and Opportunities Report” chapter as part of risk management.

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 compels business partners and suppliers to comply with its **Supplier Code of Conduct**, (which can be viewed at www.fraport.com/en/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. Business partners and suppliers must also undertake to demand and ensure that these principles are adhered to when dealing with their own suppliers.

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.

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 www.fraport.com/en/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.

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 only engage subcontractors or other third parties that meet these requirements.

In the past fiscal year, Fraport AG has implemented the due diligence obligations resulting from the German Supply Chain Act (LkSG), which entered into force on January 1, 2023. After existing structures had been expanded and new processes created, the statutory obligations were transferred into the line organization. In addition to the policy statement on the human rights strategy, core elements of the implementation include expanding the risk analysis, updating the complaints procedure, and establishing suitable preventive and corrective measures.

Anti-corruption and bribery matters and respect for human rights

Anti-corruption and bribery matters

Objective – Conduct in compliance with laws and regulations has the 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 **Fraport Code of Conduct**, which has been rolled out globally. 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 need 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 prescribed. 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 as well as consulting services in all major business units of Fraport AG, its subsidiaries and joint ventures, and Group companies. The department also carries out **compliance audits**. A standardized and risk-oriented planning process is the foundation for the focus points of the audit.

Measures to battle 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. In addition to a clear presentation of why compliance is important in everyday working life, the e-learning program for Fraport AG employees contains the Fraport Code of Conduct, dealing with gifts and invitations, and conflicts of interest. In addition, the central reporting channels for compliance violations are detailed. In 2023, a new e-learning course, Compliance Basic Knowledge for Executives at Fraport AG, has been additionally rolled out.

A key instrument for preventing and discovering compliance violations is the **whistleblower system** (see www.fraport.com/en/compliance) as an internal reporting authority. Information about irregularities in all Group companies can be submitted anonymously 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. The requirements of the Whistleblower Protection Act (Hinweisgeberschutzgesetz) are complied with. Furthermore, Fraport AG has an **ombudswoman**, an external, independent lawyer, at its disposal. Employees at the Frankfurt site can also contact an **internal confidant**.

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. The implementation of the requirements of the German Supply Chain Act and the German Whistleblower Protection Act was the focus at the Group companies in fiscal year 2023.

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 and Sustainability" central unit of Fraport AG deals with, among other things, coordinating Group-wide respect of human rights. Violations can be reported anonymously via the **whistleblower system** that is freely accessible worldwide via www.fraport.com/en/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 the Compliance department of Fraport AG if required.

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 oriented 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 toward 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.

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, additional contactless Smiley Boxes were installed at the Frankfurt Airport to collect feedback. As part of the modernization of the security inspection process, 20 check lanes with new computer tomography technology were introduced in Terminal A at Frankfurt Airport in the reporting year. The benefits for passengers is a faster, more efficient process because liquids and electronic devices can remain in hand baggage. The PaxZ system was expanded in order to enable optimum measurement of waiting times at security checks and check-in areas and thus guarantee better forecasts of process times for passengers.

Fraport AG is expanding the digital and contactless travel experience for passengers at Frankfurt Airport together with its system partners. Biometric methods play a central role here. Automatic face recognition replaces passengers presenting documents, provides a fast and convenient service, and increases customer satisfaction. Further biometric touchpoints were put into operation in Pier A/Z, B, and Terminal 2 in 2023.

In order to guarantee service quality and to meet passengers’ and airlines’ requirements, Fraport conducted extensive modernization measures at the Group airports. Several measures to improve passenger and business processes such as self bag tag print and replacing the terminal equipment were implemented in Greece. A new software to manage lost baggage was introduced at the Airport in Lima.

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 basic questionnaire from 2022 was broadly adopted for the 2023 reporting year.

At the fully consolidated international Group airports, regular surveys to measure passenger satisfaction, which were resumed in 2022, were continued in 2023, albeit with some reduced case numbers compared to pre-crisis levels. As in the previous year, the sample sizes are sufficient to provide a valid figure for global satisfaction in both the international portfolio and the Group for the 2023 reporting year.

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). The recruitment campaign for Ground Handling started in 2022 at the Frankfurt site was continued in the 2023 reporting year. However, the success was limited by strong traffic growth and the associated further increase in demand for personnel. Infrastructure measures were also introduced to improve baggage connectivity. This means that the forwarding of non-transported baggage items is now fully automated for many airlines so that passenger waiting time is shortened. In technical terms, the required X-ray checks of connecting baggage was optimized in order to save valuable time in the transfer process by reducing the malfunctions of the systems.

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).

Information and airport 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.

Information security

Objective – All important business and operating processes at Fraport are supported by IT systems. 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 2023, Fraport AG once again implemented a variety of projects to adequately respond to the growing risks arising from information technology. In addition, further personnel were hired in this section. 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 as well as in the latest KRITIS audit conducted in 2023 according to the German IT Security Act for critical infrastructures (KRITIS) will be processed and the Information Security Management System (ISMS) will be developed further.

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

The Group companies outside of Frankfurt use their own IT infrastructure, which 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 and Fraport Slovenija 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 measur e the effectiveness of the measures implemented. These indicators cannot be published for security reasons.

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). 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 toward 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.

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 trainings**. 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 has 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. On January 1, 2023, Fraport took over the organization, management, and operation of aviation security services at Frankfurt Airport from the German Federal Police. Personnel and goods checks are carried out by the Group company, FraSec Flughafensicherheit GmbH.

Fraport AG develops measures to maintain high security standards independently and in agreement with the competent authorities. In the reporting year, responsibility for performing security services and passenger controls at Frankfurt Airport was transferred. Since then, it has been possible for the airport operator to make greater progress with control and quality management and thus to make processes more flexible and more efficient.

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 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.

Important non-financial performance indicators in the context of personnel matters are the key figures **employee satisfaction, women in management positions,** and **sickness rate** in Germany. Another indicator used to monitor accident development is **LTIF (Lost Time Injury Frequency)**.

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 make it easier to derive target-oriented improvement measures on the basis of the results throughout the Group. The survey is conducted every two years since 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. The questions are assigned to four topics – "My employer," "My workplace," "My team," and "My manager" – and rated on a scale of 1 to 7. An average score is calculated for each topic. The average value of the 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.

In the survey performed in 2022, the aspects of remuneration, innovations, and professional development opportunities were rated as below average. Because of this they were the focus of the measures that were developed Group-wide in the reporting year. For the Frankfurt site, the potential for improvement was supplemented by the results from the HRneo strategic program that was started in summer 2023. HRneo has the aim of realigning the HR section and increasing the employer attractiveness of Fraport, positioning it for the future, and strengthening cohesion within the workforce across the Group.

The **Group works 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 2023, Fraport continued its activities to strengthen and utilize diversity in the Group. One focus was on the topic of discrimination. Seminars were offered to employees to raise awareness about prejudices, racism, and discrimination in everyday life. 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 straightforward language and with many illustrations, thus ensuring continuing language education.

The measures for strategic **succession planning** and the supervision of top management positions are carried out organizationally by the "HR Top Executives" central unit. 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.

Performance indicator – Employee satisfaction at Fraport AG and in the Group as well as 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 (Arbeitssicherheitsgesetz), Fraport AG has implemented an occupational safety unit, an occupational health services unit, and prevention and health management under the Director of Labor Relations, which advise and support corporate departments in the further development of occupational health and safety. Measures to promote occupational health are controlled by the 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. Collaboration and the exchange of experience for all Group companies for which the Group guideline is binding are organized in the **Occupational Health and Safety Management System Board**. The Board meets once per year. Overarching tasks are promoted together in order to work efficiently and conserve resources. In addition, there is a steering committee for prevention and 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 decreased to 20.6 in the 2023 reporting year (previous year: 22.6). A significant focus on accident prevention and avoiding work-related health risks could be seen mainly in the Ground Handling segment. Due to the fast recovery in traffic after the coronavirus pandemic, accident figures have also come back into focus. As part of recruitment measures, above all in the Ground Handling section, the integration of occupational safety measures into training was an essential component. Furthermore, it is also especially important that occupational safety standards are guaranteed when dealing with hazardous substances, 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 especially in operational sections.

The increased requirements that result from the now established hybrid working form were taken into account with numerous **digital health offers**. The Prevention and Health Management department has structured the health measures and focused on the requirements. Provision of licenses for a health app that have been available to interested employees of Fraport AG since 2022 was continued. A quarterly newsletter follows seasonal health topics in a digital format. In addition, in October 2023 there was a dedicated Mental Health Week. Many offers such as screenings, travel vaccination advice, and a health market with campaign stands, presentations, and checkups were also held on-site in Frankfurt.

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 the airports in Slovenia and Greece. Unannounced inspections were carried out regularly at Lima Airport in addition to the extensive occupational safety training courses to ensure compliance with requirements.

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 a 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 considering 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 GmbH, the Berufsbildungswerk Südhessen in Karben, and the "Pilot" unit of the Evangelische Kirchenkreis Hanau.

Even at many 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 the Group companies independently. In this regard, the focus is on local projects, such as in the areas of child support, environmental protection, and sports. Earthquake victims in Turkey and Syria have also been supported financially.

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 significantly below the figure of a LOG noise area determined in the 2007 planning decision below a forecasted figure of 22,193 ha.

National and local regulations about noise protection apply at the Group sites. Violations against these regulations in the reporting year are not known. The Group airports have implemented appropriate noise protection measures and monitoring systems.

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

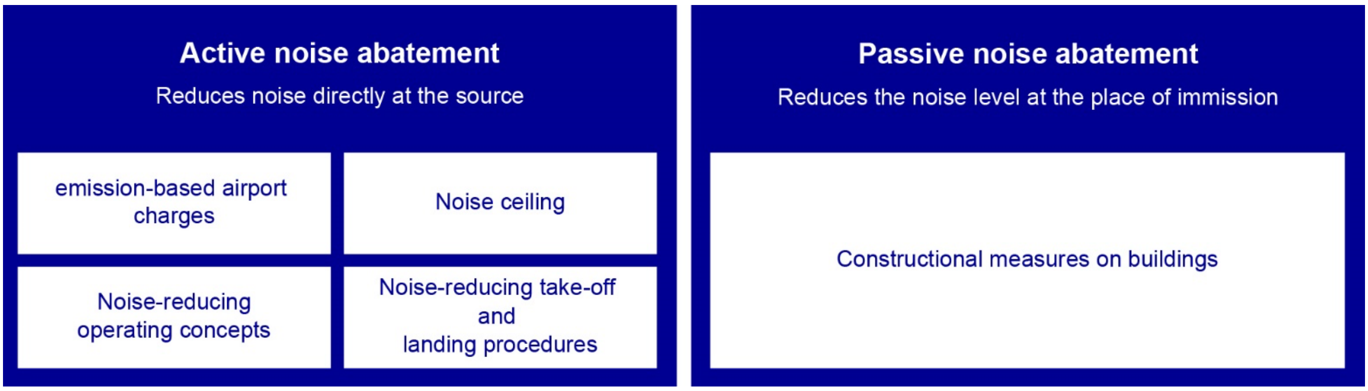
The aircraft noise pollution in the area around the airport is continuously monitored. **Aircraft noise monitoring** is also implemented at the Group airports. In Greece, complaints about aircraft noise can also be submitted via the company website. At the Group airport in Lima, a committee has also been set up to combat aircraft noise, involving airlines as well as national and local government agencies.

Fraport AG collaborates with the region affected by aircraft noise, representatives of the state government, and other members of the aviation industry in two committees. The **Aircraft Noise Commission** (FLK) is a legally appointed body that advises the Hessian Ministry of Economics, Energy, Transport and 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 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.

A basic distinction is made between active and passive noise abatement.



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 Frankfurt, in both off-peak periods at night, individual takeoff and landing runways are alternately not used, enabling the local nighttime six-hour quiet period to be increased by one hour.

Fraport AG charges noise-related charges for takeoffs and landings. According to the new schedule of charges, which has applied from January 1, 2023, the noise-related airport charges have been further increased. The use of modern, quieter aircraft is rewarded by the Noise Rating Index (NRI). Fraport is thus providing further economic incentives for airlines to take off or land in Frankfurt using quieter aircraft.

The voluntary alliance for a noise emission ceiling created in 2017 helps to ensure that the noise exposure at Frankfurt Airport during the day does not increase as much as would be permitted under the zoning decision, despite growth in aircraft movements. The traffic volume and traffic structure of the zoning approval for the expansion result in noise contours with continuous sound levels of 55 dB(A) and 60 dB(A). These contours have been reduced by 1.8 dB(A) across the board. The total areas within the reduced contours define the noise emission ceiling. A flight movement quota applies at night: no more than 133 aircraft movements may be scheduled for each average night of the calendar year between 10 p.m. and 6 a.m. If the limit values are exceeded, Fraport AG and airlines must examine how they can reduce the noise level, for example by using quieter aircraft. The calculations in the 2023 monitoring report for 2022 show that the levels did not exceed the noise emission ceiling in 2022. The values of the previous year are always checked.

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. The deadline for submitting invoices expired on October 12, 2022, the invoices received on time have largely been approved by Darmstadt Regional Council with a few exceptions and the funds paid out by Fraport.

In the area of passive noise abatement, the Fraport Group held provisions in the amount of €0.7 million as at the balance sheet date of December 31, 2023 (see Group Notes, note 40, and Fraport AG's Notes, note 30).

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

Environmental Matters

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

It is particularly important to deal intensively with environmental concerns, especially when planning to expand facilities. The Group's growth targets must be pursued in line with environmental protection. The expansion 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 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 yearly 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 was previously responsible for the monitoring of the ongoing long-term energy saving measures and continuously examining further possible measures, was replaced in 2023 by the **Decarbonization Board**. This Board monitors the implementation of the decarbonization master plan, continuously examines the ongoing and planned measures to cut CO_2 emissions, and reports the results to the Executive Board twice a year. Fraport is gradually switching to **emission-free alternatives** for its vehicles on the apron. In addition, 94 electric vehicles and auxiliary devices were acquired in 2023. 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. In doing so, Fraport benefits from support from the State of Hesse. 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 2023, 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. Therefore, the construction of another fence system was authorized in the reporting year. These are 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. Depending on the approval, the photovoltaic system in the final expansion stage can extend to a length of 2,800 meters parallel to the runway and generate a photovoltaic output of up to 18 megawatts.

The variety of individual measures that have already been decided upon and implemented in the last few years represent important steps toward 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. In 2023, the master plan for decarbonization was also adopted by the fully consolidated international Group airports and backed up with appropriate measures to reduce CO_2 emissions.

The participation of Fraport in the **Airport Carbon Accreditation** program of the ACI (Airports Council International) serves as proof of its 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, Mitilini, 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 climate-relevant” – which means fully consolidated subsidiaries with substantial energy consumption – 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, 78.4% 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 €12.4 million as at the balance sheet date of December 31, 2023 (see Group Notes, note 40, and Fraport AG’s Notes, note 30).

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, climate-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. An annual report 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.

At the local level, there is an overlap of limit-controlled air pollutants 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 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 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 Gemeinnützige Umwelthaus GmbH (Umwelt- und Nachbarschaftshaus, UNH) in Kelsterbach to study so-called ultra-fine particulates (UFP). UFP are solid or liquid air-borne particles with a diameter smaller than 100 nm. Unlike conventional, limit-controlled air pollutants, airports have proven to be a major source of UFP. Due to their small size, UFP are classified as potentially harmful to health, however, no reliable database exists to determine a dose-response relationship.

The HLNUG measurements have shown in the last few years that Frankfurt Airport clearly contributes to the UFP burden. At all UFP 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 January 2023, scientists at the Goethe University Frankfurt in collaboration with the HLNUG published new findings. An analysis of the chemical composition of the measured UFP in Frankfurt-Schwanheim was carried out in this study. The investigations showed that the UFP partly consist of synthetic turbine lubrication oils and therefore the formation of ultra-fine particulates on engines is not limited to the combustion of jet fuel.

Furthermore, in August 2023 the HLNUG published a short report on the measurements completed after two and a half years in the Municipality of Flörsheim located directly to the west of the airport. As already known from the previous UFP reports, the measured particle number concentration at the Flörsheim site is also clearly dependent on the wind direction. If the wind blows from the direction of the airport during flight operations, the particle number concentration clearly increases. Furthermore, the latest evaluations by the HLNUG show that even at night outside of the airport operating times (between 12:00 a.m. and 5:00 a.m.) an increased particle number concentration resulted in the event of wind from an easterly direction, which points toward further sources of UFP in this direction outside of flight operations. The analyses also showed that short-term peaks in the particle number concentration occurred both at times with overflights over Flörsheim and also at times outside of flight operations and when the Runway Northwest was closed (from December 16, 2020 to May 31, 2021). Therefore, no clear causal connection can be derived between the individual direct overflights over Flörsheim in landing approaches to the Runway Northwest and the concentration peaks.

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 Hessian state government and will carry out a comprehensive study on ultra-fine particulates. A **"UFP" working group** has been set up at UNH, in which Fraport AG is also involved. Due to the complexity of the topic and building on the measurement results of the HLNUG and the findings of a previous hearing of experts in August 2019, the FFR has decided to commission the study to assess the exposure of the Rhine-Main region to UFP and its health effects in two main parts: a pollution study and an impact study. The contracting entity of the studies is UNH, which acts as an office of the FFR. The "SOURCE FFR (Study On Ultrafine particles Frankfurt airport Region) – measurement & modelling" UFP pollution study commissioned by UNH began in April 2023. The pollution study is being conducted by a consortium under the leadership of the Leibniz Institute for Tropospheric Research (TROPOS). Fraport AG is supporting the study project by conducting the measurements on the airport site and providing a variety of operating and activity data for emissions modeling of sources related to the airport.

The pollution study is expected to be completed in 2026. The results should form the basis for the impact study on the possible health effects of UFP, to be carried out at a later date. A design to develop an impact study is being developed in parallel to the pollution study. 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 https://www.ultrafeinstaub-studie.de/en.

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. Currently, around 570 vehicles (previous year: 540) of the Fraport vehicles in Ground Services at Frankfurt Airport already have electric engines. This corresponds to approximately 27% of the vehicles (previous year: around 27%). By 2026, a further 600 passenger cars, small vans, buses, and specific ground handling vehicles with electric transmission will be put into operation.

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.

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 toward a more sustainable economy. Through the Regulation, pre-defined economic activities are uniformly assessed with regard to their contribution to the European Commission's six environmental objectives – climate change mitigation (CCM), climate change adaptation (CCA), water (WTR), circular economy (CE), pollution prevention and control (PPC), and biodiversity (BIO) – 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 2023 reporting period related to the six environmental objectives of the European Commission 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 the taxonomy-eligible or taxonomy-aligned economic activities contribute to the environmental objectives **climate change mitigation** and **the transition to a circular economy**.

Definitions

A **taxonomy-eligible** economic activity means an economic activity that is described in the current delegated acts on the six environmental objectives, irrespective of whether that economic activity meets any or all of the technical screening criteria laid out 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 significantly harm any of the other environmental objectives (DNSH).
- It is performed in keeping with the minimum safeguards.

Revenue KPI

The share of **taxonomy-eligible Group revenue** was calculated as the portion of the 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).

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”. Revenue from the renting of buildings is mainly reflected in the revenue in the Retail & Real Estate and International Activities & Services segments. Furthermore, Fraport obtains taxonomy-eligible revenue by providing the passenger transport system. This comes under the economic activity 6.3 “Urban and suburban transport, road passenger transport”. The related costs are passed on to airlines within the airport charges of the Aviation segment. To determine the taxonomy-eligible portion, a distribution formula was applied based on the cost basis to ensure appropriate allocation to the charges. The economic activity 6.20 “Air transport ground handling operations” was newly introduced into the Regulation by the European Commission in 2023. Fraport obtains taxonomy-eligible revenue here, both at the Frankfurt site and at foreign airports.

Revenue in connection with the renting of buildings are taxonomy-aligned at the Greek Group airports at Fraport Greece in eight terminals. With their environmental certificates for the relevant buildings, these meet the technical screening criteria. The buildings rented there belong to the best 15% of national Greek buildings in terms of energy efficiency and can therefore be classified as taxonomy-aligned.

The taxonomy-aligned revenue of the passenger transport system increased to €37.09 million, mainly contingent on the higher passenger volume (previous year: €25.10 million). In addition, taxonomy-aligned revenue from rental income at Fraport Greece of €58.15 million is recognized for the first time (previous year: €0.0 million).

The taxonomy-eligible revenue described in the following does not contain any taxonomy-aligned portions. With regard to the renting of buildings, an increase in the taxonomy-eligible revenue to €650.08 million is recorded (previous year: €605.40 million). In the reporting year, new taxonomy-eligible revenue from the economic activity 6.20 “Air transport ground handling operations” of €752.54 million were added. Frankfurt had the substantial portion with €656.62 million, followed by Lima with €59.39 million.

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).

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) plus

- 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 and the operation of the passenger transport system cannot be carried out without the corresponding rail infrastructure or stations, Fraport considers the related capital expenditure to be connected with the economic activity 6.3. The economic activity 3.4 “Maintenance of roads and motorways” was newly included in the Regulation by the EU Commission in 2023.

In total, the following **taxonomy-eligible** economic activities were identified in the Fraport Group in the **climate change mitigation** environmental objective:

- 4.1 Electricity generation using solar photovoltaic technology
- 6.3 Urban and suburban transport, road passenger transport
- 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, regulating, and controlling energy performance of buildings
- 6.20 Air transport ground handling operations

For the environmental objective **transition to a circular economy,** the following **taxonomy-eligible** economic activities were identified:

- 3.4 Maintenance of roads and motorways

In order to avoid double counting when calculating the Capex ratio, economic activities were allocated either the letter a) or c).

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, regulating, and controlling energy performance of buildings

All taxonomy-eligible and taxonomy-aligned additions are to be attributed to investments in infrastructure and terminal buildings. The taxonomy-aligned additions for the passenger transport system fell slightly compared to the previous year to €97.71 million (previous year: €103.10 million). Another taxonomy-aligned addition concerns economic activity 7.5 “Installation, maintenance, and repair of instruments and devices” with €27.51 million (previous year: €39.22 million). This includes, for example, the installation of facades with a solar control function and the technical centers in Terminal 3.

The additions described in the following do not contain any taxonomy-aligned portions. A substantial taxonomy-eligible addition to economic activity 7.1 “Construction of new buildings” of €396.31 million also comes from Lima with the construction of the new passenger terminal. A total of €928.59 million arose here (previous year: €623.14 million). The construction of Terminal 3 in Frankfurt contributed to this with a volume of €491.70 million. The new economic activity 6.20 “Air transport ground handling operations” shows taxonomy-eligible additions of €38.06 million, a large portion of which relates to the baggage transfer system in Terminal 3. The economic activity 7.2 contributes €35.33 million to the taxonomy-eligible Capex.

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, and maintenance and repair. Any other direct expenditure relating to the day-to-day servicing of assets of property, plant, and equipment by the undertaking or third parties is also included here.

Thus, the definition of operating expenditure in accordance with the EU Taxonomy Regulation clearly differs from the definition of operating expenses used in the rest of the combined 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 2023 results from maintenance expenses for the passenger transport system as well as maintenance expenses for rented buildings. The maintenance expenses for rented buildings are determined using a formula, which should guarantee an appropriate distribution involving the segment results. As with revenue, in 2023 the economic activity 6.20 "Air transport ground handling operations" is added, and the expenses related to this concern, in particular, maintaining the baggage transfer system. A formula was applied here, which guarantees an appropriate distribution of maintenance expenses based on the segment distribution. The economic activity 3.4 "Maintenance of roads and motorways" is also new; a component of this is the maintenance of the runways.

In the same way as the revenue, the maintenance expenses for the passenger transport system are **taxonomy-aligned operating expenditure**. The maintenance expenses at the Greece site for the buildings that belong to the top 15% of national buildings with regard to energy efficiency are also aligned.

The taxonomy-aligned Opex consists of the economic activity 6.3 "Urban and suburban transport, road passenger transport" with the maintenance of the passenger transport system of €9.15 million (previous year: €7.10 million), and the economic activity 7.7 "Acquisition and ownership of buildings" with the aligned portion at Fraport Greece of €5.95 million.
The taxonomy-eligible amounts described in the following section do not contain any taxonomy-aligned portions. A taxonomy-eligible amount of €11.03 million resulted from the new economic activity 3.4 "Maintenance of roads and motorways"; this includes, for example, the renovation of Runway Northwest at the Frankfurt site. In addition, the economic activity 6.20 "Air transport ground handling operations" contributes a total of €9.67 million. The expenses are determined using a formula as described above. The economic activity 7.7 "Acquisition and ownership of buildings" contributes €33.20 million (previous year: €28.40 million), a significant part comes from Fraport AG with a total amount of €19.85 million.

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 at the Frankfurt site, 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 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, Fraport assigns 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, regulating, 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 **operation of the eight terminal buildings** of Fraport Greece comes under the economic activity 7.7 “Acquisition and ownership of buildings”. The substantial contribution is met as the terminal buildings under consideration count toward the top 15% of the national buildings in Greece in their energy efficiency classes.

The substantial contribution could not be proven for the taxonomy-eligible economic activities 7.1 “Construction of new buildings” and 7.2 “Renovation of existing buildings”. For the economic activities 6.20 “Air transport ground handling operations” and 3.4 “Maintenance of roads and motorways”, which were newly added to the Regulation, only the taxonomy eligibility must be checked in this year due to a relief provision.

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. In this year, the potentially taxonomy-aligned economic activities are limited to Fraport AG and Fraport Greece, therefore the assessment is concentrated on these two sites. 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 worst 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. For Fraport Greece the overall climate risk for the sites is at level 3 to 4, in the high to extreme range.

In the current version of the EU Taxonomy Regulation, it has not been defined how often the analysis needs to be updated. No annual update is carried out as time periods up to 2100 are covered in the projection scenarios. If extraordinary circumstances or substantial innovations should occur, an ad-hoc update will be executed. Irrespective of the updating of the assessment, the contents of the analyses are revised in every set of annual financial statements, for example to add new aligned economic activities and adaptation measures.

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.

For the economic activities under 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, regulating, and controlling energy performance of buildings” and 7.7 “Acquisition and ownership of buildings”, no DNSH criteria are defined for the other 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 Final Report on Minimum Safeguards from the Platform on Sustainable Finance of October 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.

Templates turnover

Economic activities	Code(s)	Turnover	Proportion of turnover 2023	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		€ mil.	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Urban and suburban transport, road passenger transport	CCM 6.3	37.09	0.93	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	58.15	1.45	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**95.24**	**2.38**	**2.38%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which enabling		0.00	0.00	0%	0%	0%	0%	0%	0%
Of which transitional		37.09	0.93	0.93%					
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Air transport ground handling operations	CCM 6.20	752.54	18.81	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	650,08	16,25	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,402.62**	**35.06**	**35.06%**	**0%**	**0%**	**0%**	**0%**	**0%**
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**1,497.86**	**37.44**	**37.44%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		2,502.63	62.56						
Total (A + B)		**4,000.49**	**100.00**						

DNSH criteria (Does Not Significantly Harm)									
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover 2022	Category enabling activity	Category transitional activity
(11)	**(12)**	**(13)**	**(14)**	**(15)**	**(16)**	**(17)**	**(18)**	**(19)**	**(20)**
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	0.79		T
Y	Y	Y	Y	Y	Y	Y	0		
							0.79		
								E	
									T
							0		
							18.95		
							18.95		
							19.74		
							80.26		
							100.00		

Template capital expenditures (Capex)

Economic activities	Code(s)	Absolute Capex	Proportion of Capex 2023	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		€ mil.	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	**CCM 4.1** CCA 4.1	0.87	0.06	Y	N	N/EL	N/EL	N/EL	N/EL
Urban and suburban transport, road passenger transport	**CCM 6.3** CCA 6.3	97.71	6.51	Y	N	N/EL	N/EL	N/EL	N/EL
Low carbon airport infrastructure	CCM 6.17	1.67	0.11	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4** CCA 7.4	0.37	0.02	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.5** CCA 7.5	27.51	1.83	Y	N	N/EL	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**128.13**	**8.53**	**8.53%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Of which enabling		29.55	1.96	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%
Of which transitional		97.71	6.51	6.51%					
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Maintenance of roads and motorways	CE 3.4	14.97	1.00	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Air transport ground handling operations	CCM 6.20	38.06	2.53	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Construction of new buildings	CCM 7.1	928.59	61.84	EL	EL	N/EL	N/EL	EL	N/EL
Renovation of existing buildings	CCM 7.2	35.33	2.35	EL	EL	N/EL	N/EL	EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.45	0.03	EL	EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1.26	0.08	EL	EL	N/EL	N/EL	N/EL	N/EL
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,018.66**	**67.83**	**66.83%**	**0.00%**	**0.00%**	**0.00%**	**1.00%**	**0.00%**
A. Capex of Taxonomy-eligible activities (A.1+A.2)		**1,146.79**	**76.36**	**75.36%**	**0.00%**	**0.00%**	**0.00%**	**1.00%**	**0.00%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Capex of Taxonomy-non-eligible activities		354.91	23.64						
Total (A + B)		**1,501.70**	**100.00**						

DNSH criteria (Does Not Significantly Harm)									
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Taxonomy aligned (A,1.) or eligible (A.2.) propor-tion of Capex 2022	Category enabling activity	Category transitional activity
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	0.01		
Y	Y	Y	Y	Y	Y	Y	8.90		T
Y	Y	Y	Y	Y	Y	Y	0.02	E	
Y	Y	Y	Y	Y	Y	Y	0.03	E	
Y	Y	Y	Y	Y	Y	Y	3.38	E	
							12.34		
								E	
									T
							0.00		
							53.78		
							3.55		
							0.01		
							0.03		
							57.37		
							69.71		
							30.29		
							100.00		

Template operating expenses (Opex)

Economic activities	Code(s)	Absolute Opex	Proportion of Opex 2023	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		€ mil.	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Urban and suburban transport, road passenger transport	**CCM 6.3** CCA 6.3	9.15	5.13	Y	N	N/EL	N/EL	N/EL	N/EL
Low carbon airport infrastructure	CCM 6.17	0.33	0.19	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	**CCM 7.7** CCA 7.7	5.95	3.34	Y	N	N/EL	N/EL	N/EL	N/EL
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**15.43**	**8.66**	**8.66%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which enabling		0.33	0.19	0.19%	0%	0%	0%	0%	0%
Of which transitional		9.15	5.13	5.13%					
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Maintenance of roads and motorways	CE 3.4	11.03	6.19	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Air transport ground handling operations	CCM 6.20	9.67	5.43	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2	8.22	4.61	EL	EL	N/EL	N/EL	EL	N/EL
Air transport ground handling operations	CCM 7.3	0.03	0.02	EL	EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.59	0.33	EL	EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	33.20	18.63	EL	EL	N/EL	N/EL	N/EL	N/EL
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**62.74**	**35.21**	**29.02%**	**0%**	**0%**	**0%**	**6.19%**	**0%**
A. Opex of Taxonomy-eligible activities (A.1+A.2)		**78.17**	**43.87**	**37.68%**	**0%**	**0%**	**0%**	**6.19%**	**0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Opex of Taxonomy-non-eligible activities		100.02	56.13						
Total (A + B)		178.19	100.00						

	DNSH criteria (Does Not Significantly Harm)									
	Climate change mitigation	**Climate change adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Taxonomy aligned (A.1.) or eligible (A.2.) proportion of Opex 2022[1)]**	**Category enabling activity**	**Category transitional activity**
	(11)	**(12)**	**(13)**	**(14)**	**(15)**	**(16)**	**(17)**	**(18)**	**(19)**	**(20)**
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	Y	Y	Y	Y	Y	Y	Y	5.10		T
	Y	Y	Y	Y	Y	Y	Y		E	
	Y	Y	Y	Y	Y	Y	Y			
								5.10		
									E	
										T
								20.46		
								20.46		
								25.56		
								74.44		
								100.00		

1) The denominator of the previous year was adjusted as an additional account was added to the calculation method. The previous year's shares have therefore decreased.

Proportion of turnover / Total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	2.38%	37.44%
Climate Change Adaptation (CCA)	0.00%	0.00%
Water (WTR)	0.00%	0.00%
Circular Economy (CE)	0.00%	0.00%
Pollution (PPC)	0.00%	0.00%
Biodiversity (BIO)	0.00%	0.00%

Proportion of capital expenditures / Total capital expenditures

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	8.53%	75.36%
Climate Change Adaptation (CCA)	0.00%	72.72%
Water (WTR)	0.00%	0.00%
Circular Economy (CE)	0.00%	65.19%
Pollution (PPC)	0.00%	0.00%
Biodiversity (BIO)	0.00%	0.00%

Proportion of operating expenses / Total operating expenses

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	8.66%	37.68%
Climate Change Adaptation (CCA)	0.00%	32.06%
Water (WTR)	0.00%	0.00%
Circular Economy (CE)	0.00%	10.80%
Pollution (PPC)	0.00%	0.00%
Biodiversity (BIO)	0.00%	0.00%

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 most important financial performance indicators used for managing Fraport AG and other important financial and non-financial key figures are described in the "Control System" section. The development of the non-financial key figures is reported in the "Control System", "Employees", "Non-financial performance indicators", and "Combined Non-Financial Statement" sections.

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 non-current assets and provisions.

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 €536.9 million to €2,313.1 million. The increase mainly results from higher revenue from airport charges (+€196.0 million) as well as higher revenue from infrastructure charges (+€76.4 million) and ground services (+€57.6 million) based on traffic volumes and prices. Retail and parking revenue also increased by €51.8 million based on traffic volume. Due to the take-over of the management of aviation security checks at the Frankfurt site at the beginning of the fiscal year, revenue from aviation security charges of €220.8 million was achieved for the first time in the reporting period. With the take-over of the management of the aviation security checks, its operational execution it is no longer carried out by Fraport AG but by security firms engaged by Fraport AG. Based on this, revenue from security services achieved until that time is no longer generated (previous year: €69.4 million).

As in previous years, Fraport AG earned a major portion of its revenue (more than one third) in the past fiscal year with one customer at the Frankfurt site.

Other operating income of €57.2 million is almost unchanged compared to the previous year (€58.7 million) In the current fiscal year, this includes in particular income from foreign currency translations (€35.8 million). In the previous year, this related in particular to income from the release of provisions (€33.5 million).

Total revenue rose by €543.9 million to €2,407.6 million (+29.2%).

Personnel expenses increased in the 2023 fiscal year by €16.2 million to €589.5 million. The increase resulted mainly from the collective bargaining agreements concluded in the current fiscal year. The lower number of employees compared to the previous year had an opposing effect.

Non-staff costs (cost of materials and other operating expenses) increased by €268.7 million to €1,168.7 million. The increase is due in particular to increased expenses for external services, primarily in connection with taking over the management of aviation security checks (+€188.3 million). In addition, the purchase of external services increased by €83.9 million in the fiscal year mainly due to traffic and prices.

At €649.4 million in the fiscal year, the **EBITDA** of Fraport AG was €259.0 million above the level in the same period of the previous year. After depreciation and amortization of €333.4 million, **EBIT** amounted to €316.0 million (previous year: €82.0 million).

The **financial result** amounted to €92.4 million (previous year: –€165.6 million). The change to the previous year of +€258.0 million was mainly due to the previous year's 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. Furthermore, €110.4 million higher income from investments was achieved in the current fiscal year.

EBT was €408.4 million (previous year: –€83.6 million). Taxes on income amounted to €79.3 million (previous year: €4.8 million). This resulted in a net income of €329.1 million (previous year: net loss of €88.4 million).

After transferring €164.5 million to other revenue reserves, profit earmarked for distribution amounts to €164.6 million. The Executive Board and Supervisory Board will propose to the 2024 Annual General Meeting to transfer the profit earmarked for distribution to other revenue reserves.

Asset and financial position

Asset and capital structure

Assets

€ million	December 31, 2023	December 31, 2022
Non-current assets	11,280.6	10,754.1
Current assets	2,400.7	2,090.9
Prepaid expenses and accrued income	44.3	38.9
Deferred tax assets	303.1	341.9
Assets arising from the overfunding of pension obligations	4.6	0.0
Total	**14,033.3**	**13,225.8**

Liabilities and equity

€ million	December 31, 2023	December 31, 2022
Shareholders' equity	3,205.1	2,876.0
Special items for investment grants in non-current assets	7.4	7.8
Provisions	486.6	507.7
Liabilities	10,280.9	9,786.2
Accrued income and accrued expenses	31.9	33.8
Deferred tax liabilities	21.4	14.3
Total	**14,033.3**	**13,225.8**

Asset and capital structure

At the end of the 2023 fiscal year, the **total assets** of Fraport AG amounted to €14,033.3 million, up €807.5 million year-on-year (+6.1%).

Non-current assets rose by €526.6 million to €11,280.6 million. This is mainly due to the increase in property, plant, and equipment of €586.4 million – particularly in connection with construction measures as part of the Expansion South project at the Frankfurt site.

At €2,400.7 million, **current assets** were €309.8 million higher than in the previous year, mainly due to the increase in short-term securities (+€243.9 million).

Shareholders' equity as at December 31, 2023 amounted to €3,205.1 million, and rose by €329.1 million as a result of the net income in the current fiscal year.

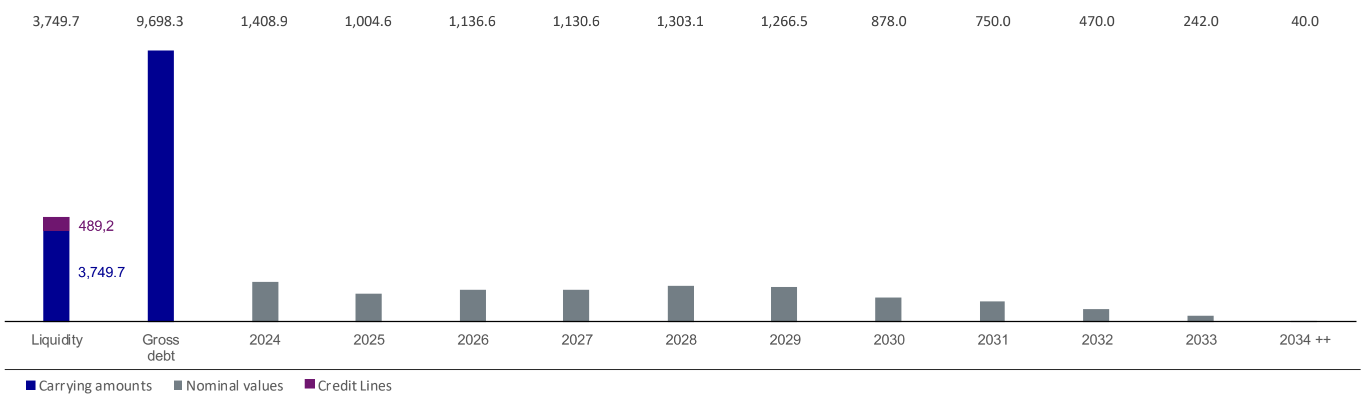
Liabilities increased compared to the previous year by €494.7 million to €10,280.9 million, mainly due to the financing measures undertaken during the fiscal year to secure liquidity.

Liquidity as at December 31, 2023, was €3,285.6 million, up from €2,980.9 million in the previous year. **Gross debt** increased in the reporting year to €9,711.3 million (previous year: €9,114.7 million). This led to a considerable increase of €291.9 million in **net financial debt** to €6,425.7 million (previous year: €6,133.8 million).

As at the 2023 balance sheet date, the financial debt maturity profile of Fraport AG exhibited the following repayment structure:

Maturity profile as at December 31, 2023

in € million



As at the 2023 balance sheet date, there was a mix of financing consisting of bilateral loans (52.7%), promissory note loans (25.5%), and bonds (21.8%). The floating rate portion of the gross debt of Fraport AG increased to nearly 7%, with the fixed portion coming to around 93%.

Statement of cash flows

Statement of cash flows

€ million	2023	2022	Change	Change in %
Cash and cash equivalents as at January 1	328,6	1,050.6	–722,0	–68,7
Operating cash flow	502,8	471.2	31,6	+6,7
Cash flow used in investing activities excluding investments in cash deposits and securities	–886,0	–756.2	–129,8	–17,2
Cash flow used in investing activities	–1.092,8	–1,634.6	541,8	+33,1
Cash flow from/used in financing activities	382,0	441.4	–59,4	–13,5
Cash and cash equivalents as at December 31	120,6	328.6	–208,0	–63,3

In the fiscal year, a **cash flow from operating activities (operating cash flow)** of €502.8 million (2022: €471.2 million) was generated. The increase resulted in particular from the traffic-related improvement in the operating result.

At €886.0 million, **cash flow used in investing activities excluding investments in cash deposits and securities** was above the previous year's level (€756.2 million), due to higher cash flow used in expansion measures.

Considering investments 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 €1,092.8 million (2022: €1,634.6 million).

Compared to the previous year, **cash flow from financing activities** decreased by €59.4 million to €382.0 million.

This brought **cash and cash equivalents** to €120.6 million as at the 2023 fiscal year-end.

Events after the Balance Sheet Date

At the end of January 2024, Fraport Greece reached an agreement with the Greek government on compensation for the negative economic effects of the coronavirus pandemic in the second half of the 2021 fiscal year. The agreement will have a positive effect on Group EBITDA 2024 of around €28 million.

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

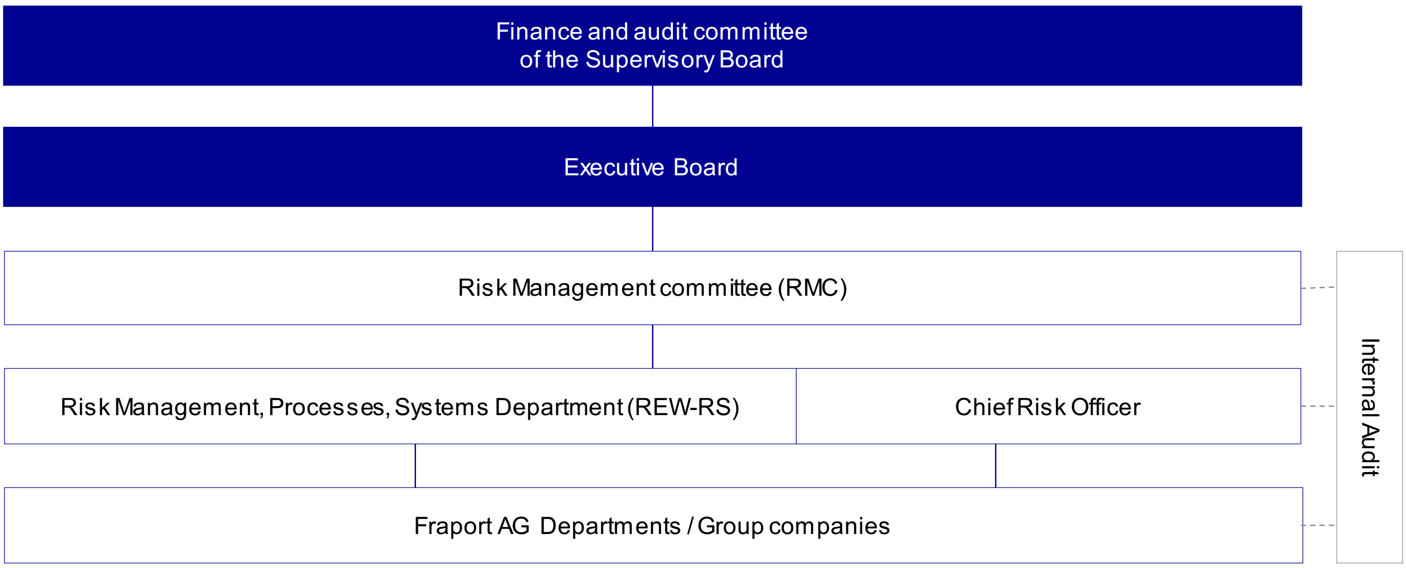
Risk and Opportunities Report

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. The Risk Management, Processes, Systems department is also responsible for performing the risk analysis in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG).

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 appropri-ate 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.

Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte) 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.

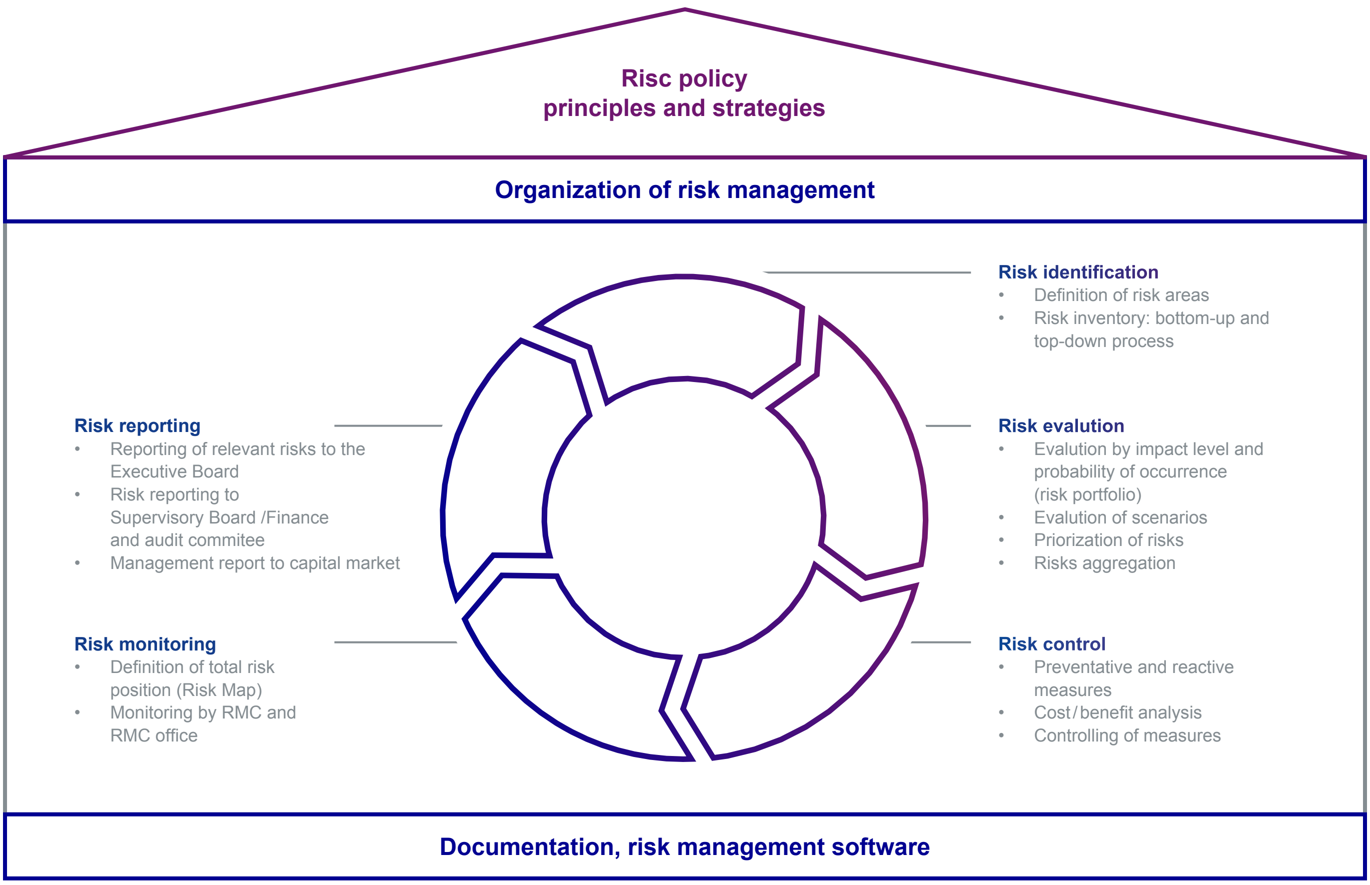
The Supervisory Board of Fraport AG is tasked with monitoring the effectiveness of the internal control and risk management system as per Section 107 (3) AktG. The finance and audit committee (FAC) of the Supervisory Board handles this responsibility.

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 management process



Risk Identification

Fraport defines risks as future developments or events that could have a negative impact on the achievement of operational planning, as well as strategic and sustainability-related targets. Non-financial risks may have a negative impact on the achievement of the environmental, sustainable, and social targets of Fraport. In addition, in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), human rights-related and environmental risks are defined as events that could potentially violate the due diligence obligations laid down in the Fraport policy statement in the company's own business and at direct suppliers. 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, RMC, 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.

In order to fulfill the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains, a risk analysis is performed annually to identify human rights-related and environmental risks in the company's own business and at direct suppliers, as well as on an ad-hoc basis if substantial changes or increases in the risk situation of the supply chain are to be expected.

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 additionally 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. The requirements of Article 1 of the German Act on the Stabilization and Restructuring Framework for Businesses (StaRUG) are taken into account accordingly.

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.

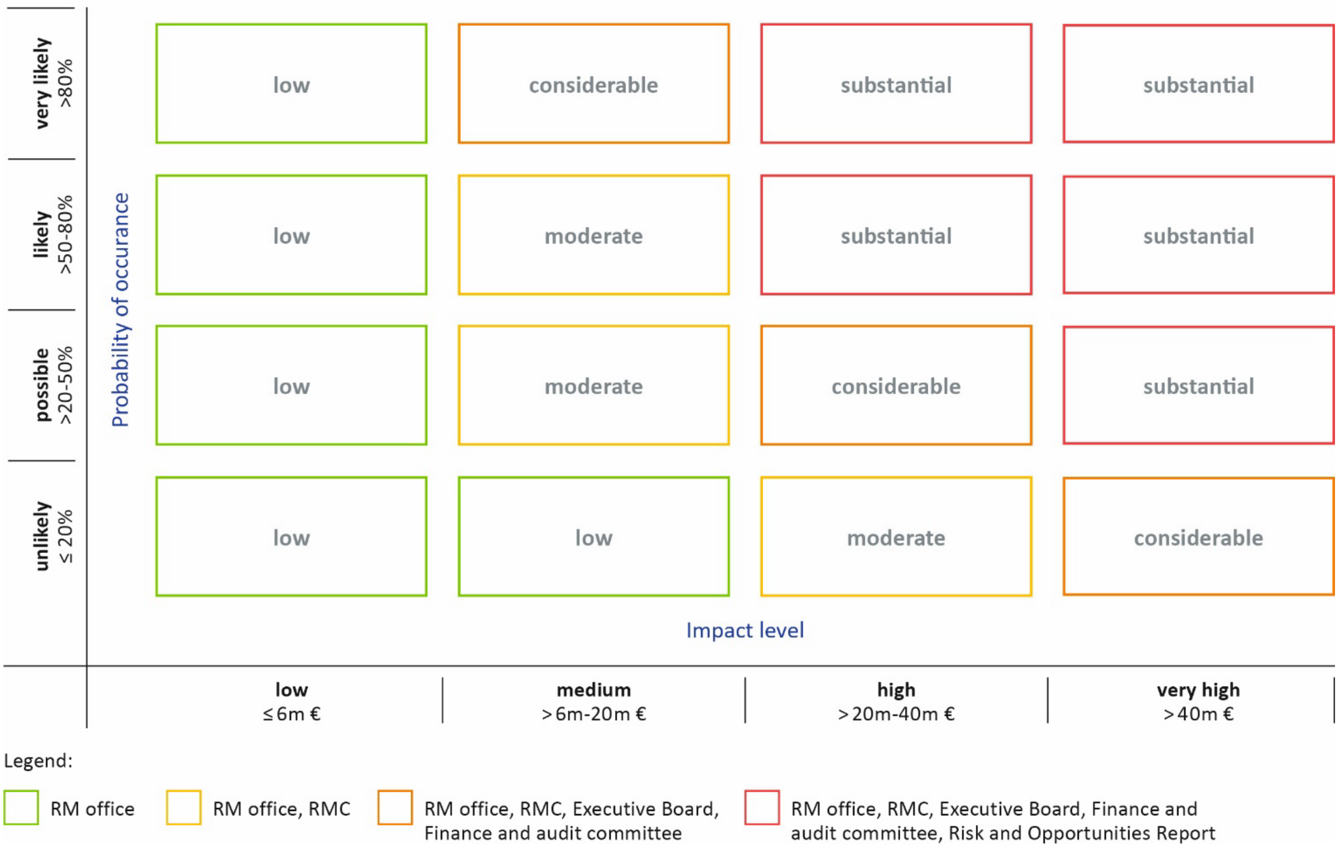
Risk monitoring and reporting

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



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

An integral component of Fraport's risk management system 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, as at the valuation date of December 31, 2023. The evaluation is generally based on the rolling 24-month period from the valuation date. Potential infrastructural risks are also considered and assessed in accordance with their longer-term impact. 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 risk evaluation is performed solely to assess risks without taking into account any potential opportunities. There is no offsetting of opportunities and risks.

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

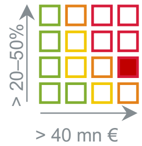
- Overall, global economic development may cool down more than expected and have a negative influence on passenger and air freight demand.
- Continuing high inflation rates may reduce the disposable income of private households. The reduced purchasing power, together with uncertainties about the future development of inflation rates, may have a negative impact on flight bookings.
- Sustained high interest rates intended 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 traffic development.
- As a result of sustained high energy prices, the competitiveness of German industry may suffer and Germany's position as an attractive hub for air traffic could be weakened.
- In world trade, the trend toward greater national protectionism may adversely impact the export-oriented German economy.
- Growth may be dampened by the weakening of the EU as a result of diverging interests among the Member States and the actions they take.
- Current and simmering geopolitical hotspots may put a strain on economic development. In particular, there is a risk of an escalating conflict between China and Taiwan.

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: substantial



Increase in the risk evaluation compared to the previous year due to the escalation in geopolitical conflicts with potential consequences for the business activities of the Fraport Group depending on how these conflicts develop.

Opportunities

- A clear decline in inflation and the recovery of the economy lead to growth of disposable income and a robust recovery in demand. Business travel and air freight may benefit from the upswing in the economy and, in particular, exports.
- A quicker end to the wars in Ukraine and the Middle East, with a sustained relaxation of geopolitical tensions, may stimulate the global economy and support air freight development.
- The rapid finalization of trade agreements with countries with high air freight potential may boost air freight development in Frankfurt.
- The further expansion of the e-commerce business may strengthen Frankfurt's position as an air freight hub.

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 net-work, as well as the connectivity between demand markets.

Risks

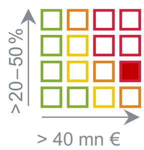
- Wars and geopolitical crises could result in rising energy costs and a sustained reduction in supply and demand, among other things.
- Rising crude oil and thus also kerosene prices could result in higher airfares and an associated dip in air travel demand. If competition is intense, rising crude oil prices could pose financial difficulties for less solvent airlines, with a resulting drop in supply.
- Further increases in air traffic control and aviation security charges and higher civil aviation tax increase the location risk and result in competitive disadvantages and financial losses. Supply is reduced or not created in Germany in the first place, and may be relocated to other hubs abroad.
- The measures planned/implemented in other European countries to reduce short-haul flights may mean a switch to alternative means of transport (rail and car) if implemented in Germany, reducing the demand for air travel. 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.
- Broad debates about climate protection could produce a long-term shift in travel behavior and lead to a reduction in air travel.
- Stricter travel guidelines and the consolidation of business travel may also result in a decline in air travel demand.
- Political and regulatory decisions at the regional, national and European levels will continue to affect the aviation sector. Climate protection and noise reduction requirements and associated taxes and charges could drive up the cost of air travel, and typically involve unilateral action on the market and on competition in international air traffic. Stronger targets under the European Union's Green Deal (Fit for 55) and the associated review of the Emission Trading Directive, as well as the definition of binding SAF quotas, 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.

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
- Targeted sales activities to increase air freight supply and demand
- 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
- Dialog with politicians on the consequences for the air traffic hub
- Implementation of climate protection measures and sustainability program

Trend ⟶

Risk assessment: substantial



• 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. • Supply bottlenecks and quality defects reduce the global fleet capacity and may result in a drop in supply. • 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. • The increased use of digital communication media in the wake of the coronavirus pandemic may lead to a stronger than expected decline in demand for business travel. • Demographic changes as well as the reorientation of the workforce during the pandemic caused a considerable labor shortage in the aviation sector. The situation may 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 hotspots of unrest could adversely affect demand for specific travel destinations.	• Active participation in industry-related associations	
Opportunities		
• Now that the coronavirus pandemic is over, there is continued high demand among consumers for tourist air travel. Recovery in the business travel segment could also be stronger than expected. • 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 may benefit. • The larger ranges of smaller aircraft provide an opportunity for new decentralized intercontinental routes from Frankfurt. • 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. This may enable Fraport to benefit more than expected from long-term growth in the air traffic market. • A liberalization of air traffic rights may open up new markets for air traffic and expand existing markets. • International harmonization of regulatory measures that distorted competition in the past may make global competition fairer and reduce the risk of business moving elsewhere. There is a chance that airlines will further expand their intercontinental fleet in Frankfurt due to the excellent 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.		

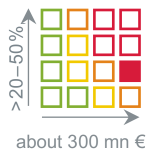
Operational risks and opportunities

Risks and opportunities from capital expenditure projects at the Frankfurt Airport

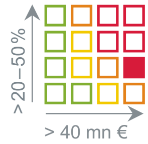
Capital expenditure on construction at Frankfurt Airport is divided into two separate programs: “FRA-Nord” for projects in existing infrastructure and “Ausbau Süd” for projects to expand or create capacity. The “Ausbau Süd” project, in particular the construction of the new Terminal 3, continues to progress stably within the schedule despite a challenging market situation for construction services (see also chapter “Key Sites”). Strained supply chains, limited material availability, and high cost increases 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 • A decline in new construction activity due to the change in interest rate levels coupled with sustained high material and labor costs increases the risk of the parties involved in construction projects on site becoming insolvent • 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 • A lack of skilled workers and limited resources result in weaker negotiating positions • Changes in requirements related to new market conditions after the end 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 • Capacity expansion to ensure the ability to cope with the expected long-term growth of the air traffic market		

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 

Risks and opportunities from investments and projects (Segment International Activities and Services)

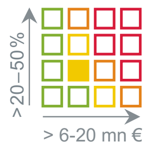
Risks	Measures	Trend →
The following factors could cause a downward trend in foreign airport operator projects: • Unforeseen official intervention in local tariff, tax, and levy structure • Environmental requirements and social conditions • Country, market, political, and foreign exchange risks which 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

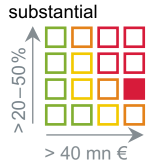
In the expansion project at Jorge Chávez Airport in Lim (Peru) operated by Lima Airport Partners (LAP), the construction measures for the airside expansion of the airport have now been completed. For the construction of the new passenger terminal, LAP commissioned a construction consortium which, as the general contractor, takes on the EPC services (Engineering, Procurement, Construction) customary in the industry, which include 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, as in the previous year, these are assessed as “moderate” as at the balance sheet date.

At Antalya Airport, interim financing has been secured until March 2024 for the expansion project being carried out by Fraport TAV Antalya Yatirim, Yapim ve İşletme A.Ş. (FTA 2). FTA 2 has initiated discussions on the conclusion of follow-up financing and on increasing the financing volume, and these are now at an advanced stage. The probability of occurrence of a failure to secure follow-up financing at the planned level is assessed to be low.

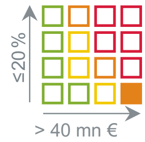
Personnel risks and opportunities

Risks	Measures	Trend →
• Increased employee turnover due to a more attractive labor market and higher internal workload • 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.	• Reorganizing Human Resources as part of the HRneo strategic program • Improving IT support for HR processes • Realigning recruitment processes and training measures • Temporary granting of labor market allowances for staff recruitment, incentives through above-tariff remuneration schemes • Improving appeal as an employer through modern work formats	**Risk assessment:** moderate 

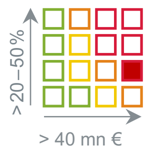
Opportunities
- Increased appeal through remuneration schemes and working time models (e.g. mobile working)”

Funding risk ZVK	Measures	Trend →
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.	• Discussions with the ZVK about different solution approaches • An agreement has been reached with the ZVK for Ground Services employees at Fraport AG as part of the negotiations on the sectorial collective agreement. Reaching a sectorial collective agreement would conclusively resolve the funding risk for respective staff.	**Risk assessment:** substantial 

Risks of exceptional incidents

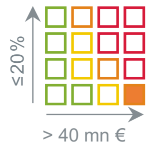
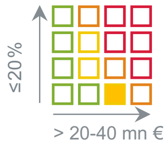
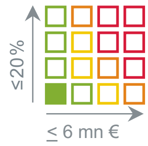
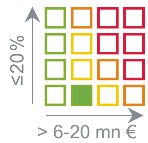
Risks	Measures	Trend →
• Business interruptions due to exceptional local events such as terrorist attacks, accidents, fires, drone flights, technical malfunctions, actions by climate activists and other criminal acts, or strikes • Impact on national and international air traffic caused by natural disasters, (climate-related) extreme weather conditions, armed conflicts, and pandemics • The emergence of epidemics and pandemics may lead to travel restrictions, local restrictions on public life, production limitations, and supply chain bottlenecks, which would also have a direct impact on traffic at Group airports. Risks from the further development of the coronavirus pandemic no longer have any substantial influence on operations in the Fraport Group, and are therefore no longer reported as a separate risk.	• Implementation of a local central crisis team • Local plans to maintain critical business and operating processes (business continuity and emergency teams) • Safety management system • Implementation and operational support of drone detection technology and drone defense systems • Property and business interruption insurance • Monitoring of news and estimates of global infection rates. • Where necessary, close coordination with health authorities, airports, and aviation associations	**Risk assessment:** considerable 
	• Close cooperation with airlines and authorities to secure and strengthen air traffic including safeguarding provisions	

Cyber risks

Risk	Measures	Trend →
• 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	• 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	**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 • Monitoring: quarterly performance of simulations of interest rate risk	**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.	**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.	• 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 opportunities situation remains largely unchanged compared to the previous year. The overall risk situation in the 2023 fiscal year has improved mainly due to the lifting of travel restrictions imposed during the coronavirus pandemic and on account of the progress made in airport expansion programs in the Group, although offsetting effects resulting from the macroeconomic development and rising 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.

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 the central internal control system described above.

The central Group Internal Audit performs process-independent audit activities on the risk management and central internal control system. 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. 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, 2023.

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 is presented with 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 external auditor's review of the content of the management report. The reason for this is that these disclosures go beyond the legal 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 2024 fiscal year (see also Group notes, note 4). Climate-related aspects are taken into account in the forecasted traffic developments to the extent that these can be predicted.

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 geopolitical uncertainties, the Executive Board expects an overall positive business development in 2024. The new Group strategy “Fraport.2030” lays the foundation for the Group to tackle the strategic challenges both today and in the future.

For Frankfurt Airport, following passenger numbers of around 59.4 million in the 2023 fiscal year, the Executive Board expects this to increase to between approximately 61 million and 65 million passengers in the 2024 fiscal year. Traffic development in Frankfurt is being driven in part by an increase in traffic to and from China, as well as further recovery in the business travel segment. The Executive Board also forecasts positive traffic development for the international Group airports in 2024.

The Executive Board assumes that the positive business development will have an increasing effect on the Group’s revenue and earnings development in 2024, and expects **Group EBITDA** to increase to between approximately €1,260 million and €1,360 million. The **Group result** is expected to be between approximately €435 million and €530 million, with increasing depreciation and amortization and a deterioration in the financial result. The **ROFRA** is forecasted to be around or slightly above the 2023 level. Due to ongoing expansion measures, the **free cash flow** will again be negative in the mid three-digit million euro range in 2024 and will have an increasing effect on the net financial debt in 2024. 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 2023. Due to the range of the forecasted EBITDA and the free cash flow development, the figure may be slightly above or below that level. Despite extensive financing measures and the further utilization of project financing in Lima, the **Group liquidity** is forecasted to be below the level of 2023, mainly due to the negative free cash flow. However, the long-term target value of €1 billion will continue to be substantially exceeded.

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

At the level of Fraport AG, the Executive Board expects **net income** of between approximately €300 million and €350 million in the 2024 fiscal year. Taking into account the expected negative free cash flow, the Executive Board forecasts a clear decline in the **liquidity** of Fraport AG. However, thanks to the extensive financing measures in place, liquidity will remain substantially above the target value of €1 billion.

According to the opinion of the Executive Board, the development of an existential threat by 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. The forecasted figures do not envisage any acquisitions or disposals of companies, or increases or reductions in shareholdings.

Business outlook

Forecasted situation of the Group for 2024

Development of structure

With effect from January 1, 2024, Fraport has converted the “Human Resources” central unit and the “HR Top Executives” unit into a new organization, which now comprises the two central units “HR Operations” and “People & Culture.” The reorganization does not have any impact on the asset, financial, and earnings position of the Fraport Group.

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 inauguration of the new terminal in Lima is planned for 2024, 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

At the end of January 2024, the Executive Board introduced the new Group strategy “Fraport.2030,” which replaces the previous Group strategy. This new strategy defines the three main priorities of the Group: “growth and sustainability,” “efficiency and innovation,” and “employer of choice.” Through optimal cooperation within the Group (“working together”), the Executive Board aims to achieve the overriding goal of “inspiring customers” and the financial targets of “EBITDA of €2 billion” and “free cash flow of €1 billion” by the 2030 fiscal year. The strategic priorities will be rolled out in the individual company units in the 2024 fiscal year, with twelve projects already defined and ready for implementation.

In this context and on the basis of the new materiality analysis, in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD), the control system will be revised in the 2024 fiscal year.

The strategic focus of finance management is not considered in this context.

Forecasted economic environment 2024

Development of the macroeconomic conditions

The global economic outlook for 2024 is subdued overall and subject to uncertainty. Inflation is expected to ease in many economies, which will in turn see interest rates fall, and is likely to boost investor confidence. The International Monetary Fund expects global growth of approximately 3.1% for the current year. World trade is expected to reach 3.3%.

For the US economy, the International Monetary Fund expects an increase of 2.1% for 2024. 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 4.6% is forecasted for the Chinese economy. Overall expectations for the euro area stand at 0.9%. For the German economy, weak growth of 0.5% is expected for the current year in the best-case scenario.

The following GDP trends are expected in 2024 for countries with Group sites: USA 2.1%, Slovenia 2.2%, Brazil 1.7%, Peru 2.7%, Greece 2.0%, Bulgaria 3.2%, Turkey 3.1%.

Source: IMF (October 2023, January 2024), OECD (December 2023), Deutsche Bank Research (December 2023), Deka Bank (December 2023), Ifo Institute for Economic Research (December 2023).

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 the 2024 fiscal year 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, the International Air Transport Association IATA anticipates global passenger growth of 9.8% in 2024 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 2024 versus 2019 by Region

Changes compared to the previous year in %	
Worldwide	+9.0
Europe	+8.0
North America	+6.0
Asia-Pacific	+10.0
Latin America	+13.0
Middle East	+12.0
Africa	+9.0

The Airports Council International (ACI) expects a full recovery of passenger traffic in Europe in 2024 with growth of 1% compared to pre-crisis levels. For Germany, the German Aviation Association (Bundesverband der Deutschen Luftverkehrswirtschaft) expects a seat capacity of 89% of the 2019 passenger level. This comparatively low recovery rate is due in part to higher site costs.

Source: IATA Global Outlook for Air Transport (December 2023), ACI Industry Outlook for 2023–2024, BDL press release (February 2024).

Forecasted business development for 2024

Taking into account the industry-specific conditions, the Executive Board expects traffic development at the Group airports to be positive overall in 2024, but with substantial variation among the sites. **Frankfurt** Airport will benefit from further recovery in traffic. Following passenger numbers of around 59.4 million in fiscal year 2023, the Executive Board expects this to increase to between approximately 61 million and 65 million passengers in the 2024 fiscal year. Traffic development is being driven in part by an increase in traffic to and from China, as well as further recovery in the business travel segment.

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

A further passenger recovery compared to the previous year is expected at **Ljubljana** Airport and at the Brazilian Group airports in **Fortaleza** and **Porto Alegre**. However, the sites are expected to remain substantially below the pre-crisis level of the 2019 fiscal year. At **Lima** Airport, the traffic volume is approaching and may slightly exceed the 2019 level. At the 14 **Greek regional airports**, the passenger numbers are expected to be around or slightly above the high level of the previous year 2023. In **Varna** and **Burgas**, as well as in **Antalya**, some substantial traffic increases are forecasted compared to the previous year.

Changes to the outlook could occur depending on geopolitical developments.

Forecasted results of operations for 2024

The expected passenger development will lead to a rise in the Group revenue in fiscal year 2024. The traffic-related growth in revenue will be bolstered by increases in charges at the Frankfurt site and at the Group companies Fraport Brasil, Fraport Greece, and Fraport Twin Star. On the expense side, the Executive Board expects an increase in wage costs at the Frankfurt site in particular. In addition, the increase in traffic volume will lead to higher expenses at the Frankfurt site and a rise in concession charges at the Group companies Fraport Greece and Lima. The largely earnings-neutral management of aviation security controls at the Frankfurt site will also have the effect of increasing revenue and expenses. 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.

Given the forecasted traffic ranges and the resulting uncertainty regarding income and expense developments, the Executive Board expects a **Group EBITDA** of between approximately €1,260 million and about €1,360 million. The **Group result** is expected to be between approximately €435 million and around €530 million, with increasing depreciation and amortization and a deterioration in the financial result, mainly due to higher interest expenses. The improvement in the result combined with an increase in assets will result in a **ROFRA** of around or slightly above the 2023 level of 6.6%.

Despite the forecasted development of the result, the Executive Board does not intend to propose the distribution of any **dividends** in the 2024 fiscal year on account of the capital expenditure-related negative free cash flow.

At the level of **Fraport AG**, the Executive Board expects **net income** of between approximately €300 million and approximately €350 million in the 2024 fiscal year.

Forecasted segment development for 2024

The planned traffic developments will have a positive impact on the revenue of the four Fraport segments. The Executive Board expects that the EBITDA in the **Aviation** segment will continue to rise, but remain below €400 million. The Executive Board also expects the EBITDA in the **Retail & Real Estate** segment to improve, and forecasts a figure of around or slightly above €400 million. In the **Ground Handling** segment, the Executive Board expects the EBITDA to be approximately balanced in 2024. Despite higher variable concession charges, particularly at Fraport Greece, and the loss of the positive one-off effects of fiscal year 2023, such as the settlement of a legal dispute at Group company Fraport USA, the Executive Board expects a consistent or slightly positive EBITDA for the **International Activities & Services** segment compared to the previous year. In addition to the positive expected traffic development at Group airports, further positive one-off effects are expected to bolster profit development in 2024.

Forecasted asset and financial position for 2024

Despite the traffic-related improvement in the operating result, the Executive Board expects **free cash flow** to remain negative in 2024 due to ongoing expansion activities at the Frankfurt and Lima sites and to be in the mid negative three-digit million euro range. The negative free cash flow will increase net financial debt in 2024. Cash inflows and outflows in connection with the international Group companies, exchange rate effects, and changes to net current assets will also affect 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 2023. Due to the range of the forecasted EBITDA and the free cash flow development, the figure may be slightly above or below that level. Despite extensive financing measures and the further utilization of project financing in Lima, the **Group liquidity** is forecasted to be below the level of 2023, due in particular to the negative free cash flow. However, the long-term target value of €1 billion will continue to be substantially exceeded.

At the level of **Fraport AG**, the Executive Board likewise forecasts a clear decline in **liquidity** as a result of the expected negative free cash flow. However, thanks to the extensive financing measures in place, liquidity will remain substantially above the target value of €1 billion.

Medium-term outlook

Over the medium term, a positive development in the global economy and global passenger numbers is expected. A return to 2019 passenger levels in Frankfurt is expected until approximately 2026. Group airports will also benefit from forecasted medium- to long-term global market growth and show positive traffic development (see also the “Strategy” chapter).

Rising passenger numbers will have a positive impact on the asset, financial, and earnings position of the Fraport Group and will contribute to the further growth of Group EBITDA. The inauguration of the terminals in Frankfurt and Lima, on the other hand, will result in higher depreciation and amortization and a loss of the opportunity to capitalize interest expenses. Due to these effects and the expiration of the current Antalya concession at the end of 2026, the Executive Board expects a temporary reduction of earnings during the forecast period.

As a result of the inauguration of the terminals in Frankfurt and Lima and the associated gradual reduction of the capital expenditure program, the Executive Board expects there to be a substantial recovery in the free cash flow from 2025, with noticeably positive effects on the net financial debt from the 2026 fiscal year. In this context, the net financial debt will also start to decrease from the 2026 fiscal year at the latest. On account of the decline in net financial debt and the expected improvement in the Group EBITDA, the ratio of net financial debt to EBITDA is expected to improve further in the medium term.

Future capital expenditure obligations may be financed with debt instruments described above and cash flows from operations (see also the “Finance Management” and “Asset and Financial Position” chapters).

For the dividend payment, the Executive Board aims to resume a dividend policy in the forecast period. Before the start of the coronavirus pandemic, this was 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 5.

Frankfurt/Main, March 12, 2024

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.