

A stylized image of a planet's horizon with a bright sun rising behind it, creating a lens flare effect. The planet is dark blue/black, and the sun is a bright white point of light with radiating lines.

WELCOME

TO THE 9TH ANNUAL GENERAL MEETING
OF FACC AG

Management Report, 8 May 2023

”

The 2022 financial year was a year of further stabilization and growth for FACC. Together with our partners, we were able to increase our sales revenues by more than 20% in a challenging environment.

We would like to thank all FACC employees, our shareholders, members of the Supervisory Board, customers and partners for their outstanding cooperation and support!

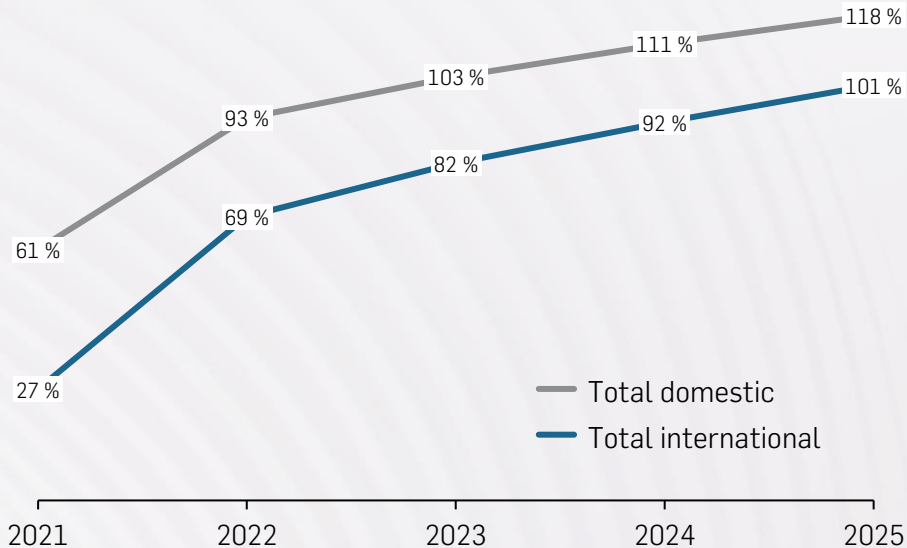


We see a positive development of the aviation market:

- global recovery of air traffic
- aircraft construction rates continue to rise
- demand for 40,000 new aircrafts by 2041

AIR TRAFFIC VOLUMES INCREASING

MARKETS ARE RECOVERING IN LINE WITH FORECASTS

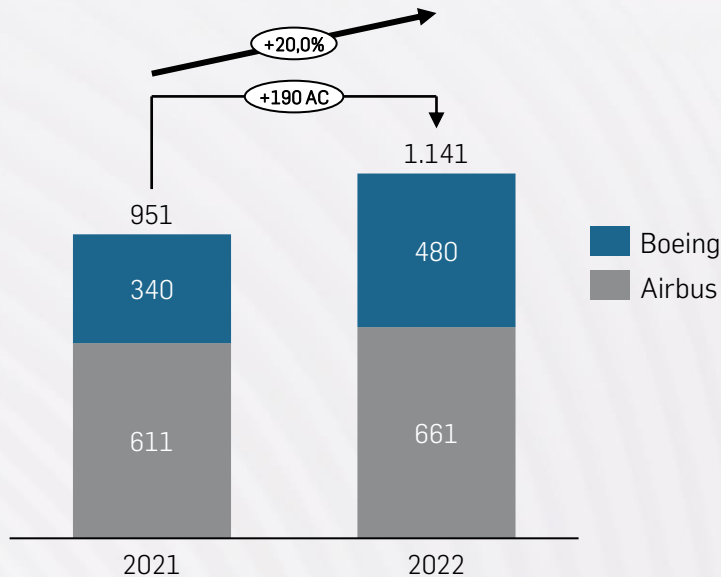


Average daily departure/arrival flights per year compared to pre-COVID

- **Pre-crisis level** to be reached again by 2024 - intercontinental flights are recovering more **slowly**
- **North and Central America** show the **most positive market dynamics**

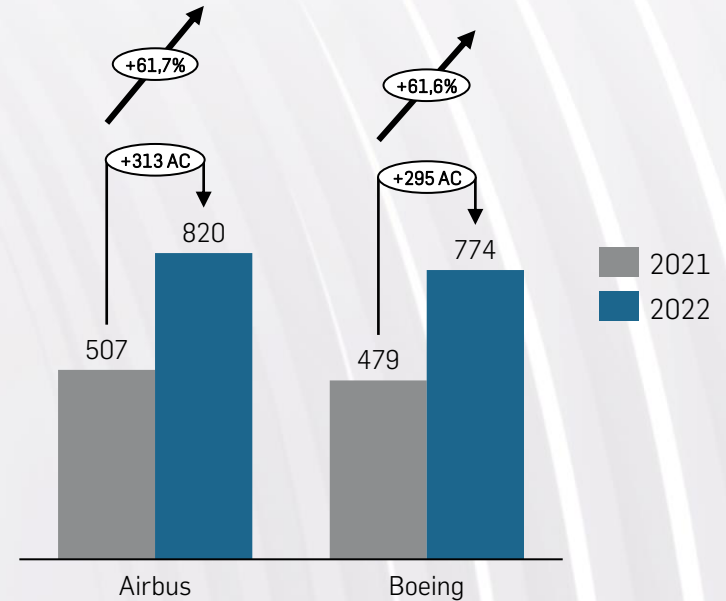
AIRBUS & BOEING

INCREASE IN ORDERS & DELIVERIES



Deliveries 2022:

- TOTAL: 1.141 AC or +190 AC (+20%)
- AI: +50 AC (+8%)
- BCA: +140 AC (+41%) driven by B737 MAX



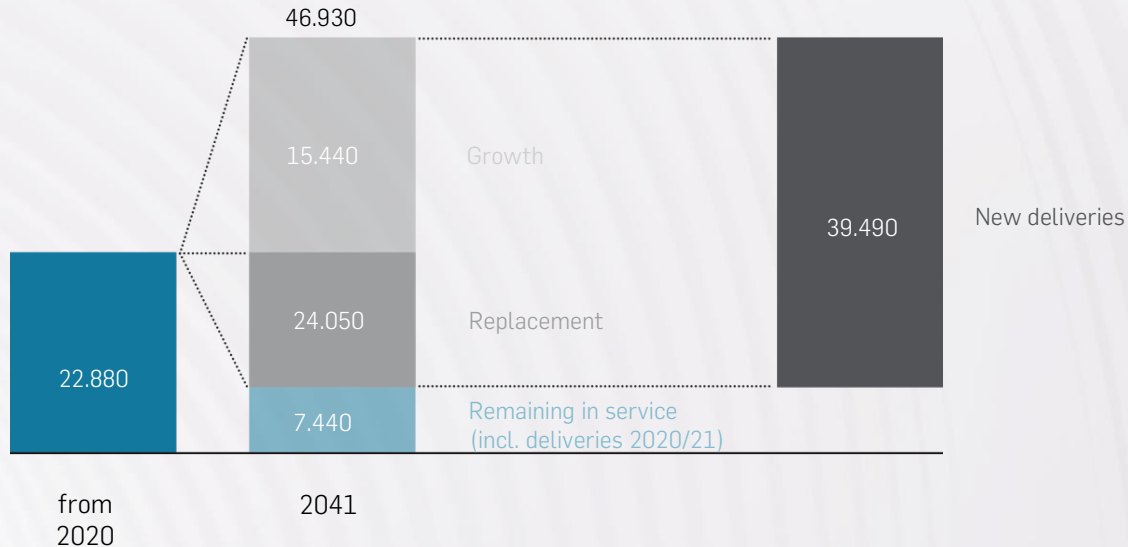
Net orders 2022:

- TOTAL: 1.594 AC or + 608 AC (+ 61,66%)
- AI: + 313 AC (+ 61,75%)
- BCA: + 295 AC (+ 61,59%)

DEMAND FOR AIRCRAFT

39,490 DELIVERIES BY 2041

DEMAND FOR AIRCRAFT

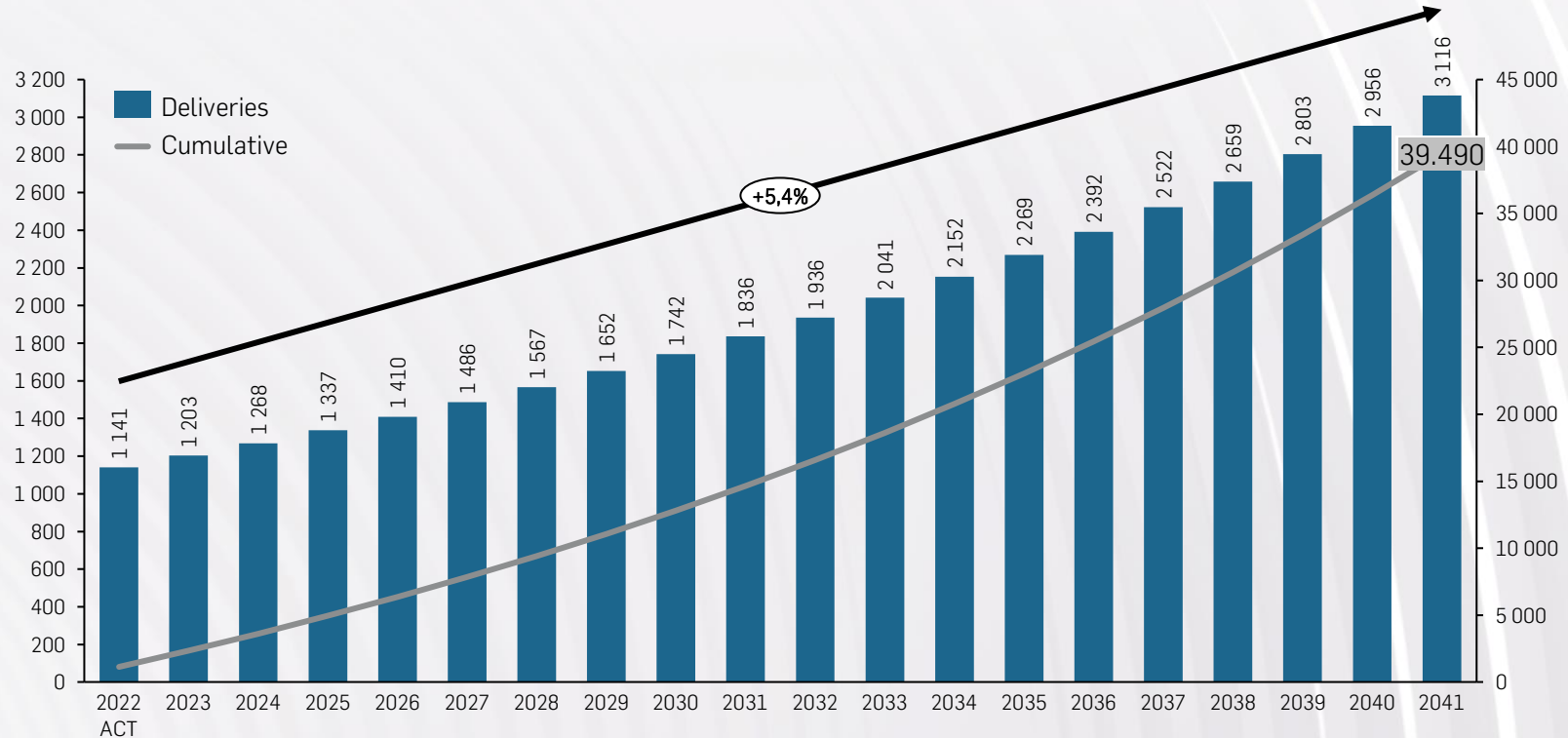


- **22,880 aircraft entered into service at beginning of 2020**
 - 33% will remain in service (including deliveries in 2020 and 2021)
 - 67% will be replaced
- **39,490 new deliveries 2022-2041**
 - 60% for growth
 - 40% as replacements

Source: Airbus GMF
Passenger aircraft with more than 100 seats and
cargo aircraft with a payload of more than 10 tons.

DEMAND FOR AIRCRAFT

39,490 DELIVERIES BY 2041 – CAGR 2022-2041: +5.4%



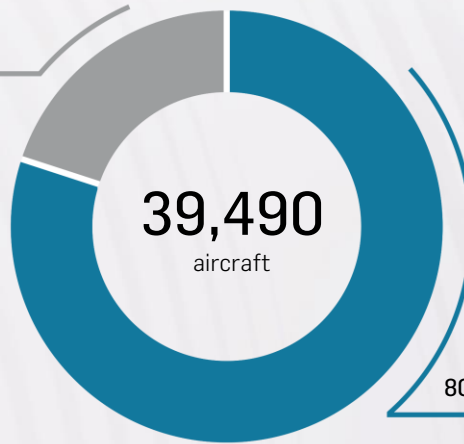
Source: Airbus GMF
 Passenger aircraft with more than 100 seats and
 cargo aircraft with a payload of more than 10 tons.

SHORT-HAUL DOMINATING THE MARKET

A320, B737, A220 & C919: HIGH CONSTRUCTION RATES

20% WIDE-BODY TYPE

7,870 aircraft
A350, B787, B777



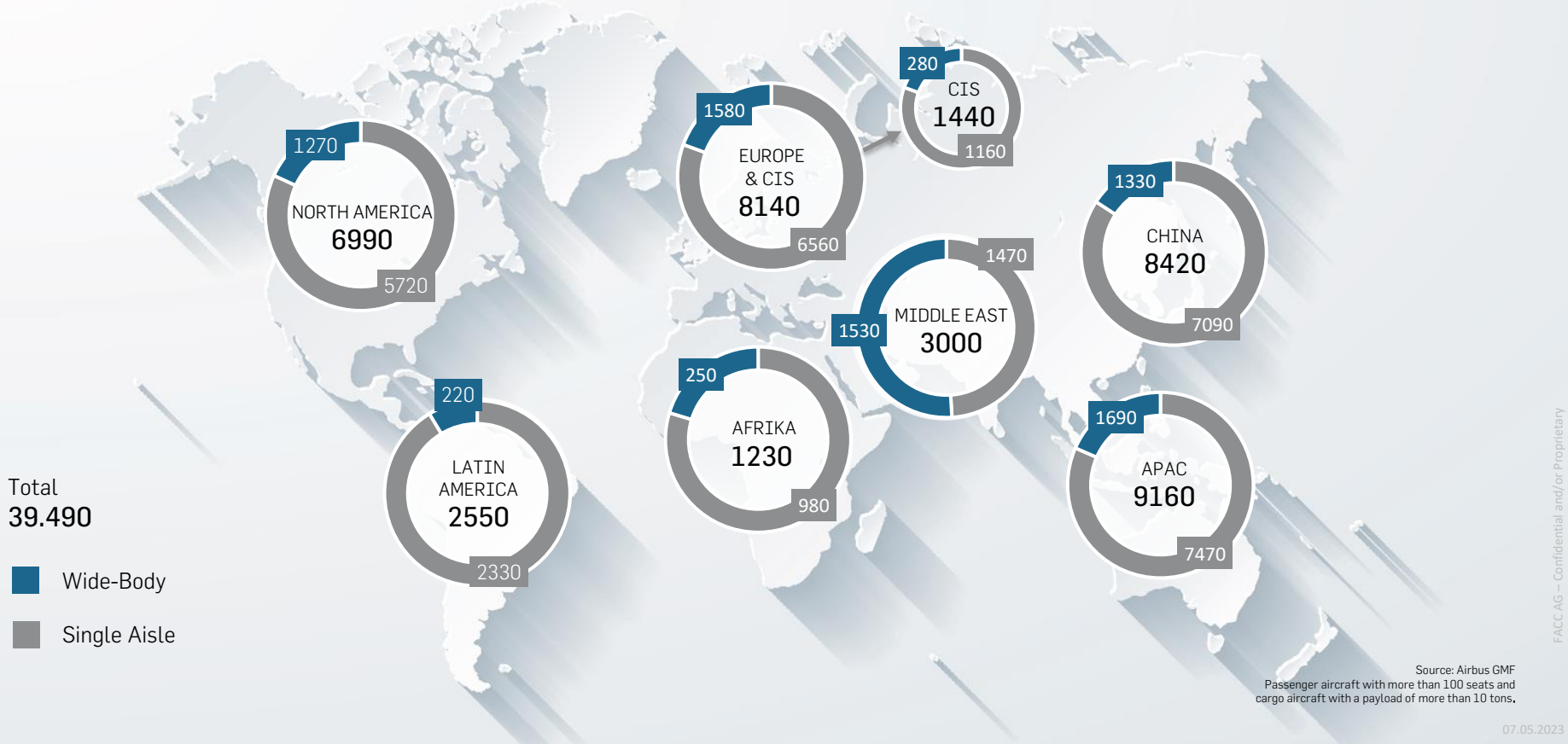
80% SINGLE-AISLE TYPE

31,620 aircraft
A320 Family & B737

Source: Airbus GMF
Passenger aircraft with more than 100 seats and cargo aircraft with a payload of more than 10 tons.

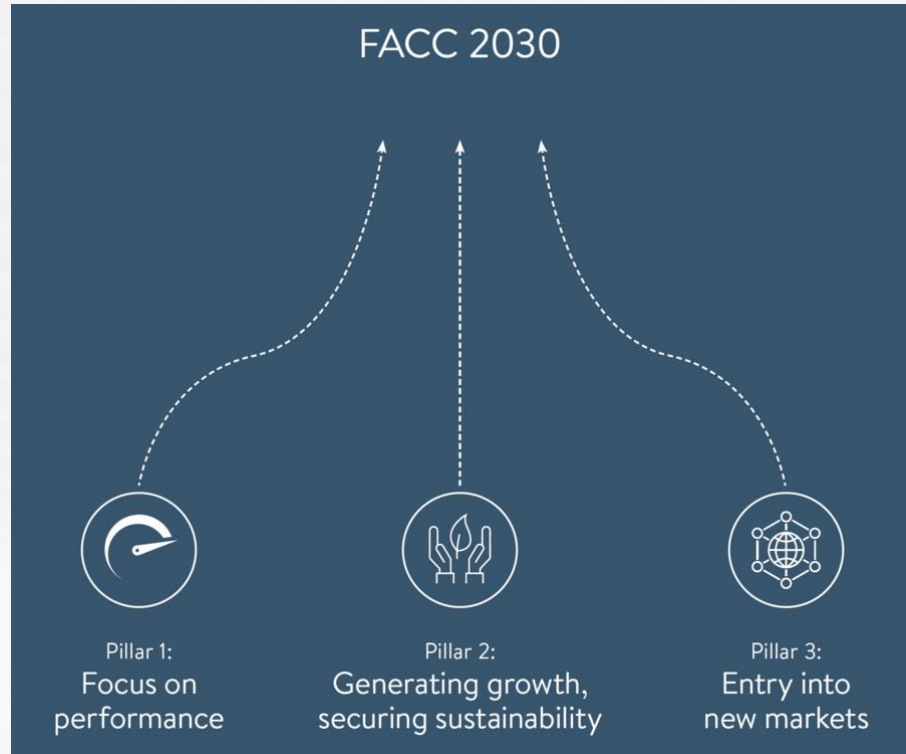
DEMAND BY REGION 2022-2041

80% SINGLE-AISLE | 20% WIDE-BODY



STRATEGY

FACC 2030



PERFORMANCE

FACC is the most high-performing and reliable production and development partner to the aerospace industry and is continuously increasing its market share with new orders from existing customers.



GROWTH & SUSTAINABILITY

FACC applies new technologies to replace existing components. In this way, the company generates growth while promoting the transition to a sustainable circular economy.



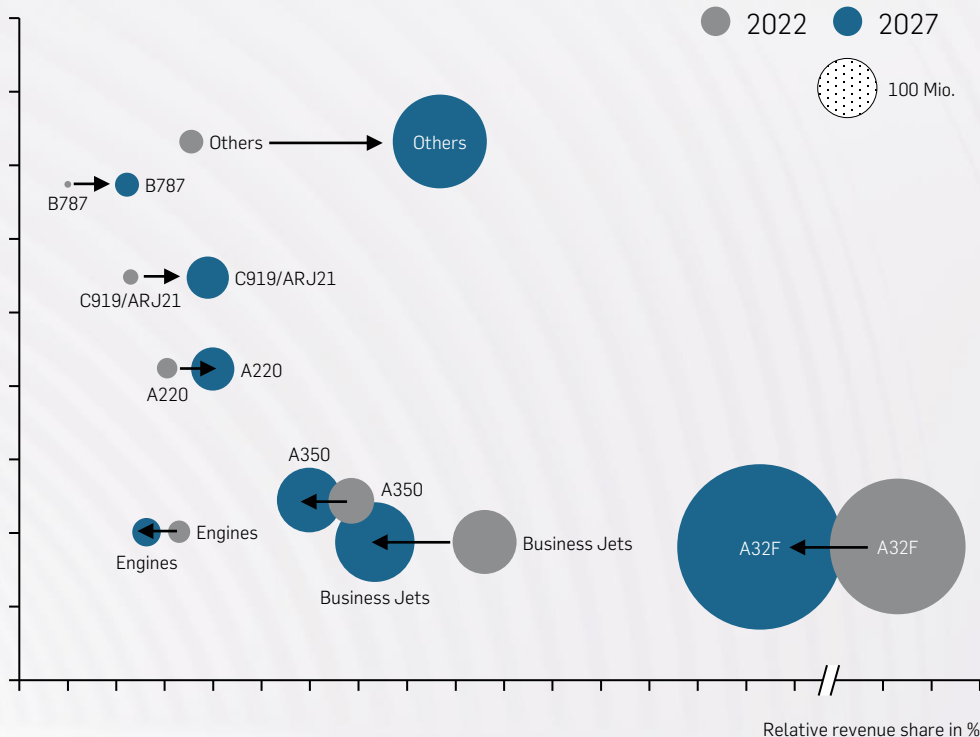
NEW MARKETS

FACC is continuously expanding its customer and product portfolio. With its lightweight construction expertise, FACC AG will generate stronger growth in the new Urban Air Mobility and Space markets, thereby further diversifying its product portfolio.

GROWTH THROUGH EXISTING CONTRACTS

POSITIVE SIGNAL FROM FIRM ORDERS

Revenue growth rate
CAGR (2022-2027) in %



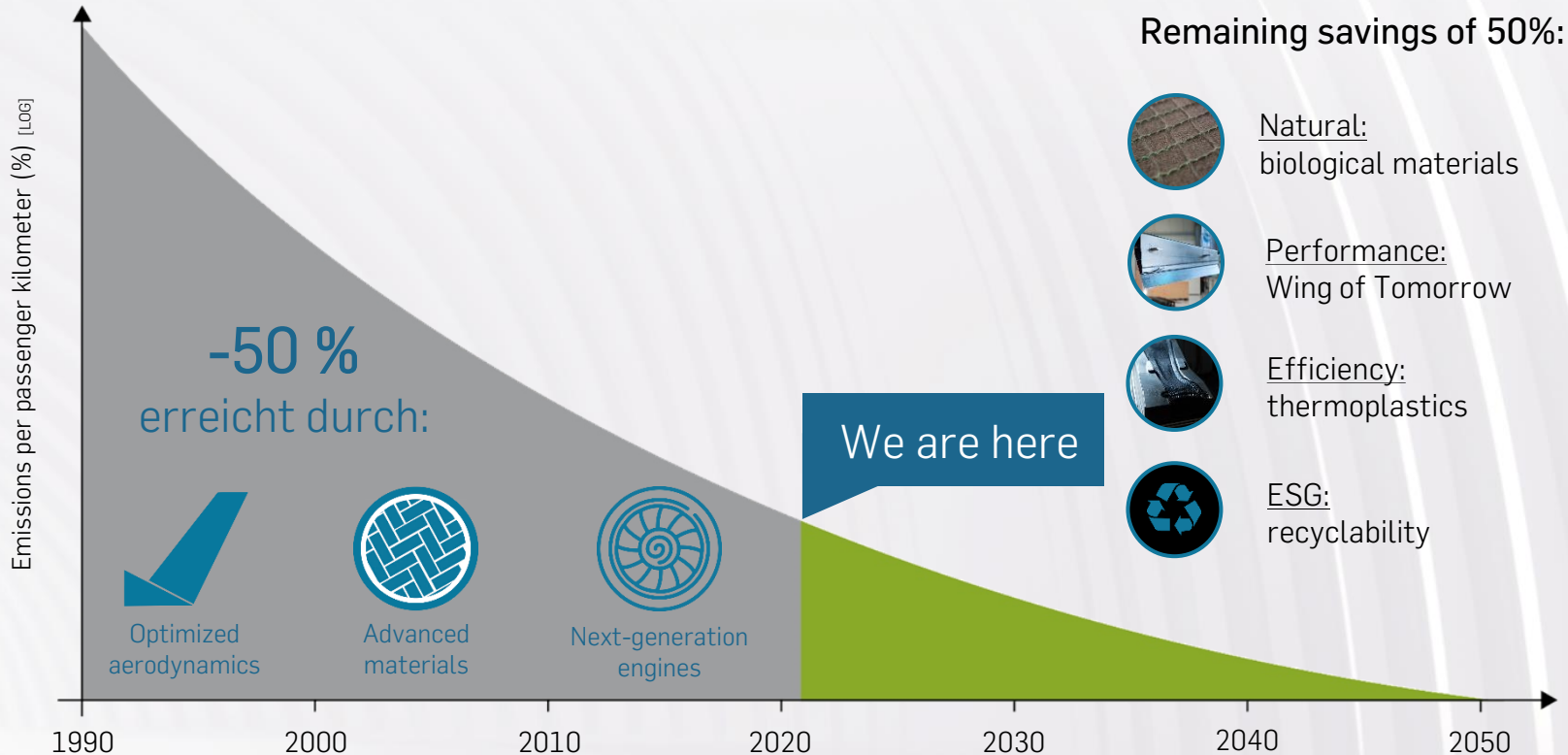
FACC IS WELL-POSITIONED ON MANY KEY AIRCRAFT PLATFORMS

- Revenue from Airbus platforms increased from €298 million in 2022 to €408 million in 2027
- Revenue from A32F grew from €227 million in 2022 to €277 million in 2027
- Revenue from A220 and the number of aircraft more than doubled from 2022 to 2027 (revenue increase from €34 million to €72 million)

At 32%, "Others" show the highest CAGR 22-27 - this significant increase is driven by the UAV market.

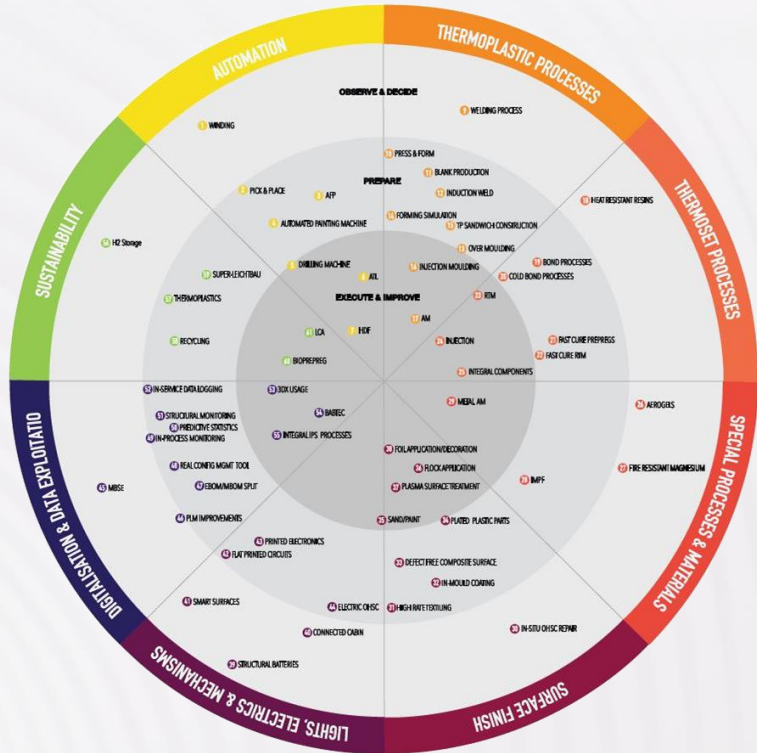
B787 & A350 rates are recovering: B787 is recovering after technical issues and COVID with a CAGR 22-27 of 29%, A350 grows by approx. 7% within this period.

THE FUTURE OF AVIATION WITH SUSTAINABLE SOLUTIONS BY FACC



TECHNOLOGY RADAR

NAVIGATING OUR WAY TO THE FUTURE



- Extensive and continuous monitoring of future technologies in space and aviation
 - 8 strategic research segments
 - +60 technologies currently being developed to serial production maturity or tested for application

ARCHER MIDNIGHT

FACC SUPPLYING FUSELAGE AND WING COMPONENTS



- **Silicon Valley startup** based in Santa Clara, California
- **Cooperation with United Airlines** and the European automotive group **Stellantis**, with FACC as a **technology partner**
- **First delivery** of FACC components in **2023**
- **Start of series ramp-up** in **2024**

PERSONNEL DEVELOPMENT & EDUCATION

GREAT PLACE TO WORK



RECRUITING

- Employee increase of 400 FTE in 2022
- 1800 people in the application process



APPRENTICESHIP & JUNIOR STAFF DEVELOPMENT

- Highest quality in apprentice training
- Over 50% female apprentices
- Close cooperation with schools, technical colleges and universities



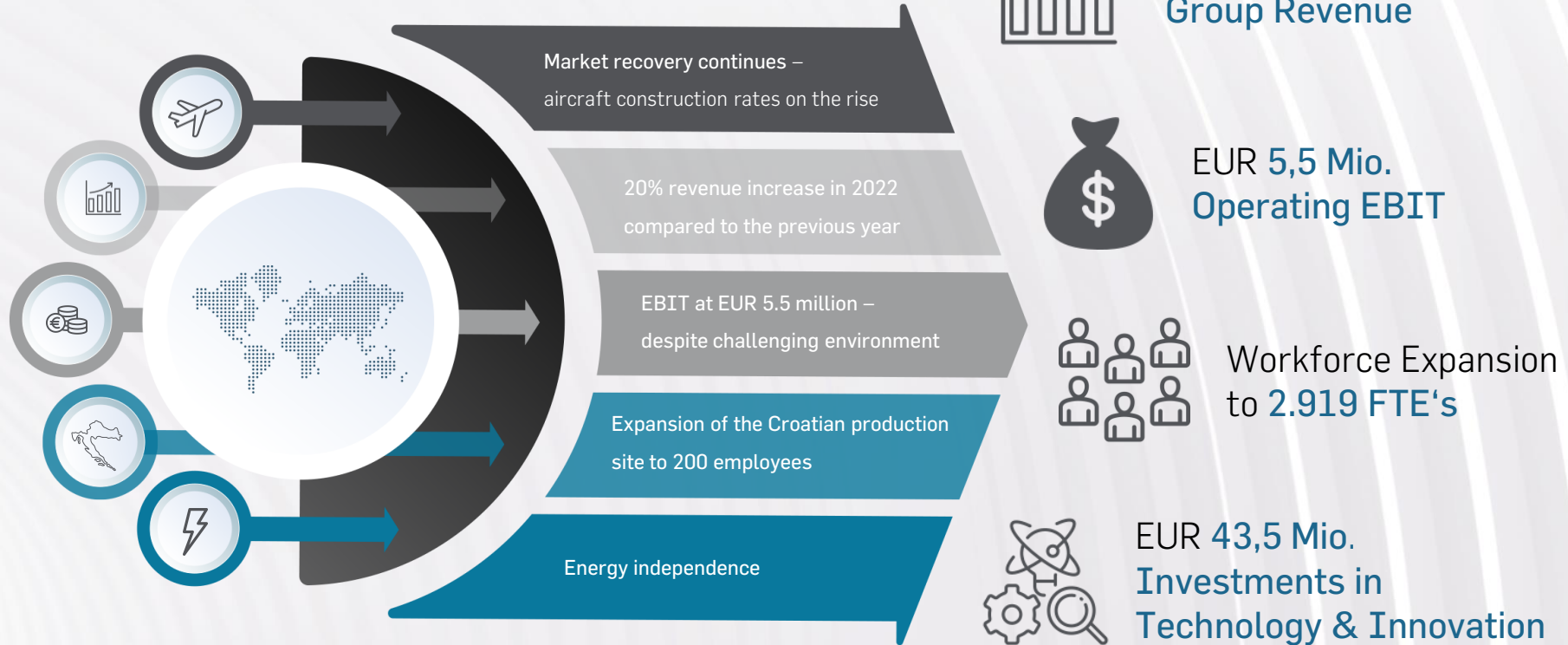
ONBOARDING

- Expanded commitment to optimal integration of all employees
- Free German courses for all non-native speakers and their relatives

FACC FINANCIAL YEAR 2022

STRONG GROWTH

EXPANDING THE GLOBAL FOOTPRINT



NEW LOCATION IN CROATIA

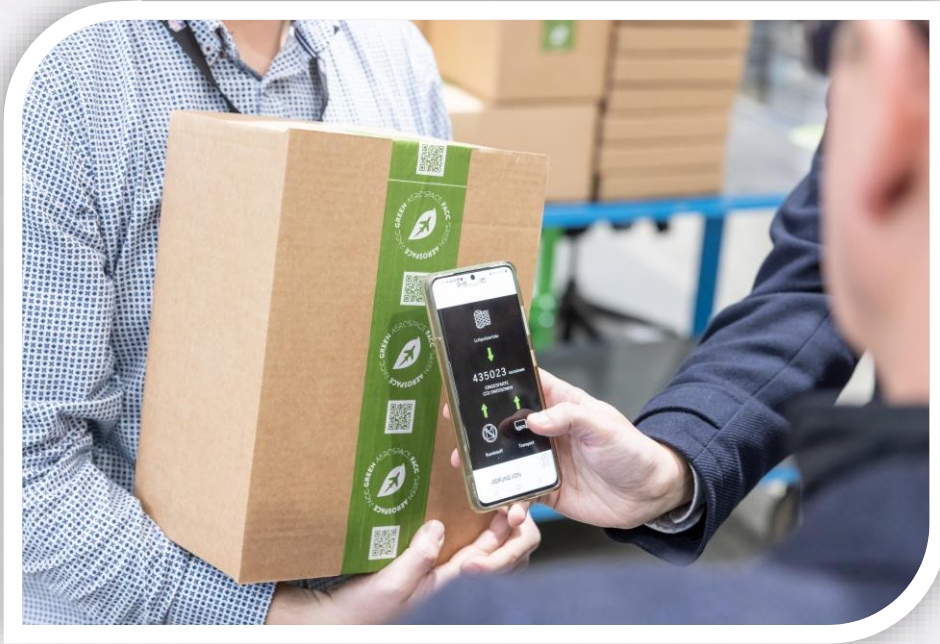
HIGH TECH FOR CABIN INTERIORS



- **Investments for phase 1 (EUR 13 million) completed on schedule**
- **State-of-the-art and efficient production plant for the manufacture of cabin components**
- **Workforce expansion to 200 employees successfully completed in 2022**
- **Phase 2+3: Decision to expand the plant, with additional 400 employees to be recruited by 2025**

SUSTAINABLE PACKAGING CONCEPT

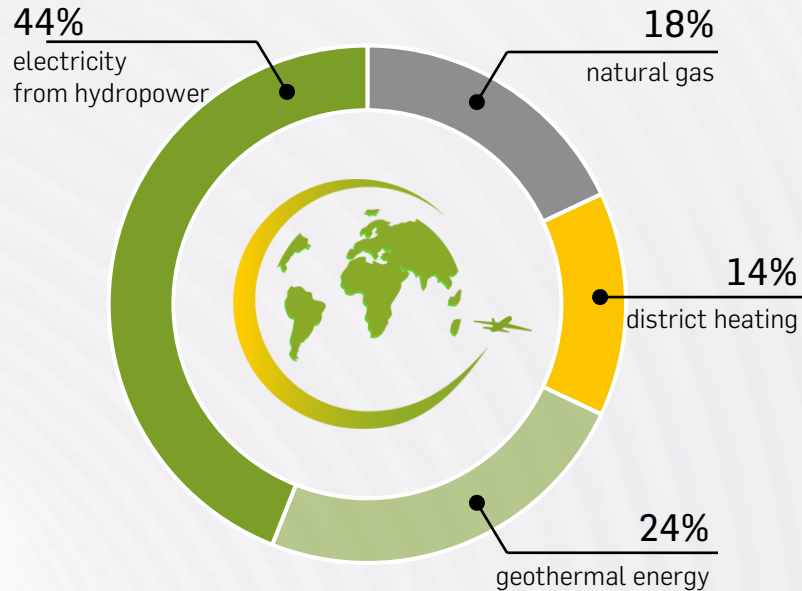
GREEN LOGISTICS



- New, sustainable packaging concept "FACC GREEN AEROSPACE" introduced in 2022
- In-house production of 100% carbon-neutral air cushion foil with 40% recycled material
- Air cushions are filled at the place of packaging
 - 25 times less space required for transport
 - Savings of 30 truck journeys per year
 - Annual CO₂ savings of 40 metric tons
- Total savings of 400 tons of CO₂ per year as a result of all logistics measures at FACC

SECURING THE ENERGY SUPPLY

ON THE PATH TOWARDS CARBON-NEUTRAL PRODUCTION



- **Total energy consumed by FACC approx. 77.4 GWh**
 - 2/3 of energy requirements from sustainable sources
 - 98% of space heating from geothermal energy
 - 100% electricity from renewable resources
 - Photovoltaic plants since 2016
- Current consumption of natural gas at 14 GWh
- **Investments underway to achieve gas independence**
- **Goal for 2040: FACC is to become a carbon-neutral industrial company**

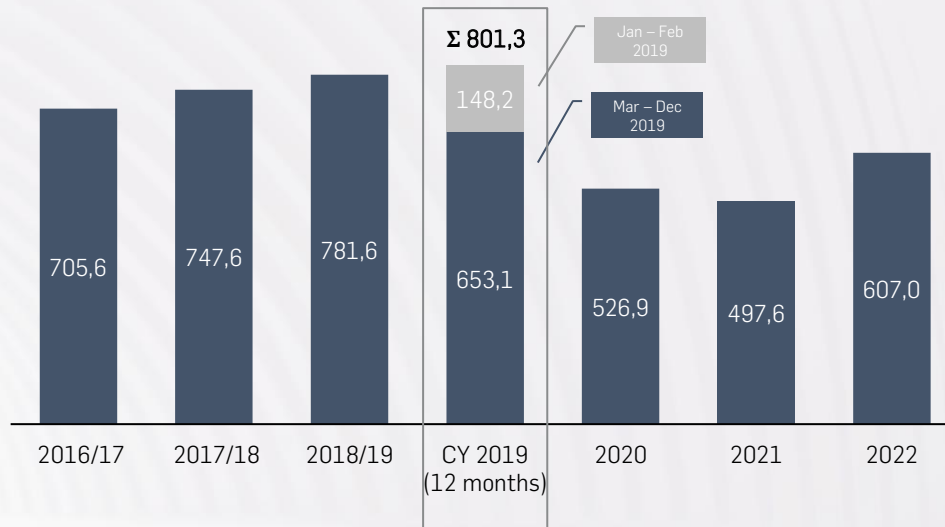
FINANCIAL YEAR 2022

REVENUE AND EBIT

IMPACTED BY ONE-TIME SETTLEMENT OF PROJECT-RELATED DEVELOPMENT & BY CHALLENGING ENVIRONMENT

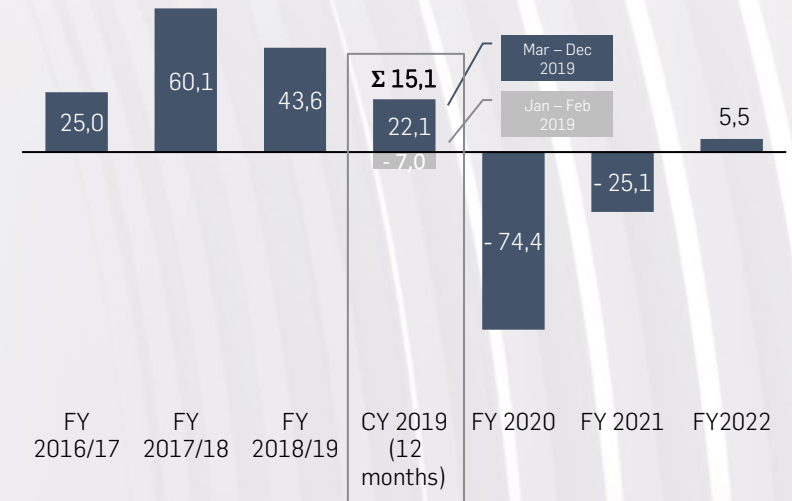
Revenue development

in million EUR



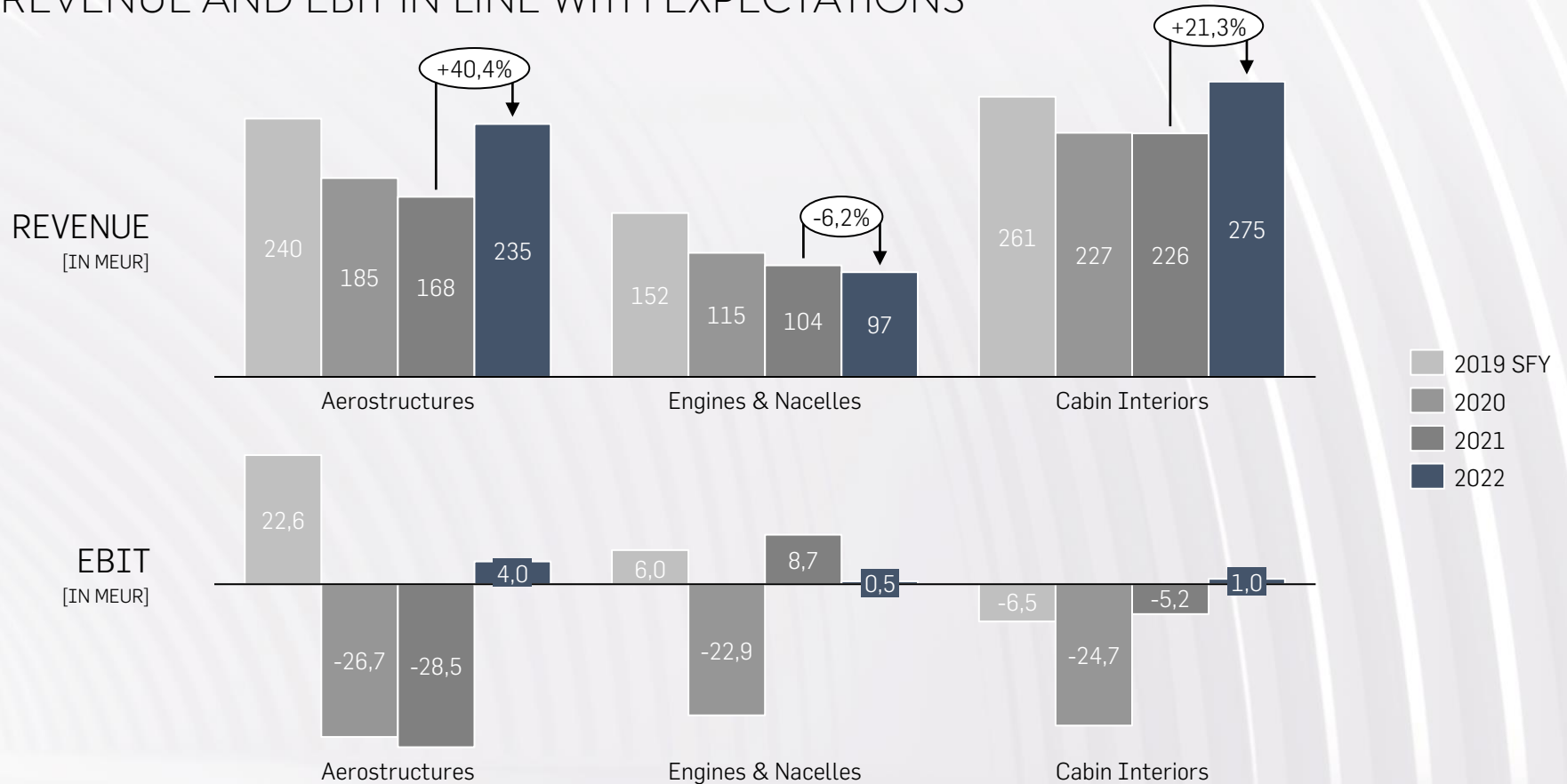
EBIT development

in million EUR



DIVISION RESULTS

REVENUE AND EBIT IN LINE WITH EXPECTATIONS



OUTLOOK



OUTLOOK FOR THE FINANCIAL YEAR 2023

Revenue / Profitability / Objectives

- **Revenue growth** in the high single-digit percentage range compared to the FY 2022
- **Gradual EBIT increase** in a complex supply chain environment
- **Ensuring rate ramp-ups** to meet customer requirements
- Focus on **contract adjustments** to offset high inflationary effects
- **Optimizing the working capital**
- **Expanding the core business** and **entering new markets**

MARKET DEVELOPMENT & OPPORTUNITIES

Positive market development	General Observations	FACC Focus
<ul style="list-style-type: none"> ➤ Further recovery of air traffic <ul style="list-style-type: none"> → Net Orders with book to bill 1,40 → Rate ramp-ups for S/A → Demand for W/B increasing ➤ Large orders from Airlines (e.g., Air India, Saudi Arabia) ➤ China Re-opening and full recovery from COVID benefits air traffic in general 	<ul style="list-style-type: none"> ➤ Next new Airplane programs require new technology ➤ Global supply chain restructuring due to geopolitical situation provides opportunity to replace existing supply chains ➤ Portfolio clean up from industry players provide M&A opportunity 	<ul style="list-style-type: none"> ➤ FACC R&T Roadmap on track to offer new technology as needed ➤ On Board work package that are in-line with FACC core business with focus on Aerostructures and Engines & Nacelles. ➤ Carve-out of business that fits FACC portfolio and generates non-organic growth

NEW AUTHORISED CAPITAL

KEY MESSAGE REGARDING RESOLUTION POINT 9

Retain maximum flexibility to pursue opportunities

- Industry is currently offering opportunities, which FACC can only use having the flexibility of raising new equity capital
- Current balance sheet structure does not allow financing of any M&A or large organic growth opportunities via debt
- Authorization will help to react in a timely manner to opportunities arising

Focus on core business

- Any opportunities to be pursued will complement and strengthen the core business of FACC
- No plans to invest outside the core business

Key opportunities

- New set-up of supply chains
- Super Tier 1s are cleaning up their portfolios and are exiting niche segments of their business
- FACC approached by key clients Airbus & Boeing to increase / take over existing capacities
- FACC is continuously monitoring the market for opportunities and is in several early-stage discussions with potential sellers / partners



BEYOND
HORIZONS