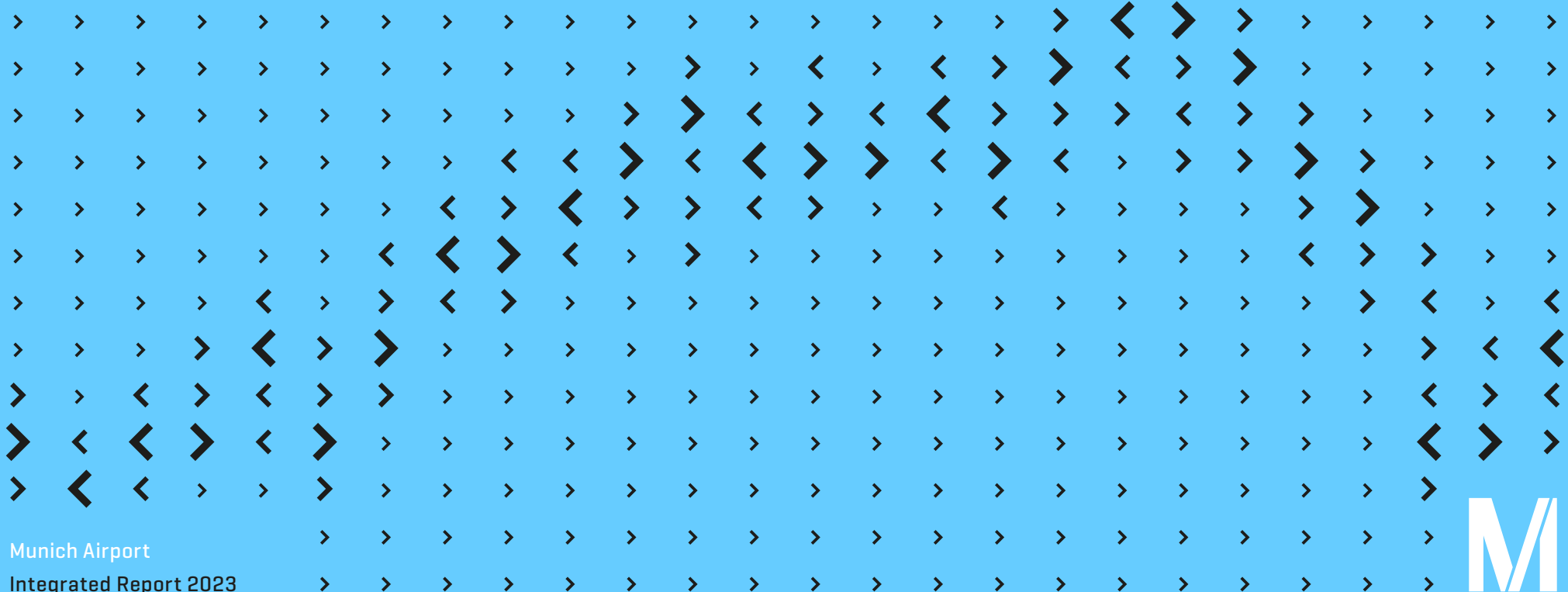


MUC 23

MOVING OUR WORLD



MOVING OUR WORLD



CI

CONTENTS

CHECK-IN CI

1
-
16

- 4 CI | KEY FIGURES
- 6 CI | LETTER FROM THE EXECUTIVE BOARD
- 8 CI | STRATEGY 2030+
- 16 CI | BUSINESS MODEL

BUSINESS REPORT BR

17
-
28

- 18 BR 01 | OUR AIRPORT
- 24 BR 02 | SUSTAINABLE PREMIUM HUB

FINANCIAL REPORT FR

29
-
80

- 30 FR 01 | GROUP MANAGEMENT REPORT
- 74 FR 02 | ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS
- 79 FR 03 | NOTE ON THE AUDIT OPINION
- 80 FR 04 | SUPERVISORY BOARD REPORT

IMPACT REPORT IR

81
-
103

82 IR 01 |
SUSTAINABILITY
DIALOGUE

85 IR 02 |
ENVIRONMENT
AND CLIMATE
PROTECTION

92 IR 03 |
EMPLOYEES
AND SOCIETY

100 IR 04 |
COMPANY AND
GOVERNANCE

CHECK-OUT CO

104
104 CO |
IMPRINT

ONLINE REPORT



Additional content in the online report:

- Report profile
- Financial report with auditor's report (PDF)
- GRI content index
- Sustainability indicators
- Management approaches and sustainability program
- Independent assurance report

The online report can be found at:

→ report2023.munich-airport.com

CI

Key figures

Economic

Results of operations, assets, and financial position

€ MILLION

	2023	2022	2021	2020	Change in % 2023/22
Group revenue	1,373.3	1,188.0	601.3	579.7	15.6
EBITDA	317.7	238.7	-45.8	-161.8	
EBIT	114.9	-27.7	-285.7	-403.9	
Consolidated earnings after taxes	25.4	-58.8	-261.3	-321.4	
EBITDA margin in %	23.1	20.1	-7.6	-27.9	
EBITDA/Pax in €	8.6	7.5	-3.7	-14.6	
EBIT margin in %	8.4	-2.3	-47.5	-69.7	
ROCE ¹⁾ in %	2.4	-0.6	-6.0	-8.4	
Cash flow from operating activities	301.5	159.4	-45.8	-116.0	
Investments	198.3	177.6	250.0	391.0	11.7
Free cash flow	113.4	-15.4	-273.5	-503.8	
Equity	1,786.7	1,765.7	1,815.2	2,065.0	1.2
Equity ratio in %	31.5	32.2	33.0	37.4	
Net Debt/EBITDA	9.4	12.7	-64.3	-16.3	

¹⁾ ROCE = EBIT/(equity + net debt + ongoing employee benefits)

Ecological

CO₂ emissions

IN TONNES

	2023	2022	2021	2020	Change in % 2023/22
Direct emissions Scope 1	83,686	81,613	73,075	73,407	2.5
Indirect emissions Scope 2	6,806	8,739	5,265	7,065	-22.1
Attributable CO ₂ emissions	90,492	90,352	78,340	80,472	0.2

Specific CO₂ emissions

IN KILOGRAMS

	2023	2022	2021	2020	Change in % 2023/22
CO ₂ emissions per passenger	2.44	2.85	6.27	7.24	-14.4

Drinking water and wastewater

IN CUBIC METERS

	2023	2022	2021	2020	Change in % 2023/22
Volume of purchased drinking water	891,705	811,648	562,510	563,789	9.9
Drinking water consumption per 1,000 TU ¹⁾	22.4	23.7	39.6	44.7	-5.5
Total wastewater discharged	2,387,073	2,051,259	1,955,165	1,610,406	16.4
Wastewater per 1,000 TU ¹⁾	59.9	59.8	137.6	127.7	0.2

¹⁾ Traffic units

Social

Employee structure¹⁾

NUMBER

	2023	2022	2021	2020	Change in % 2023/22
Total	8,362	8,610	8,693	9,338	-2.9
Women in %	31.37	32.04	32.21	31.92	-2.1
Men in %	68.63	67.96	67.79	68.08	1.0
Full-time in %	80.97	77.53	78.82	78.25	4.4
Part-time in %	19.03	22.47	21.18	21.75	-15.3
<30 years in %	13.45	11.58	10.96	13.09	16.1
30-50 years in %	48.49	50.09	51.07	51.40	-3.2
>50 years in %	38.05	38.33	37.97	35.51	-0.7

¹⁾ Reporting date: December 31: Figures exclude apprentices, workers in minor employment, temporary workers, and interns

Apprentices

NUMBER

	2023	2022	2021	2020	Change in % 2023/22
Total	236	230	247	287	2.6

Occupational health and safety

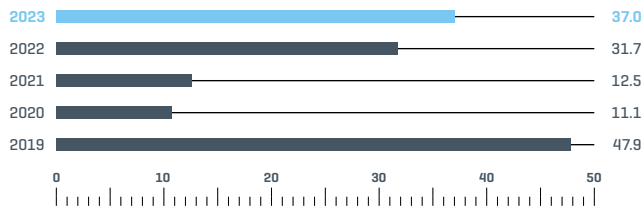
NUMBER

	2023	2022	2021	2020	Change in % 2023/22
Reportable occupational accidents	155	225	107	94	-31.1
Resulting days of absence	3,536	4,646	2,264	2,508	-23.9
Rate per 1,000 workers	21.6	32.74	13.38	10.85	-34.0

Operational

Air travelers

IN MILLIONS

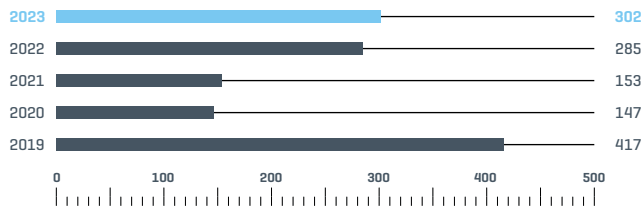


- The number of air travelers increased by five million to a total of 37 million in 2023 compared to the previous year.
- As a result, Munich Airport achieved around 80% of the volume from the pre-crisis year 2019.

→ Page 42

Aircraft movements

IN THOUSANDS



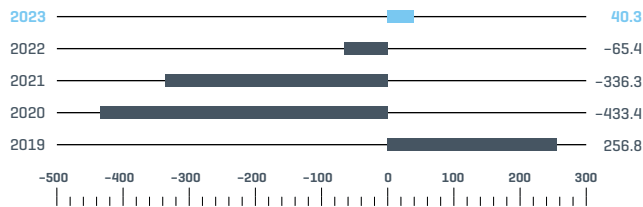
- The number of take-offs and landings was six percent higher than in 2022.
- Seat occupancy reached a record level of 81.3 percent, surpassing 80 percent for the first time since the airport opened.

→ Page 42

Management-related

Consolidated earnings before taxes (EBT)

€ MILLION

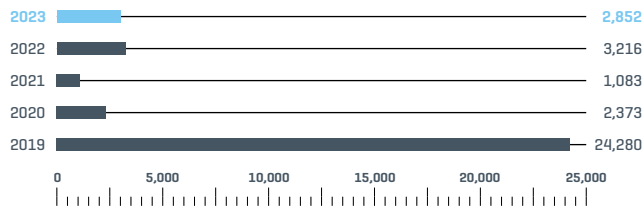


- The substantial recovery in traffic volume enabled Munich Airport to achieve a positive result for the first time since 2019.
- Munich Airport's EBT for the 2023 fiscal year significantly exceeded the planned figure for 2023.

→ Page 46

CO₂ reductions²⁾

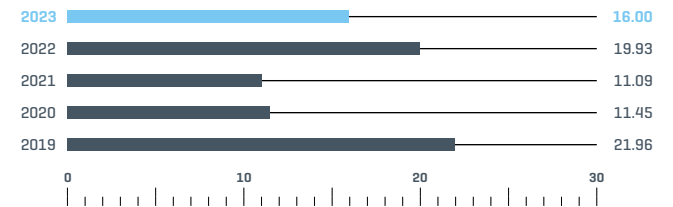
IN TONNES



- The long-term climate protection targets include requirements for the implementation of efficiency measures and special targets for the development of CO₂-reducing technologies.
- In 2023, the largest savings in electricity were achieved in lighting technology.

→ Page 52

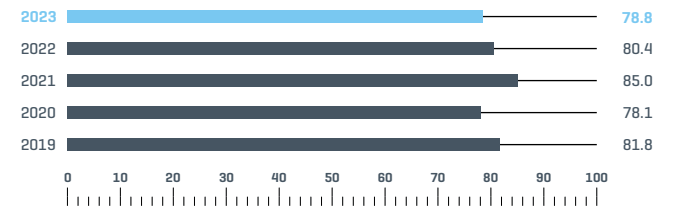
Lost Time Incident Frequency rate (LTIF)¹⁾



- The Lost Time Incident Frequency (LTIF) represents a benchmarkable measure of the frequency of incidents that result in lost work time.
- In 2023, the LTIF for FMG and AE Munich improved compared to the previous year.

→ Page 52

Passenger Experience Index (PEI)³⁾



- Compared to 2022, Munich Airport recorded a slight decline in passenger satisfaction measured by the PEI in 2023.
- In 2023, Munich Airport once again implemented measures to improve passengers' experience.

→ Page 52

Munich Airport has defined four key performance indicators to measure the development of the company. These key performance indicators are a measure of doing business in a sustainable and integrated manner and influence the variable remuneration components for managers.

¹⁾ Applicable to FMG and AE Munich; 2019 was used as the comparison period.

²⁾ Depending on the data basis, the savings are determined on the basis of measurements, product data sheets or performance data on nameplates and documented in the CO₂ database. In exceptional cases, experience values of comparable measures that have already been completed and verified are used.

³⁾ The value relates to the question on overall satisfaction.

LETTER FROM THE EXECUTIVE BOARD



«We are consolidating Munich Airport's position as a premium European hub by expanding our route network.»

JUST LAMMERS

Dear Sir or Madam,

2023 was a year of stabilization for Munich Airport, with the return of passengers on intercontinental routes, a strong demand for tourist destinations, and, finally, a return to profitability. A degree of normalcy has returned to air traffic. People have regained their trust and want to fly.

37 million travelers generated an increase of 17% compared to the previous year and therefore another significant rise in passenger numbers. The approximately 302,000 flights at our airport had an average occupancy rate of 81 percent – a record value. The significant growth shows how well Munich is recovering as a location. Thanks to this pleasing development, we have once again returned to profitability with approximately 25 million euros in profit. Group revenue increased by around 185 million euros to around 1.4 billion euros. At the same time, the numerous current, global trouble spots as well as shortages in aircraft procurement and personnel dampened the upswing.

However, thanks to the ongoing involvement of an in-house recruiting task force, around 1,500 new colleagues were recruited for the Munich Airport Group last year.



f.l.t.r.:

JUST LAMMERS

President and Chief Executive Officer, Personnel Industrial Relations Director

NATHALIE LEROY

Chief Financial Officer, Chief Infrastructure Officer

JAN-HENRIK ANDERSSON

Chief Commercial and Security Officer



«Munich Airport is one of the most innovative airports in Europe and consistently invests in the quality of its passenger processes.»

JAN-HENRIK ANDERSSON

The future holds challenges but is also promising. The company is undergoing a transition. We have invested in our personnel, in the quality of our services, and in our infrastructure. At the same time, numerous new construction projects are being realized throughout the airport campus.

The pier at Terminal 1 is currently our largest construction project. Our innovation and ideas center LabCampus, which is now open, is coming to life and offers employees, customers, and business partners a unique environment in the immediate vicinity of Bavaria's gateway to the world. We are now seeing how our decision to stay on course with our most important, strategic projects, even during the biggest crisis in air traffic, is paying off.

We are also formulating targets for sustainable development. We are steering Munich Airport back into the top class of European airports as a green premium hub. The key task here is to reduce

«In 2023, we exceeded expectations and were back in the black.»

NATHALIE LEROY

the CO₂ emissions that we can influence to net zero and from 2035 to operate Munich Airport in such a way that it no longer releases any climate-damaging CO₂ into the atmosphere. Over the long term, we will keep an eye on the need to decarbonize air traffic. Together with Lufthansa and other partners, we have signed a letter of intent for a research collaboration on the production of sustainable power-to-liquid aviation fuels. This technology has the potential to significantly improve aviation's carbon footprint, make air traffic more environmentally friendly, and bring us within reach of our climate targets. However, the reality is that it will take a tremendous effort to make air traffic even more climate friendly.

At the beginning of 2023, FMG and Lufthansa also reached an agreement on how the successful strategic partnership should be further structured. As part of the «MUC 2023» program, airport and airline are pursuing targets of outstanding importance together. In addition to the continued development of Munich Airport into an intermodal transport hub, the focus is on the needs-based expansion of the terminal infrastructure and, most recently, the joint promotion of digitalization and innovations in operations. This includes projects such as smart passenger and automated check-in processes, which will make passengers' travel experience even more pleasant and efficient.

We have had a year with significantly more passengers, as well as more flights to more destinations, and have once again managed to achieve a solid increase in our earnings after taxes. We have consistently invested in our personnel, in the quality of our processes, and in our infrastructure and will continue to do so in 2024.

To another year of moving our world.

Yours sincerely,



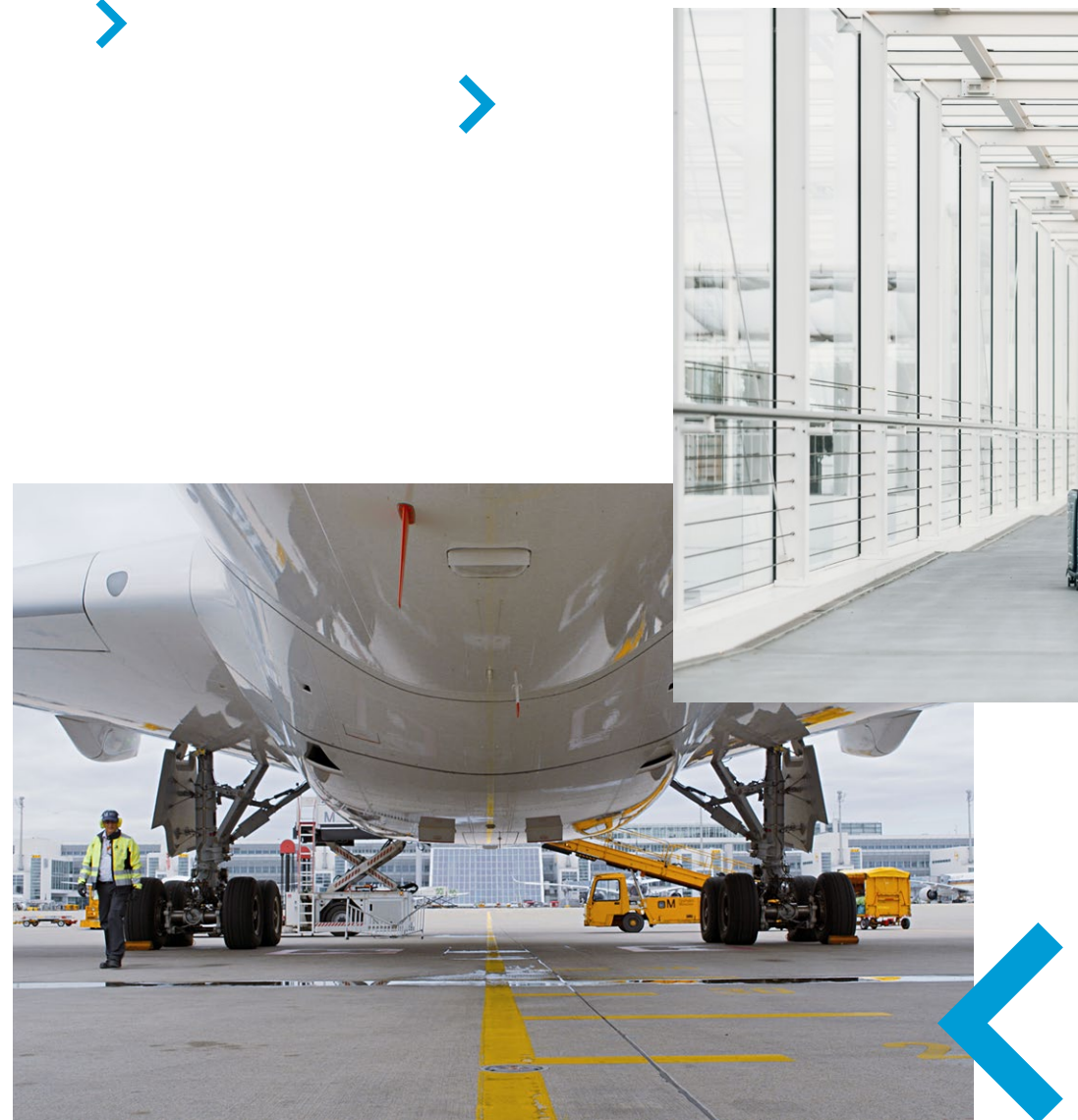
Jost Lammers

MOVING OUR WORLD - WITH STRATEGY

ECONOMIC PREMIUM HUB

As a customer- and profit-driven company, we offer quality and service that is in line with market and customer requirements, and we use our proven airport expertise to sustainably increase the value of Munich as a hub location.

- > Strengthening of hub traffic development
 - > Further development of cargo/logistics
- > Ensuring the quality of hub operations
 - > Needs-based infrastructure





HUB AIRPORT







NET
ZERO



MOVING OUR WORLD - WITH STRATEGY

GREEN MOBILITY HUB

We are expanding our integrated and intermodal mobility offering on land and in the air to ensure the efficient use of infrastructure and resources, and we are assuming ecological responsibility together with our partners.

- Sustainable environmental and nature conservation
 - Reduction to net zero emissions
 - Improvement in rail access
 - Intermodal mobility concepts



MOVING OUR WORLD – WITH STRATEGY

VALUABLE
GROWTH

We are increasing the value contribution of our existing competencies through the further development of our product and service portfolio and through diversification that is more independent of location and air traffic.

- Attractive real estate location
- Innovative shopping and entertainment center
- Further development of consultancy business
- Strategic innovations





INNO- VATION





EXPERTISE



MOVING OUR WORLD - WITH STRATEGY

MODERN COMPANY

We are developing the airport into a flexible and performance-driven company with economic, digital, and value-driven structures, offering a wide range of opportunities and development pathways for the people in the Munich Airport Group.

- Attractive employer
 - Automation and digitalization
- Uniform manner of addressing end customers
 - Corporate responsibility

MOVING OUR WORLD – IN EVERY ASPECT

BUSINESS MODEL

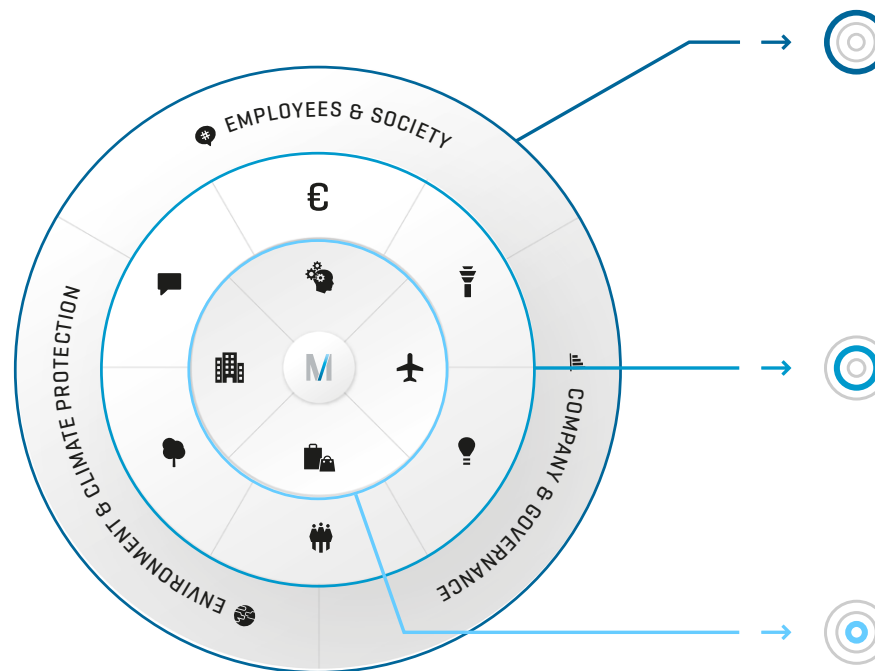
Environmental and social aspects, along with transparent corporate governance, form the framework of our business model. With this integrated approach, we secure the success and development potential of Munich Airport in the long term.

OUR STRATEGY

In the three dimensions of company and governance, environmental and climate protection, and employees and society, we show you which values we derive within the framework of our strategic goals.

OUR IMPACT

We have a holistic understanding of the impact of our business activities. Our company's aim is to create long-term value while taking responsibility for our ecological and social environment.



Our value creation

We invest in the most important resources in order to achieve a sustainable increase in value for our company and our environment. Qualified and motivated employees as well as an efficient and demand-oriented infrastructure are among the central prerequisites for the sustainable development of our location.

The six types of capital

Based on the change in the types of capital, we can identify significant cause-and-effect relationships. This creates a multi-dimensional picture of our short-, medium- and long-term value creation or reduction.

Four business units make up our organization

Munich Airport is active via the business units Aviation, Commercial Activities, Real Estate and Participations, Services & External Business. Our business model includes almost all services available at the airport campus and provides various offers and services.

→ report2023.munich-airport.com

BUSINESS REPORT

BR

17-28

- 18 BR 01 | Our airport
- 19 Major economic factor
- 19 Our business units
- 21 Infrastructure
- 23 5-star quality

- 24 BR 02 | Sustainable premium hub
- 25 Group strategy
- 26 Climate protection strategy
- 27 HR strategy
- 28 Digitalization

BR 01

Facts & Figures

OUR AIRPORT

PASSENGER VOLUME 2023

37 MILLION
PASSENGERS (+17%)

PARKING

P 43
1,800 parking spaces in the new AirSite West parking garage

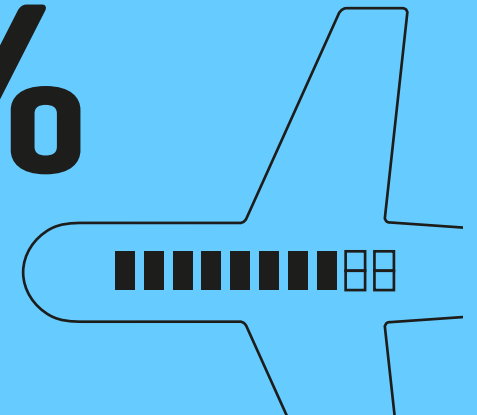
PREMIUM AIRPORT

MICHELIN STAR

for «Mountain Hub Gourmet»
at Hilton Munich Airport

RECORD

81.3%
seat occupancy in 2023



OUR AIRPORT

With its integrated business model, Munich Airport demonstrates how Bavaria's mobility hub can be operated sustainably and positioned as a future-proof premium hub at the forefront of Europe's airports. In this way, we are making a significant contribution to the long-term success of the entire region.

Major economic factor

We make strategic decisions that take into account all key resources and areas of activity: finance, employees, expertise, environment, infrastructure, and society. This approach secures our business activities holistically. We influence a variety of stakeholders as well as internal and external factors – and vice versa. The reciprocal effects of our integrated business model are complex and reveal effects resulting directly from airport operation and the effects of its use.

The airport ensures the attractiveness of the region as a location for business, as the international connection offers advantages for the establishment of companies and for the tourism industry. This creates numerous jobs in the greater Munich area and the airport's catchment area. With orders amounting to millions of euros, we are an important business partner for local businesses. The airport's economic ties with the region are reflected in the

volume of contracts awarded: 39 percent¹⁾ were awarded to companies in the airport region. According to a study²⁾ on the economic significance of the airport, almost one in every hundred euros generated in the Free State was linked to Munich Airport. As an international hub airport, we also make a wide range of global economic relationships possible and thereby make an important contribution to worldwide trade. With 464 resident companies and government agencies currently employing a total of approximately 33,330 people, Munich Airport continues to be a major employer and economic factor for the region.

Our business units: a sustainable contribution to success

Aviation business unit

Munich Airport ensures connectivity for the people and businesses based here. It can be assumed that demand for air travel will continue to develop positively due to the economic strength and attractiveness of Bavaria and southern Germany as an incoming destination. Munich Airport is crucial as a gateway for this region. With 37 million travelers in 2023, Munich Airport achieved around 80 percent of the record volume from the pre-crisis year 2019. Despite the slower recovery in Germany compared to other European aviation markets, we remain committed to our goal of cementing our position as one of the leading hubs in a continuously consolidating European aviation market. Long-haul and connecting traffic will

¹⁾ excluding procurement volumes from Allresto and eurotrade, 2022

²⁾ Munich Airport as an economic factor - analysis of direct, induced, and indirect value creation effects, 2018

BR 01

therefore be the essential cornerstones of the aviation strategy in the medium to long term, too.

The Lufthansa Group's decision to base its reactivated Airbus A380 aircraft exclusively at Munich Airport and to further expand its long-haul services at the location is a strong expression of its commitment to the Bavarian hub within Lufthansa's multi-hub system. Further destinations in point-to-point traffic are to increase the variety and attractiveness of the service. Especially in light of the current operational challenges, the quality of the infrastructure and processes is of central importance in strengthening our position in competition with other airports.

Airfreight has benefited in particular from the attractive long-haul routes offered at Munich Airport. In 2023, freight volumes increased by seven percent year-on-year to a total of around 277,000 tons, while all other major German freight locations recorded declines. Development of the cargo and logistics business thus reflects the key importance of functioning global supply chains.

FMG and Lufthansa: success through partnership

In January 2023, Flughafen München GmbH and Deutsche Lufthansa AG signed a letter of intent committing to a joint sustainability strategy, the development of Munich Airport into an intermodal traffic hub, the expansion of infrastructure according to demand, and the promotion of digitalization and innovations in operations. Our system partner Lufthansa plans to cut its net CO₂ emissions in half by 2030 compared with 2019 and aims to achieve a neutral CO₂ balance by 2050. To accomplish this, the airline is primarily focusing on accelerated fleet modernization, the continuous optimization of flight operations, and the use of sustainable aviation fuels.

With the joint construction and operation of Terminal 2, which will celebrate its 20th anniversary in 2023, we have launched a cooperation model that is unique in Europe. The satellite building commissioned in April 2016 marked the first expansion stage for this successful joint venture. Since June 2023, Deutsche Lufthansa has been using the Airbus A380 in its normal flight operations at Munich Airport once again following a three-year break. In summer 2024, the airline will expand its services at Munich Airport more than ever before with over 190 long-haul flights per week, primarily to North America and Asia.

Commercial Activities business unit

The Commercial Activities business unit works to ensure and increase FMG's value contribution. Optimizing the efficiency of space and the product portfolio are key to further increasing customers' willingness to make purchases. Changing retail structures and consumer habits also call for new marketing and acquisition concepts. This includes the increased use of digital tools to appeal to air travelers directly. Offering customers a special experience at Munich Airport is also one of the tasks in this business unit. Staging in the terminals, the presentation of strong brands, and extraordinary events in the Forum of the Munich Airport Center [MAC] forum all help to achieve this.

The recovery in passenger figures and rising demand in 2023 revitalized our commercial business in all areas: Retail and Catering recorded corresponding new leases and lease renewals. In advertising, the focus in the past fiscal year was on acquiring new customers from the automotive and solar industries. Existing brand partnerships were successfully consolidated.

In the area of parking and mobility, a change in customer structure can be observed: Individual transportation, which particularly includes vacation travel, was offset by an increasing yet still lower volume of business travel. For this reason, we are strengthening our focus on the online marketing of car parking spaces, which are especially important for vacation travelers. Various renovation and new construction projects in the parking infrastructure are currently reducing the parking space capacities at the airport.

Real Estate business unit

The Real Estate business unit's job is to provide buildings and space as needed for Munich Airport's value-added processes. The ongoing development of real estate, spaces, and infrastructure is essential for the airport. In addition, the real estate business is being positioned in the third-party market.

Using real estate as a means of securing the core business of aviation

The real estate and infrastructure at Munich Airport are being successively modernized, as many of the buildings date back to when the airport first opened. In addition to sustainability, the development and operation of our properties also requires a high level of comfort and convenience for air travelers and visitors. Terminal 1's new pier represents a pioneering investment in the future and reflects the requirements of a modern terminal infrastructure. Over the next few years, T1, the central office building, and the parking garages will also be extensively renovated.

BR 01

Generating substantial contributions to profits by developing real estate

FMG also aims to tap into new sources of revenue outside its traditional portfolio with major projects. For example, an investor from Freising is building Germany's most sustainable concert and event arena on the western edge of the airport campus. This multifunctional hall offers a wide range of uses, particularly for concerts for up to 20,000 visitors, and promises to be a stimulus for the regional economy and cultural life.

Taking account of regional interests

We maintain an intensive dialogue with the airport region and consider its needs when developing the airport location and the associated construction projects. FMG assumes responsibility for infrastructure projects and measures that extend beyond the airport grounds. We provide the best possible support to target groups and companies that value proximity to the airport and an international environment when choosing where to locate their businesses.

5-star global involvement

In addition to AeroGround, aerogate, and Cargogate, the key subsidiaries include Munich Airport International GmbH (MAI). It promotes valuable growth beyond the Munich Airport site and thereby opens up new business units for FMG. MAI offers management, consulting, and training services for the international aviation industry and is a valued partner for strategic investors and aviation companies around the world, not least because of Munich Airport's internationally recognized 5-star quality. Thanks to MAI's efforts, Munich Airport has developed from a consultant for airport relocation and commissioning (ORAT) to a renowned infrastructure operator with almost 50 projects over the last 30 years.

The team of Munich Airport NJ LLC (MANJ) – a wholly owned subsidiary of MAI – oversaw the construction of the new Terminal A at Newark Liberty International Airport, which opened in January 2023. MANJ has operated Terminal A ever since. In March 2024, the building was awarded a 5-star rating by Skytrax, the most prestigious seal of quality for outstanding airport services.

Together with its subsidiaries Munich Airport US Holding LLC, Munich Airport NJ LLC, and amd.sigma strategic airport development GmbH, in 2023 MAI was able to secure numerous projects around the world and successfully complete its existing ones. With the new representative office in Singapore, MAI has solidified its commitment to the Asian continent and in 2023 was awarded contracts for projects in Thailand, Taiwan, and the Maldives, for example. As an agile driver of innovation, Munich Airport International is also committed to developing a sustainable future in mobility. As a partner in the «Air Mobility Initiative» funded by the Free State of Bavaria, MAI is involved in various research projects in the field of «Advanced Air Mobility». In 2024, its focus will be on the strategic expansion of concession and management contracts and the Consulting segment.

Infrastructure: expansion for increasing mobility needs

Air traffic at Munich Airport has increased to over 80 percent of the pre-crisis level in 2023. The German federal government⁹⁾ as well as experts believe that the long-term demand for mobility and thus global air traffic will continue to grow. Munich Airport's task is to provide the necessary capacities. We are strengthening our development prospects with demand-driven expansion and refurbishment projects.

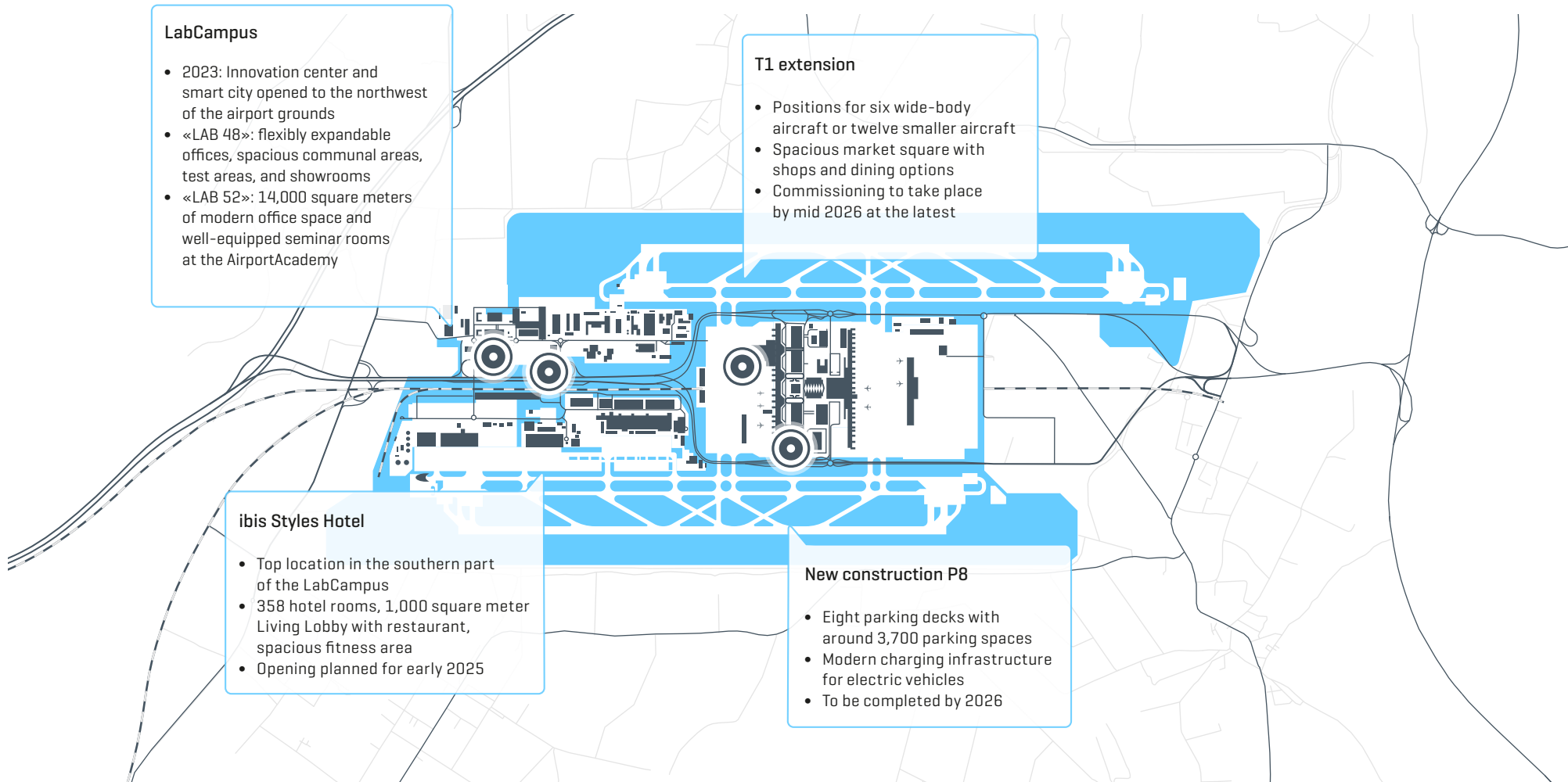
Construction progress on Terminal 1 extension

The expansion and modernization of Terminal 1 is a strategic expansion project that will secure the future viability and competitiveness of Munich Airport. Interior work on the new 96,000 square meter pier began in spring 2023. The technical building installations are already well underway. At the end of 2024, the first business partners will be able to start designing their rental spaces. Since June 2023, the area in the existing Terminal 1, which will serve as the central entrance and exit hall for the non-Schengen area, has also been undergoing redesign. Once the new pier goes into operation, passengers can expect 16 additional piers, twelve state-of-the-art security screening lanes, and a new baggage claim area. The new building will also feature a spacious marketplace with an extensive retail and restaurant offering, as well as two new lounges with panoramic views of the western apron.

⁹⁾ Long-term forecast of the BMDV

BR 01

Strategic construction projects



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LabCampus opened as an innovation hub

In the northwest of the airport grounds, we have opened the Lab-Campus, a unique innovation center that is an ideal environment for cross-industry and cross-company collaboration. The proximity of research and business plays an important role here.

«LAB 48» was commissioned at the beginning of February 2023. With an area of approximately 30,000 square meters, the office building offers flexibly expandable offices, spacious communal areas, test areas, and showrooms. In 2023, German air traffic control (DFS) and amplimind, a joint venture between Audi and Lufthansa Industry Solutions, moved into the office space there. Exotec, a development company for warehouse robotics and automation, will move in in fall 2024. Since 2023, «LAB 52» has provided 14,000 square meters of modern office space as well as seminar rooms with high-quality technical equipment. The main tenant is the AirportAcademy, the airport's training and education center, which also offers external companies numerous training opportunities.

labcampus.de/en

New developments in accessing the airport

The improvement of rail connections is of high strategic relevance for Munich Airport. It represents a crucial prerequisite for more sustainable arrivals and departures and also makes it possible to secure and expand the catchment area. In 2023, additional progress was made: The existing supra-regional airport express (ÜFEX) between the airport and Regensburg will be extended to Nuremberg starting at the end of 2024. In addition, the Bavarian state government has secured funding for the western flyover structure, which

will be used to separate the S1 and S8 lines on the approach to the airport. Once it goes into operation at the end of 2028, it will help to improve the quality of operations and increase train station capacity at the airport. It was also possible to include the airport's connection to long-distance passenger rail services in the «potential requirements» of the requirements plan in the Federal Rail Infrastructure Expansion Act. At the same time, a specific service concept for connecting the airport is being developed for the current update of the synchronized German railway timetable, which forms the basis for the expansion of the rail infrastructure. This is to be handed over to the responsible Federal Ministry for Digital and Transport Affairs (BMDV) at the beginning of 2024. Both are crucial steps in order to achieve the necessary classification as «urgent need», which is a prerequisite for the start of detailed planning.

5-star quality: top position despite challenges

At the annual «World Airport Awards» presented by the London-based aviation research institute Skytrax, Munich Airport was once again awarded the title of «Best Airport in Central Europe» based on a global passenger survey from spring of 2023. In addition, the Munich airport staff won the «Best Airport Staff in Europe» award. Skytrax also named Munich Airport a five-star airport again in 2023. With that, we continue to belong to the exclusive circle of only twelve hub airports worldwide that bear this premium seal. In particular, it was the use of new technologies in the security checks and the friendliness and expertise of the staff that contributed to the award once again. In addition to hospitality, the assessment criteria included ambience and comfort, service offerings, processes, and orientation along the entire passenger travel chain.

In the 2023 fiscal year, the key figure for passenger satisfaction (PEI) showed a slight decline compared to 2022. The causes for this are irregularities in flight operations due to strikes or bad weather, as well as the ongoing tense personnel situation together with a simultaneous increase in traffic figures. These challenges sometimes led to non-compliance with the standards we set ourselves for services. To meet the high quality standards of a 5-star airport, in 2023 we also developed and implemented additional measures to improve the passenger experience, such as new information systems for travelers and state-of-the-art technologies at security checkpoints.

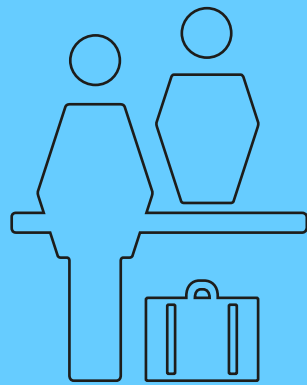
→ [Group Management Report: PEI \(page 52\)](#)

BR 02

Facts & Figures

SUSTAINABLE PREMIUM HUB

STATE-OF-THE-ART SECURITY TECHNOLOGY



60

computer tomography scanners
for more safety and convenience

OUR TARGET

NET ZERO

emissions
by 2035

OPENING

LAB

48 and 52

WORLDWIDE CONNECTIONS

31%

growth in long-haul routes



SUSTAINABLE PREMIUM HUB

We are developing Munich Airport into a flexible, performance-oriented, and modern company with economic, digital and value-adding structures. This offers a wide range of prospects and opportunities for all of our employees.

Group strategy: destination future

As a customer-oriented company, Flughafen München GmbH (FMG) offers first-class quality and services tailored to the market and demand through its own economic strength. We are developing into a green mobility hub with net-zero emissions by 2035 and ensuring a sustainable increase in value at the premium hub of Munich. The 2030+ strategy has set economic, environmental, and social goals for the Group. At the same time, growing social pressure and tougher competitive conditions can be felt in the industry. The company must act consistently, taking into account its key stakeholders and the market, and grow sustainably in order to be successful in the long term.

Continued development and expansion

The core objective of the strategic positioning is the continued development and expansion of hub traffic at Munich Airport. The most important local partner in this regard is Deutsche Lufthansa AG, with whom Terminal 2 is operated together. We also want to further develop Munich Airport as a location for air freight with a focus on bellyhold cargo on long-haul routes. The goal is also to optimize point-to-point traffic in Terminal 1 in order to supplement hub traffic with additional services for passengers. At the same time, the necessary operational conditions must be created: Firstly, the airport infrastructure must be maintained and modernized, and secondly, operational efficiency must be ensured. In our operations, we want to set ourselves apart from our competitors by offering premium quality.

Corporate leadership: taking responsibility – living ideas – connecting lives

Our business activities and strategic positioning have an impact on Munich, Bavaria and Germany as a business location, the airport region and its residents, employees, travelers, and the companies located at the airport and in the surrounding area. Through responsible corporate leadership, we generate added value, achieve our social objectives, and generate social acceptance. The «M» brand forms a common framework, ensures consistency and provides orientation both internally and externally. «Living ideas – Connecting lives» means promoting cooperation and creating synergies. This makes the organization more efficient, faster and more adaptable.

Climate protection strategy: goals and cooperation

CO₂ emissions: net zero by 2035

By 2035 at the latest, Munich Airport's operations should no longer release CO₂ into the atmosphere. Net zero entails reducing the emissions that we can influence ourselves by at least 90 percent. The remaining maximum of ten percent will be actively and permanently removed from the atmosphere with suitable projects. The net zero target comprises four areas:

In terms of our energy supply, we are focusing on the use of gas from renewable sources for the airport's own block heat and power plant, the expansion of photovoltaic systems, the purchase of renewable electricity, and the development of an additional electricity grid to ensure a sufficient supply of green electricity in the future.

With regard to the airport's technical facilities, the lighting on the runways is also to be replaced following the conversion of the entire apron lighting to LED technology. Other measures are also being taken, such as the use of more energy-efficient baggage handling systems and passenger boarding bridges.

We build new buildings in a sustainable and climate-friendly way with low energy consumption. Our existing buildings are being optimized for energy efficiency. To achieve this, efficient ventilation technology and lighting as well as optimized control of the air conditioning and heating systems are planned.

Lastly, in the area of mobility, we will convert our vehicle pool to vehicles with electric drives or use alternative fuels.

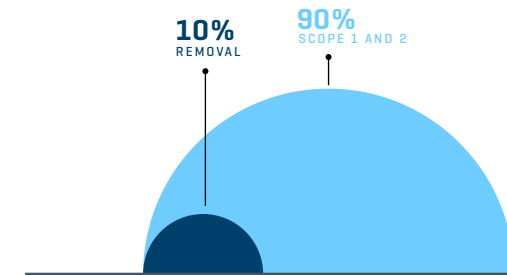
The remaining emissions must be actively and permanently removed from the atmosphere. For this purpose, we have already started converting a conventional commercial forest into a resilient climate forest in 2021. As a result, additional CO₂ is absorbed from the atmosphere, which remains stored in the long term even if the wood is removed. Other suitable projects are currently being reviewed, such as the rewetting of moors, the formation of humus in agriculture, or suitable systems for filtering and storing CO₂ [Direct Air Carbon Capture and Storage – DACCS].

munich-airport.com/removal-11985745

Sustainable flying: together for the future

A major part of the «Fit-for-55» package of directives within the European Green Deal is «ReFuelEU Aviation». The aim is to increase the use of «sustainable aviation fuels» [SAFs] and ensure a level playing field throughout the EU aviation market. In October 2023, Lufthansa, the German Aerospace Center [DLR], Airbus, MTU Aero Engines, and Munich Airport signed a letter of intent for a research cooperation on power-to-liquid [PtL] aviation fuels. The planned cooperation is intended to combine the strengths of leading aviation companies and science in order to accelerate the technology selection, market launch, and industrial scaling of PtL aviation fuels in Germany. Since 2021, sustainable aviation fuels have been able to be delivered to, stored at, and refueled at Munich Airport.

Net Zero 2035



CO₂ emissions will be reduced by at least 90%, 10% are permanently removed from the atmosphere.



Removal

CO₂ removal from the atmosphere, e.g. MUC climate forest



Reduction measures

1. Switch to environmentally friendly energy supply
2. Conversion of the vehicle fleet to alternative drive systems
3. Modernization of technical airport facilities
4. Sustainable new constructions and energy-efficient modernization of existing buildings

HR strategy: opportunities through change

With a return to pre-crisis levels forecast for 2025/2026, the situation on the labor market in the aviation industry will continue to worsen at the same time. Specific investments are needed to recruit new staff for all areas of the Group and to retain existing employees. To make FMG more resilient in the face of external influences in the long term, we are strengthening the perception of the airport as an attractive employer both on the labor market and within the company. One focus is on the operational divisions that contribute directly to managing further traffic growth. The changing expectations of young professionals are also impacting our HR policy. Munich Airport is therefore establishing a new world of work: an adaptable organization with a positive work culture in which all employees can reach their full potential at modern, digital places of work.

Employees: development and flexibility

Since the beginning of 2023, an interdisciplinary transformation team has been advancing the cultural change required for digitalization projects within the company. The first internal conference for all Group employees that addressed topics such as error culture or new types of learning made our journey towards becoming a modern company tangible. In the future, employees will also have the opportunity to utilize various formats to better understand the upcoming changes and help shape the future of the company. FMG and AeroGround have created an essential basis for modern working with the company agreement on «Remote Working». It offers a high degree of flexibility for employees whose work allows them to work from a different location. In addition, employees can work from other EU countries for up to ten working days. Executives and employees can work together to find the optimal balance between remote and in-person working.

Expansion of HR marketing

Major investments are needed to attract the attention of interested applicants to Munich Airport. In the current highly competitive labor market, measures to meet personnel requirements are a top priority. In addition to apprenticeships for young professionals and expanding the Group's own trainee program, the focus is on targeted recruiting initiatives. For example, we are intensifying our cooperation with personnel marketing service providers, universities, and employment agencies and honing our efforts to address our target groups. The majority of vacancies are now also being advertised on a part-time basis. Employees are offered a bonus for successfully recruiting new colleagues. University students are integrated into the company at an early stage through internships, final theses, or student traineeships and the recruitment of skilled workers from abroad, particularly for operational activities, is being intensified. In addition to the continuation of established event formats such as «Berufsfit» for school students, the new Career Days will help prospective employees from all professional groups get a first-hand look at Munich Airport as a potential employer. In 2023, Munich Airport received over 16,000 applications.

Digitalization: optimizing the travel experience

We attach high strategic priority to the digital transformation of our processes and services. A Group-wide task force is planning to use modern technologies to develop Munich Airport into a premium innovation hub and make the travel experience of passengers even more efficient and thus more pleasant.

- **A smart guide to the gate**
Since the fall of 2023, smart baggage trolleys have been guiding passengers to their departure gates. 60 trolleys equipped with interactive tablets make it easier to navigate Terminal 2 and increase awareness of the offers and services that customers can use on their way to the gate.

- **Google Indoor Navigation**
In a collaboration between Munich Airport and Google LLC, the online navigation in the terminals has been expanded to include the «Indoor Live View» augmented reality function.
- **CT scanner at the security checkpoints**
Since the beginning of 2023, a project to equip all control points at the airport with a total of 60 computer tomographs and 48 newly designed control lanes has been gradually being implemented. Our passengers can therefore benefit from increased safety, greater efficiency, and improved comfort. They no longer have to show electronic devices or liquids they are carrying separately. In 2026, Munich Airport will be the first airport in Germany to be fully equipped with the new security technology and convenient control lanes.

- **Autonomous driving**
Since October 2023, a feasibility study for the operation of autonomous vehicles on the apron has been underway. The goal is to define a roadmap for the expansion of autonomous applications and digital infrastructure based on the evaluated technologies, processes, guidelines, and use cases and to implement it in the coming years.
- **Artificial intelligence**
We are currently developing guidelines and policies for dealing with artificial intelligence and are implementing the relevant initial measures. Both employees in their day-to-day work and travelers at the airport are to benefit from suitable applications.

FINANCIAL REPORT

FR

29 – 80

INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT FOR THE FISCAL YEAR 2023

The online report published in full on the Internet is decisive for the audit of the consolidated financial statements. In addition to the unconditional independent auditor's report, the full consolidated financial statements and the Group Management Report for the fiscal year from January 1 through December 31, 2023 are generally accessible at: report2023.munich-airport.com. The version published there was audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. The present printed Group Management Report 2023 corresponds to the audited version. The consolidated financial statements are presented in abridged form in the printed report. This includes the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and the consolidated statement of cash flow. The Group notes under IFRS are published only in the online report.

30	FR 01 Group Management Report	77	Consolidated statement of changes in equity
30	Situation of the Group	78	Consolidated statement of cash flows
39	Report on economic position	79	FR 03 Note on the audit opinion
53	Events after the balance sheet date	80	FR 04 Supervisory Board report
54	Outlook, opportunities and risks report		
74	FR 02 Abridged consolidated financial statements		
74	Consolidated statement of profit or loss		
75	Consolidated statement of comprehensive income		
76	Consolidated statement of financial position		

GROUP MANAGEMENT REPORT

Even though traffic figures at Munich Airport increased again compared to the previous year, they still fell short of the volumes seen before the crisis. The recovery in traffic meant that sales revenues increased to almost €1.4 billion. Earnings after taxes [EAT] improved to over €25 million during the reporting year.*

Situation of the Group

Business model of the Group

Situation

Flughafen München GmbH [FMG] is headquartered in Munich. As the senior parent company of the Munich Airport Group [Munich Airport], it is the operator of Munich's passenger airport.

Munich Airport is active via the business units Aviation, Commercial Activities, Real Estate and Participations, Services & External Business. The service profile of the Group covers virtually all the services available on the airport campus – from flight operations to passenger and cargo handling through to retailing, hotels, and gastronomy. This integrated business model and depth of added value sets Munich Airport apart from its European competitors.

Munich Airport is committed to a corporate policy of sustainability. The orientation toward economic, environmental, and social goals ensures acceptance of the airport and consequently the viability of its business model.

Main features of management and control

The shareholders of FMG are the Free State of Bavaria with 51.0%, the Federal Republic of Germany with 26.0%, and the City of Munich with 23.0%.

According to section 5 of FMG's Articles of Association, its executive bodies consist of the Executive Board, the Supervisory Board and the Shareholders' General Meeting.

Executive Board

As a rule, the members of FMG's Executive Board are appointed for five years. Re-appointments are permitted. The Executive Board consists of three members (including the Chairman of the Board), represents FMG externally and is responsible for corporate policy and the strategic direction of the Munich Airport.

The members of FMG's Executive Board receive non-performance-related compensation (fixed salary) and performance-related remuneration with short- and medium-term incentives (bonus). The bonus is primarily linked to the earnings before taxes.

Supervisory Board

FMG has a Supervisory Board pursuant to Sections 1 [1] and [6] of the German Codetermination Act [Mitbestimmungsgesetz – MitbestG]. The Supervisory Board exercises monitoring and co-determination rights. It appoints members of the Executive Board and determines their remuneration. Transactions exceeding certain thresholds or terms require Supervisory Board approval. The employee representatives in the Supervisory Board are elected by FMG employees every five years. The shareholders' representatives are appointed by the shareholders' general meeting. The term in office of the Supervisory Board members ends with

* This introduction is not part of the audited Group Management Report.

FR 01

the Shareholders' General Meeting that resolves on the formal discharge of the members for the fourth financial year after the start of their term in office.

The Supervisory Board has appointed a proposals committee, a working committee and an HR committee, and it has entrusted them with the following tasks, among others:

Committees in the Supervisory Board

Proposals committee	Fulfillment of tasks pursuant to Section 31 [3] of the German Codetermination Act [MitbestG]
Working committee	Comments for draft resolutions that require the approval of the Supervisory Board; approval in lieu of the Supervisory Board for certain legal transactions that exceed fixed value limits or terms
HR committee	Drafts the contracts of the Executive Board except for remuneration, the fully authorized representatives and the authorized officers; approves the definition of and changes to remuneration rules outside of collective agreements. Approves the introduction of and changes to salary levels of certain employees and company pension benefits.

Shareholders' General Meeting

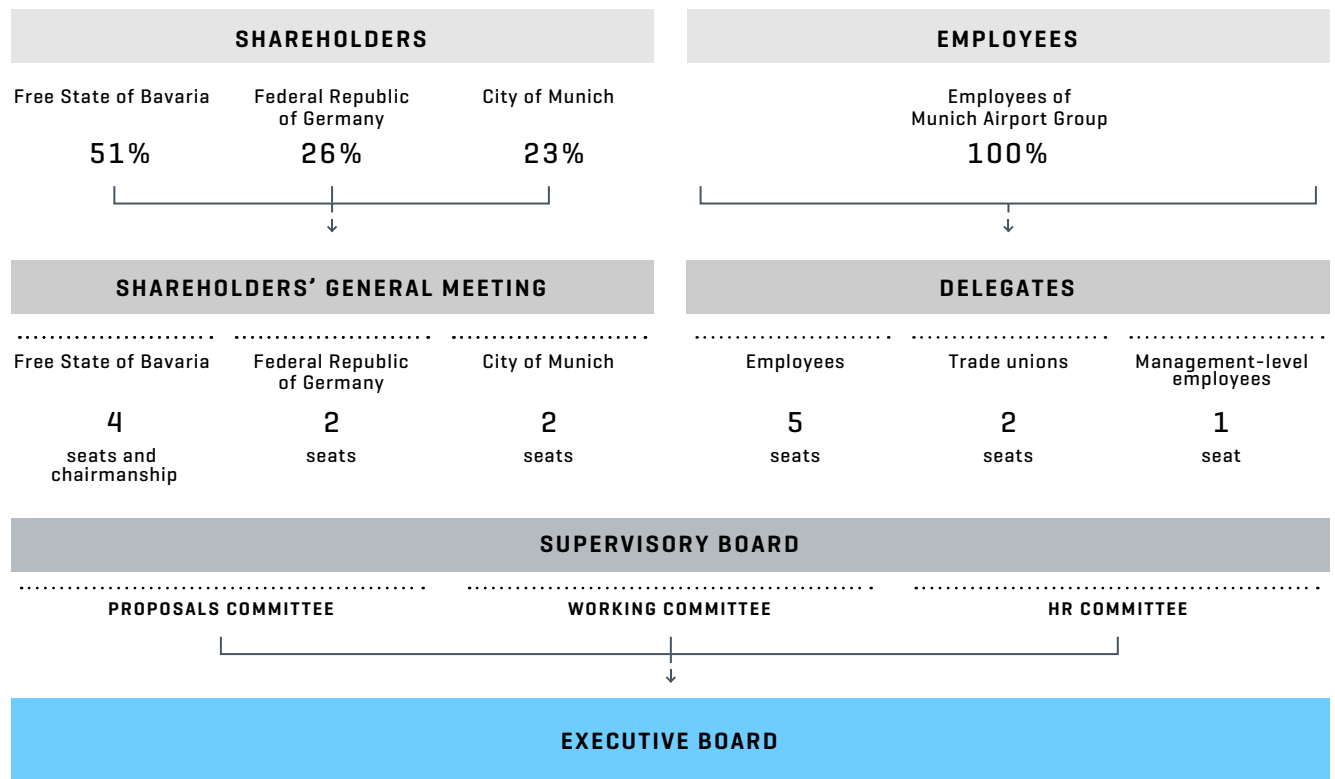
The Shareholders' General Meeting is the highest monitoring and decision-making body. Central decisions on the business and economic fundamentals of the Group (including airport expansion and borrowing of loans) must be adopted unanimously.

Group declaration on corporate governance – Information about the proportion of women

In the context of ensuring the equal participation of women and men, the Supervisory Board and Executive Board of the parent company FMG stipulate targets and deadlines for the proportion of women on the Supervisory Board, Executive Board, and on the first two management levels.

A target of 25% women has been set for the Supervisory Board by June 30, 2024. The employee representatives on the Supervisory Board are elected, while the shareholder representatives are mainly appointed on a function-specific basis. In this respect, the possibility of directly influencing the proportion of women in the Supervisory Board is limited.

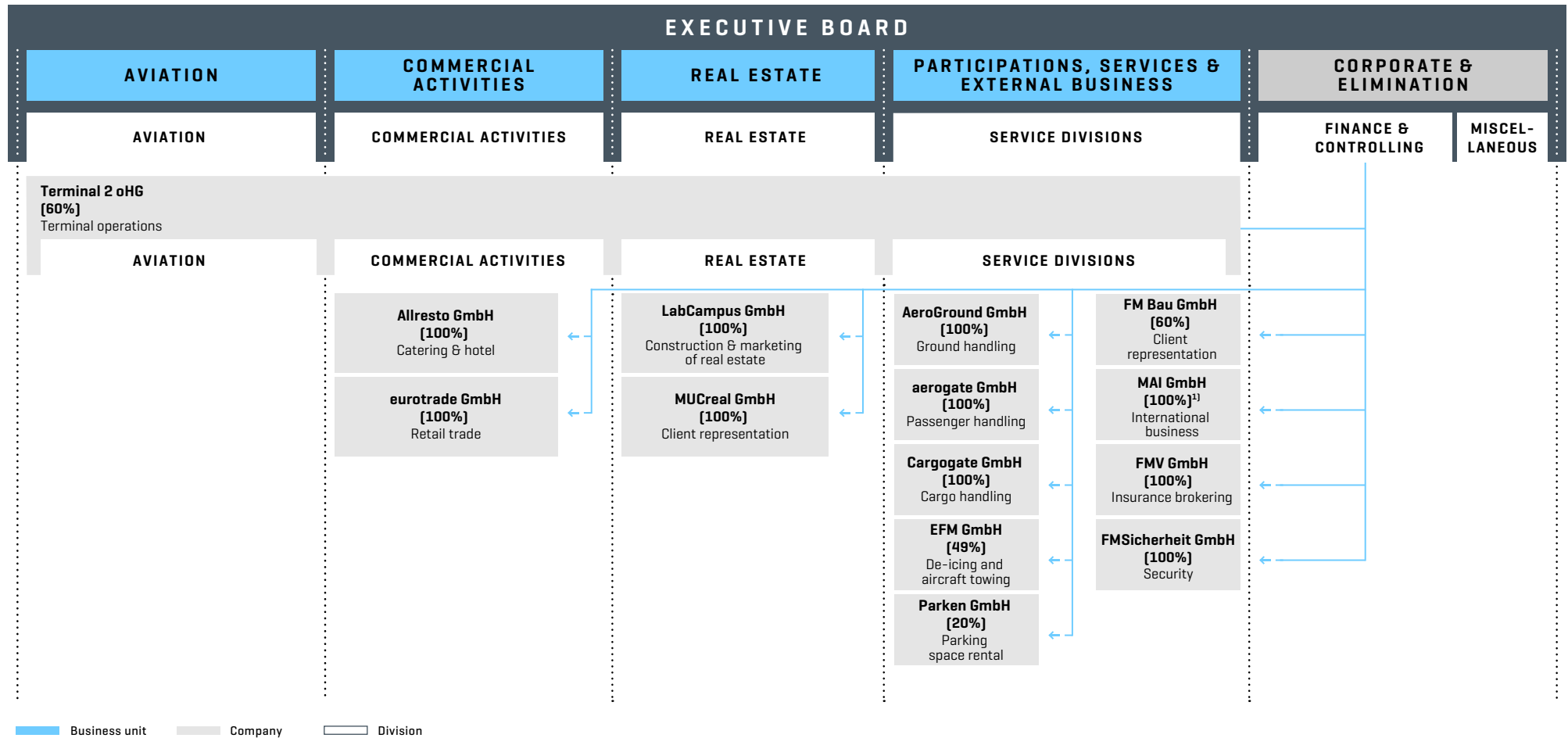
Governance structure



FR 01

Organizational structure of Munich Airport

BUSINESS, SERVICE AND CORPORATE DIVISIONS [AS OF DEC. 31, 2023]



¹⁾ Munich Airport International GmbH has a 100% equity interest in Munich Airport US Holding LLC and amd.sigma strategic airport development GmbH, as well as a 50% equity interest in ORAT AMS Group V.O.F. Munich Airport US Holding LLC in turn has a 100% equity interest in Munich Airport NJ LLC.

FR 01

The current proportion of women on the Executive Board of 33% is to be maintained until June 30, 2024.

A target level of 25% by June 30, 2024 has been defined for the first management level; the figure for the second-highest management level is 30%.

Activities

Organizational structure

The Group's organizational structure is divided into FMG's business, service and corporate divisions. The management and internal reporting of the business units is primarily handled by FMG's group management. The business units shown in the figure comprise the business and service divisions of FMG and the Group companies integrated in the business units. The business units are explained in the following sections.

InfoGate Information Systems GmbH was merged with FMG on January 1, 2023. Also on January 1, 2023, the occupational medicine division was integrated into FMG before the shares in MediCare Flughafen München Medizinisches Zentrum GmbH were sold.

There were no other fundamental changes to the organizational structure in the 2023 fiscal year. A detailed overview of the ownership structure is included in the notes to the consolidated financial statements.

As of December 31, 2023, the Group comprises the parent company, 14 fully consolidated companies, one associate, one joint operation, and two companies that are not consolidated. These are directed by operational and strategic Corporate Controlling and Investment Management in line with the business division strategy assigned in each case.

Aviation business unit

Infrastructure for airlines and passengers

The Aviation business unit covers the operation of Munich Airport's air traffic infrastructure.

Munich Airport operates two runways with a maximum capacity of 90 aircraft movements per hour during daytime operations at normal capacity. This capacity was exhausted for long stretches in normal operations in the years before Corona. Between 10 p.m. and 6 a.m., flight operations are only permitted to a very limited extent and only with particularly low-noise aircraft. Flights are not allowed between 12 midnight and 5 a.m., with the exception of emergency and medical aid flights, landings required for reasons of air safety, as well as flights in justified exceptional cases that are approved by the Bavarian Ministry of Housing, Building, and Transport as the competent authority.

The Aviation division of FMG is responsible for operating Terminal 1 at Munich Airport, while Terminal 2 is operated by Terminal 2 oHG – a partnership between FMG and Deutsche Lufthansa AG [hereafter referred to as «Deutsche Lufthansa»]. Both terminals will be continuously optimized and expanded as needed. The pier at Terminal 1, for which interior construction started in 2023, is supposed to meet the requirements for efficient security checks and terminal infrastructure when it opens in mid-2026, enabling Munich Airport to maintain and improve its status as a premium hub with a corresponding quality of stay.

Various charges are levied for the provision and operation of these air traffic facilities. In the 2021 fiscal year, the new framework agreement on charges [ERV] came into force with uniform provisions for all airlines, which fundamentally regulates the development of air traffic charges up to and including 2030 and thus ensures the refinancing of infrastructure to a defined extent. In 2023, charges increased by 4.1% on average, as per the ERV.

Munich Airport is strategically well positioned thanks to its central location in Europe in the middle of the Munich metropolitan region, which is characterized as a center of innovation, knowledge and business with a broad-based industry structure. However, growth in population and employment in the economically important airport region has slowed as a result of the coronavirus pandemic.¹⁾ While international hub traffic resumed as early as summer 2022, the gradual recovery in air traffic is also becoming evident in the business travel segment. Despite the pandemic-related losses, the demographic and economic conditions in Bavaria and especially in the airport catchment area suggest that transportation demand at Munich Airport will continue to grow in the medium to long term. Further comments on this topic can be found in the section «Economic environment».

Over the years, Munich Airport has developed into a major air traffic hub in cooperation with Deutsche Lufthansa. Jointly supported expansion measures such as Terminal 2 and the satellite building, as well as the on-going stationing of Lufthansa's Airbus A350 long-haul fleet in Munich, are the foundations of a sustainable partnership that stands for long-term growth. The stable demand at this location is also evidenced by the return of all remaining Lufthansa Airbus A380 aircraft.

Thanks to its promising market position and successful cooperation with Lufthansa, prior to the COVID-19 crisis Munich Airport had one of the most extensive networks of intercontinental connections in Europe, measured in terms of the number of destinations. In the 2023 summer timetable, the number of routes was about the same as in 2019; only the number of frequencies was lower for some destinations.

¹⁾ Prognos Zukunftsatlas 2022

FR 01

The combination of a dense network of German domestic and European links and strong local demand means that Munich Airport can once again offer an attractive portfolio of long-haul flights. Due to the attractiveness of the location for tourists and the growing catchment area with an affluent population, Munich Airport has also become an attractive location for point-to-point connections.

According to a forecast by the International Air Transport Association (IATA), global traffic is expected to return to 2019 levels by 2024.²⁾ Lufthansa anticipates that by then, it will once again operate a hub airport at Munich Airport with approximately 33 long-haul aircraft stationed there. The German aviation tax and protectionist measures – particularly the lack of traffic rights – continue to hamper market-driven growth at Munich Airport.

Cargo handling at Munich Airport is heavily dependent on the development of passenger traffic. The reason for this is that, as a rule, the majority of airfreight at Munich Airport – over 80% – is transported as bellyhold cargo on regular long-haul flights. However, globally speaking, the share of bellyhold cargo as a proportion of airfreight volumes is only around 50%.³⁾

Commercial Activities business unit

First-class service and promotions along the passenger route

The Commercial Activities business unit is responsible for developing, marketing and managing all space throughout Munich Airport that may be used for commercial purposes.

This includes supplying demand-oriented parking space capacities. At present, there are approximately 33,300 parking spaces, of which some 20,100 are close to the terminal. In addition to regular passenger parking, the product portfolio also includes the rental car business, premium parking and tenant parking, as well as landside transfer operations.

It is also responsible for strategically planning the sector mix with regard to the retail, service, and gastronomy space, as well as leasing and granting of concessions to third parties and Group companies.

Munich Airport maintains approximately 18,900 m² of gastronomy space (previous year: 18,750) and some 17,600 m² of retail and service space. FMG subsidiaries operate their own retail or gastronomy businesses on approximately 76% of the total area.

Commercial Activities is also responsible for the five-star hotel in Munich Airport's central area. It has 550 rooms and 30 conference rooms.

Commercial Activities also markets the advertising media and spaces at Munich Airport. The offer of what is known as out-of-home advertising at Munich Airport is characterized by high-profile advertising spaces with little wastage, which are tailored to clients' individual requirements.

The business unit's service portfolio also includes the event business.

Real Estate business unit

Real estate location with attractive appeal

The Real Estate business unit develops, operates, and markets all real estate and property owned by Munich Airport, both on and off-campus. The real estate location is divided into location-specific areas, which are marketed under the AirSite concept. Munich Airport has a lot to offer as a real estate location: an attractive environment, good road connections, excellent parking and a comprehensive range of goods and services for daily needs.

In accordance with the high demands placed on the entire area, an urban planning concept was developed that is continuously updated and that is already visible with the construction of the first high-rise buildings, with some already in operation.

²⁾ The ATW 2023 Forecast Special Report

³⁾ Air cargo traffic by type – belly cargo & main cargo 2019 – Statista

FR 01

Participations, Services & External Business business unit**Participations & External Business: Full-Service-Provider**

The other companies in the Group complement the range of services offered by the airport. The most significant subsidiaries are:

Significant subsidiaries

AeroGround	AeroGround Flughafen München GmbH (AE Munich) provides land and airside handling services for airline customers on site. The main business units include the classic ground handling services of aircraft loading and unloading (ramp and baggage handling), transport services for passengers and crews, ramp-side cargo transport as well as central infrastructure services.	Cargogate	As a regulated agent, Cargogate Munich Airport GmbH performs services related to the handling of airfreight and the processing of the associated customs formalities. Cargogate also offers handling services for all common special goods, such as hazardous substances, refrigerated goods and valuable goods. Cargogate is certified to provide handling services for pharmaceuticals. As a proven specialist, the company operates the border inspection post required by the EU and the airport-wide Animal Reception Center on behalf of Munich Airport; it also supplies the animal protection officer for Munich Airport.
aerogate	aerogate München Gesellschaft für Luftverkehrsabfertigungen mbH offers passenger handling, operation services with ramp supervision, ticketing services and lost & found with baggage delivery and arrival services at Munich Airport. The range of services is completed by general aviation services as well as consultancy and training.	MAI	Munich Airport International GmbH (MAI) and its affiliates provide management, consulting and training services for the aviation industry worldwide.

FR 01

Services: Energy, IT and digital for all tenants at the airport

Besides the business units and subsidiaries, Munich Airport's service divisions are also involved in external sales. The largest contribution comes from the following service divisions:

Significant service divisions

Technology	The service division is responsible for the secure and economical technical operation of the airport infrastructure. Among other things, this includes the supply of energy, maintenance of buildings and airport-specific equipment, as well as vehicle management. In addition, this division plays a key role in implementing Munich Airport's CO ₂ strategy as part of its energy supply, energy savings and energy management activities.	IT	The service division is the main IT provider for Munich Airport. It provides modern, reliable and integrated solutions for increasingly process- and data-supported airport operations. The IT service portfolio comprises various services from the fields of media and communications technology, workplace IT equipment, as well as server, database, and storage system technology. The division's core competencies lie in the integration of different technical IT platforms and the provision of customized technical system solutions to support logistics processes at Munich Airport. As part of the digital transformation, the service division actively supports change processes for the further or new development of digital business models. Compliance with security and data protection requirements and Group-wide uniform standards is gaining in importance.
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The activities in the Participations, Services & External Business unit (excluding handling services) account for a small share of the Group's external revenues, therefore a detailed explanation is not provided in the section «Economic environment». Developments relating to handling services in the Group have been included in the passages under «Aviation business».

FR 01

Control system and values management

Munich Airport measures the performance of its managers with the help of material financial and non-financial key figures. Earnings before taxes (EBT) covers the financial perspective. Non-financial key figures include the Passenger Experience Index (PEI), carbon reductions and the Lost Time Incident Frequency (LTIF).

Earnings before taxes (EBT)

Earnings targets for managers are formulated on the basis of EBT.

EBT is the input factor for determining profitability. It relates to the consolidated earnings before taxes, calculated by applying the International Financial Reporting Standards in the version adopted into European law by the European Commission.

Passenger Experience Index (PEI)

The PEI is a measurement model for customer satisfaction, which allows Munich Airport to derive location-specific targets adjusted to the needs of target groups, and to assign the fields of action for improving service to existing customer contact points. Responsibility for determining these values lies with an independent external service provider for reasons of objectivity. Using questionnaires, the provider surveys the satisfaction of departing and arriving travelers on a regular basis over the course of the entire year. On a quarterly basis and at the end of the year, Munich Airport thus receives a great deal of detailed information about the satisfaction of its passengers in eight categories along the passenger experience chain. One key figure follows from the question about general satisfaction, which is queried for both departing and arriving passengers and which forms the basis for the target definition.

Carbon reductions

In 2023, Munich Airport adopted the climate objective «net zero emissions», which means that the operation of the airport would no longer emit CO₂ into the atmosphere by 2035. To this end, emissions (Scope 1 and Scope 2) that the airport has some control over are supposed to be reduced by at least 90%. The remaining 10% would be actively and permanently removed from the atmosphere through projects that must still be selected (so-called removal).

The net zero emissions strategy (base year 2016) is a further innovation of the previous CO₂ strategy. Emissions caused directly by Munich Airport itself through energy supply and fuel consumption (Scope 1), and emissions arising from purchased energy (Scope 2), are factored into the calculation. The key figure «carbon reductions» measures the reduction in emissions resulting from the targeted implementation of carbon reduction measures. Measures (e.g. switching over to high-efficiency engines) that are designed to ensure recurring annual energy savings (electricity, heat, cooling, fuel) are implemented every year. The energy volumes that are saved as a result reduce CO₂ emissions for the following years. Factors such as the conservation of resources or the efficient use of energy can also be taken into account in this context. Depending on the data basis, the savings are determined on the basis of measurements, product data sheets or performance data on nameplates, and they are documented in the carbon database. In exceptional cases, experience values of comparable measures that have already been completed and verified are used. The savings that are calculated are extrapolated for the entire fiscal year.

To facilitate comparisons between the projected and achieved target values, Munich Airport uses the emission factor from the German Environment Agency (UBA), which is available at the beginning of the reporting year.

Lost Time Incident Frequency (LTIF)

The LTIF represents the benchmarkable Lost Time Incident Frequency. It relates the number of occupational accidents to the number of hours worked. Only occupational accidents with a lost time of one day or more are included in the determination of the LTIF. Accidents when traveling from and to the workplace are not taken into account. The key figure is collected for the two Group companies with the largest number of employees (FMG and AE Munich).

The control intention is to reduce the frequency of occupational accidents, accident-related absenteeism and the associated accident costs, as well as to raise awareness of the accident issue as a whole.

Digital transformation and innovation

The digital transformation is a very important strategic issue for Munich Airport, which must be actively shaped in the coming years. The main themes of the updated digital strategy comprise the following:

Innovation management should systematically promote the innovation culture in the company and support the implementation of the corresponding projects. The main emphasis is on new services and products that contribute to Munich Airport's economic success and strengthen its competitiveness.

For this purpose, Munich Airport uses various cross-departmental sources and initiatives that are used to track and analyze relevant market and technology trends together with experts from the specialist departments. The goal is to identify trends early on that have the potential to innovate Munich Airport's business, and to identify development opportunities for new products and services.

Digital strategy



Creation of a comprehensive data basis for the realization of data-driven projects



Positioning as a premium innovation hub



360°-customer insights & tailored offers/products/campaigns



Optimization of the employee experience using digital tools



Transformation of analog infrastructure into a smart city

Report on economic position

Economic environment

Macroeconomic environment

Subdued economic development

Both national and international economic development are crucial for a global air traffic hub such as Munich Airport.

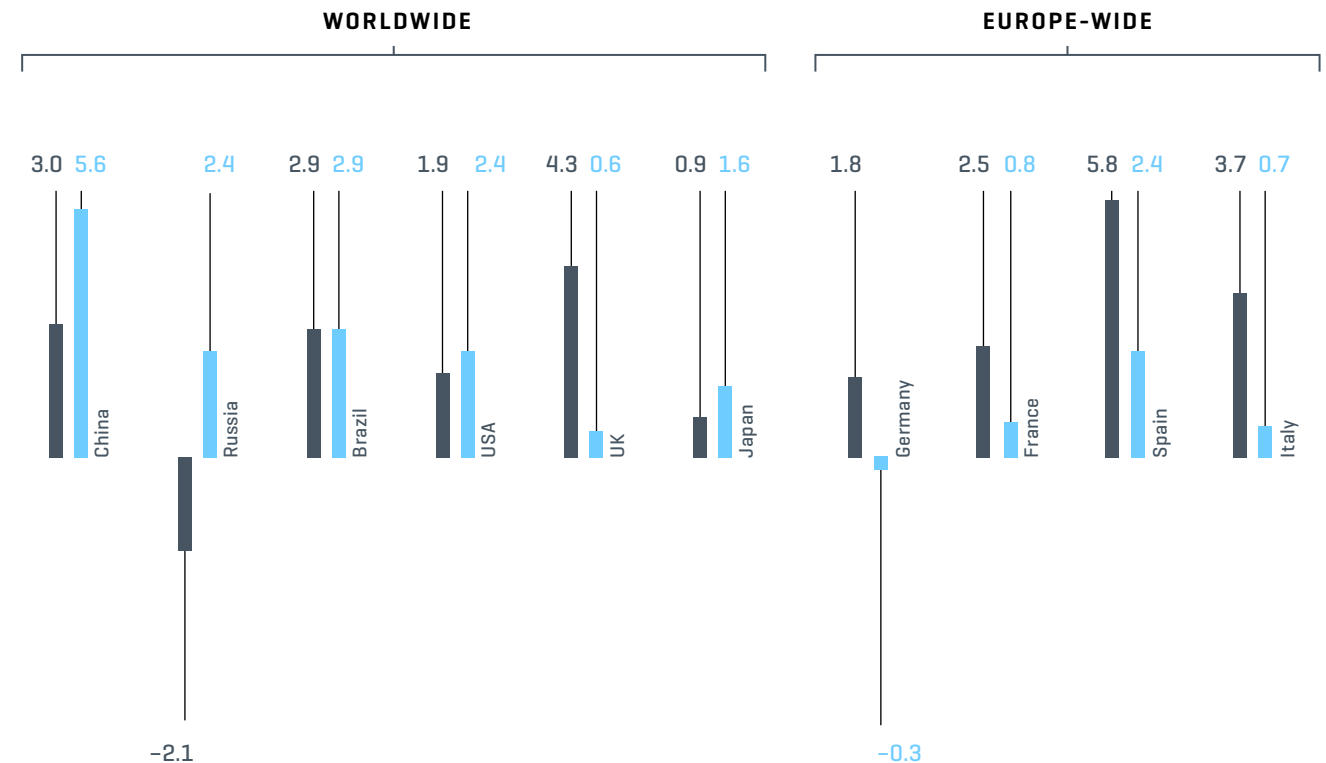
In 2023, high inflation rates, continued high energy prices and the restrictive monetary policies adopted by many central banks put pressure on the global economy. There was a significant rise in interest rates in many parts of the globe. Industry and private consumption suffered as a result, and economic uncertainty increased. Nonetheless, the global real gross domestic product (GDP) grew by 2.7% in 2023 (2022: 2.7%), which was 1.1% above the previous year's forecast.⁴⁾

In the emerging markets, the economy grew at an overall rate of 5.0% (previous year: 3.2%). The economy of the People's Republic of China was also negatively affected by the persistent real estate crisis, decreasing foreign trade and relatively weak domestic demand. Positive effects came from the end of the strict zero-COVID measures. Overall, China's GDP still grew by 5.6% (2022: 3.0%). In the Asian region, it was mainly India that contributed to strong growth with a rate of 6.8% (2022: 6.7%).⁴⁾

Economic growth of selected countries

GDP GROWTH 2022 AND 2023¹⁾ [IN %]

■ 2022 ■ 2023



¹⁾ ifo Institute, Economic Forecast Winter 2023, December 2023

⁴⁾ ifo Institute, Economic Forecast Winter 2023, December 2023; German Council of Economic Experts, Annual Report 2023/November 24, 2023

FR 01

The economies of the industrial nations suffered from the effects of high inflation and significantly higher consumer prices. Central banks increased key interest rates during the course of the year, which put pressure on private consumption and investment activity. Overall, the leading economies recorded only a small 1.5% increase in the GDP (2022: 2.5%). Positive effects came from the US economy, where the GDP grew by 2.4%. Here, economic activity was primarily supported by strong private consumption. The British economy, on the other hand, only grew by 0.6%, following a strong performance in 2022 [+4.3%]. Private consumption there was weak due to high inflation.⁴⁾

The economy in the euro zone grew slightly by 0.5%. High inflation rates had the effect of decreasing real disposable incomes and consequently put a damper on private consumption demand. In 2023, industrial economy was still burdened by the effects from the energy price shock of the previous year. The monetary policy pursued by the European Central Bank (ECB) became much more restrictive. Key interest rates increased significantly as the year progressed. Investment activities were also curtailed by higher interest rates. The European labor market continued to be robust. As a result, the unemployment rate was relatively low based on a long-term comparison.⁴⁾

The energy crisis of the previous year and high inflation rates had a profound negative impact on the German economy in 2023. While the inflation rate decreased over the previous year [8.7%], it was still 6.0% on average during the year, well above the target of 2.0%. Real wages also increased again as a result of higher wage contracts. Private consumption did not recover as people continued to save [-1.1%]. Foreign trade also declined due to weak global economic activity, and imports and exports fell by 3.2% and 2.0% respectively. Gross fixed asset investments saw little growth due to a weak construction sector [+0.2%]. Compared to the previous year, the unemployment rate rose by 0.4 percentage points to 5.7%. Overall, Germany's GDP for 2023 shrank by 0.3%.⁴⁾

In 2023, the oil price (Brent) fluctuated in a range between USD 70 and USD 96 per barrel. The price reached its highest point in the middle of September, and the lowest point in the middle of March. At the end of the year, the oil price was around USD 77 per barrel.⁵⁾

Economic environment air traffic (Aviation) Significant recovery in traffic

According to data from IATA, which is based on revenue passenger kilometers (RPK), in 2023 global passenger traffic reached 94.1% of the level before the crisis (2019). Compared to the previous year, this represents an increase of 24%; the capacity utilization of aircraft reached 82.3%. Developments in Europe were positive, as the RPK increased by 20.2% and utilization by 84.4%. Still, supply in Europe lagged the 2019 reference year by 4.8%.⁶⁾

According to IATA, 2023 was a difficult year for the global airfreight industry. Even so, a recovery trend was once again visible in the market by the end of the year. «Cargo Tonne Kilometers» (CTK) did not reach the level of the previous year [-1.9%], which means that the extra supply of 11.3% [Available Cargo Tonne Kilometers] could not be sold. Compared with the levels seen before the crisis (2019), 96.4% of freight volumes were achieved.⁷⁾

The press reports of the industry association Airport Council International (ACI) Europe ended with a positive conclusion and only noted a small decrease of 4.5% in passenger traffic compared to the 2019 reference year. The reports referenced negative factors such as high inflation, expensive tickets and geopolitical tensions.⁸⁾

In its «European Aviation Overview 2023», air traffic control service provider Eurocontrol outlined the development of flights and flyovers in Europe, taking the pre-crisis levels into account. It found that 92% of the 2019 reference year was reached in the observation period, although Germany as the third-largest market only reached approximately 80%. On the other hand, Greece [+9%], along with Turkey and Portugal [each +8%] were already well above pre-crisis levels. According to Eurocontrol, the situation in Germany is due to a stag-

nating domestic transport sector, as well as hub traffic that did not reach the level of the pre-crisis period. In terms of the airlines, low-cost airlines Wizz Air [+37%] and Ryanair [+21%] experienced the biggest recovery compared to 2019 [point-to-point traffic]. Deutsche Lufthansa, on the other hand, was still 24% below pre-crisis levels.⁹⁾

The German Aviation Association (BDL) expressly referenced the below-average growth of air traffic in Germany, mainly because of higher government site costs. The lack of point-to-point traffic, which only reached 68% of pre-crisis levels, was noted as a consequence of government intervention. In the rest of Europe, point-to-point traffic already exceeded the levels seen in 2019 [115%]. Within Germany, domestic traffic growth showed the greatest weakness outside of the Frankfurt and Munich hub airports. It only reached 25% of pre-crisis levels during the reporting year. Generally speaking, the aforementioned hub airports benefited from the recovery in long-haul and connecting traffic. While continental feeder services grew by 14%, they only reached 61% of 2019 volumes. The competition-distorting burdens within the EU led to a further shift of traffic to hub airports outside of Europe, particularly in the Persian Gulf and the Bosphorus. In the 2010-2023 observation period, the number of connecting passengers at non-EU hub airports grew from 37% to 56% in the Asia segment, and from 11% to 30% in the Africa segment. It was only in the airfreight segment that Germany was able to defend its leading position in Europe, even though tonnages decreased by 7%.¹⁰⁾

⁴⁾ ifo Institute, Economic Forecast Winter 2023, December 2023; German Council of Economic Experts, Annual Report 2023/November 24, 2023

⁵⁾ www.onvista.de

⁶⁾ IATA-Air Passenger Market Analysis December 23/Different calculation of capacity utilization according to airline standard, Seat kilometer sold/Seat kilometer offered leads to higher values, no comparability with seat capacity utilization [airport method].

⁷⁾ IATA-Air Cargo Market Analysis December 2023

⁸⁾ ACI Airport Traffic Forecast Revised 2023-2027 Outlook

⁹⁾ Eurocontrol-European-aviation-overview-20240118-2023-review

¹⁰⁾ 20240207 BDL PM Annual Figures 2023

FR 01

The airports organized in the German Airports Association (ADV) recorded significantly better traffic figures in 2023 than in the previous year. A total of 197.4 million airline passengers were processed [+19.4%]. This value was 21.3% below the year 2019. At 4,695,499 tonnes (or -7.1%), cargo volumes (airfreight and air-mail throughput) did not reach the high of the previous year and lagged the year 2019 by 2.2%.¹¹⁾

Economic environment Commercial Activities Parking – Dependence on passenger volume and passenger mix

Demand for parking has risen in line with higher passenger volume. Compared to the pre-crisis period, more passengers arrived at the airport using individual transportation rather than public transport (55% share of 2023 individual transports, constant compared to 2022). The high-revenue business passenger segment is still quite a bit smaller than it was in 2019. However, most of the shortfall was successfully compensated with higher volumes of individual travelers.

Retail sector grows mainly in the stationary segment

According to the Association of German Retailers (HDE), consumption saw only moderate growth in 2023, rising 2.9% to € 649.1 billion (which represents a real decrease of 3.4% compared to the previous year). Most of the nominal growth was generated in the stationary retail segment (2023: +3.5%).¹²⁾

Business sentiment in the retail sector worsened considerably. It declined by almost 7 percentage points compared to 2023.¹³⁾

Gastronomy and hotel industry – Subdued revenue development

Compared to the previous year, revenue in the food and hotel sector saw little growth (8.5% nominally, and 1.1% on a price-adjusted basis).¹⁴⁾

Some industry sectors changed as follows compared to the previous year: in the hotel and other accommodations sector, revenue grew by 10.8%, which corresponds to a revenue of 4.5% on a price-adjusted basis. The gastronomy sector recorded a revenue increase of 7.2% (real -0.9%), and the catering sector recorded an increase of 12.1% (real 1.8%).¹⁴⁾

Advertising industry – Growth in out-of-home advertising slows

Compared to the previous year, revenues generated by the advertising category «Out-of-Home», which is relevant to the airport, increased by around 9% to reach almost € 3 billion.¹⁵⁾

Economic environment Real Estate Munich's office leasing market with historically low annual result

The office leasing market in Munich started to feel the impact of the recessionary economic situation in 2023. Take-up of 474,800 m² was the lowest result since 1997 (2022: 754,400 m²). With a figure 448,300 m², lease revenues excluding owner-occupiers were 33% below the previous year's value (671,700 m²), with 41% generated inside the Mittlerer Ring (Middle Ring), 34% in urban district locations and 25% in the surrounding area.¹⁶⁾

Vacancies in the entire market (including surrounding areas) increased to 6.9% (Dec. 31, 2023: 1.57 million m²) compared to the previous year (Dec. 31, 2022: 1.23 million m²). With a vacancy rate of 1.2%, there was still a shortage of space in the historic section of town. Inside the Mittlerer Ring, the supply of space was moderate with a vacancy rate of 3.5%. However, vacancy rates rose noticeably in some areas of the city. Between the Mittlerer Ring and city limits,

vacancy rates of 8.3% were similar to those of the surrounding area, where 9.5% of the available space inventory was available on short notice.¹⁶⁾

The new build segment accounted for 30% of lease revenues (previous year: 45%). This led to a sideways movement in the average lease amount, which was approximately 1% lower than in the previous year (23.80 €/m² compared to 24.20 €/m² in 2022). At the same time, record values of well above 50.00 €/m² were achieved in the top segment. New builds in the city achieved 29.10 €/m² on average (2022: 30.50 €/m²).¹⁶⁾

As building starts became almost impossible to finance without pre-leasing, very few speculative properties were built in 2023. Because of the steep downturn in construction activity, the total current volume decreased to approximately 708,100 m² of office space, only 67% of which is occupied. Of this figure, 490,400 m² will be completed in 2024, with vacant premises totaling approximately 175,000 m². This means that vacancy rates will probably continue to rise in 2024.¹⁶⁾

Overall, the slump in demand was greater than expected. In the entire Munich market, only five lease agreements were recorded for the large user segment with leases of more than 5,000 m². Nonetheless, there is still general activity in Munich. Having said that, large users in particular are more cautious about leasing during periods when economic activity is weak. This trend is still expected to be very noticeable in the first half of 2024.¹⁶⁾

¹¹⁾ ADV, ADV-12.2023_MoSta-Flughäfen

¹²⁾ HDE, Annual Press Conference 2024

¹³⁾ ifo Business Climate Germany by Economic Sector

¹⁴⁾ Press Release No. 064 dated February 20, 2024 – Federal Statistical Office

¹⁵⁾ Press Release Fachverband Außenwerbung – January 16, 2024

¹⁶⁾ Colliers: Munich's office leasing market with «historically low annual result» – Press Release from January 9, 2024

FR 01

Course of business

Key events in the past fiscal year Upward trend despite economic turbulences

Overall, the year 2023 was dominated by numerous challenges: Despite intensive recruiting measures, it was not possible to always acquire the planned personnel resources, particularly in the personnel-intensive operating segments. As a result, aircraft and baggage handling, as well as security services, experienced personnel shortages during peak periods and periods of extreme weather. Accordingly, production capacities became the main limiting factor at this location (the same applies to airlines, service providers and government agencies).

The energy supply situation (still classified as critical in the previous year) eased in 2023, and stabilizing prices provided planning security. Revised emergency and back-up plans also improved the resilience and response time of Munich Airport.

The airport continued to pursue its strategy of focusing on the core business of airport operations and its direct ancillary businesses. To this end, it also reduced its investment portfolio.

Despite the difficult economic environment, the recovery in traffic volumes was quite significant in 2023, with strong growth in all areas. In addition to special effects, this also meant that Munich Airport was once again able to achieve positive earnings after taxes for the first time since 2019.

Opening of Terminal A in Newark

The new Terminal A at Newark Liberty International Airport, the operation of which is the responsibility of approximately 130 employees of Munich Airport New Jersey, successfully started regular operations in January 2023. The state-of-the-art building offers airline passengers many comforts, also due to the consistent use of digital technologies. It also exhibits regional art works, and 60 different providers (with many hailing from the New Jersey

region) will also offer a variety of food and shopping options. Every year, up to 13.6 million passengers are expected to be processed efficiently through the 33 gates.

Official opening of first quarters at the LabCampus

The LabCampus, which is located in the western part of the airport grounds, is a large innovation campus spanning some 500,000 m², which will offer the ideal collaboration environment for international groups, hidden champions and young companies. The first quarter with the two completed buildings LAB 48 and LAB 52 with the Airport Academy was opened in July 2023.

Aviation business

Significant recovery in traffic figures in 2023

Over the entire year of 2023, traffic trends were at times well above the previous year's result. However, the values of the pre-crisis period were not reached.

Traffic figures Munich Airport¹⁾

	2023	2022	Change	
			Absolute	Relative in %
Aircraft movements	302,150	285,028	17,122	6.0
Passengers (in millions)	37.0	31.7	5.3	17.0
Airfreight throughput (in tonnes)	277,199	258,857	18,342	7.1
Airmail throughput (in tonnes)	7,147	7,921	-774	-9.8

¹⁾ Deviations possible due to rounding

FR 01

With 37.0 million airline passengers (+17.0%) and 302,150 aircraft movements (+6.0%), traffic figures at the Munich Airport increased markedly over the previous year. Still, passenger figures and movements were only 77% and 72% of the values in the 2019 reference year, respectively.

Munich Airport started the year 2023 at a much higher level than in the previous year. A recovery trend, which was already noticeable during the Easter holidays, continued to gain traction as of Whitsunday. Extremely high utilization rates and high ticket prices showed that it was sometimes difficult to meet the demand.

The lifting of travel restrictions in almost all countries around the globe led to a significant recovery in long-haul traffic. Some destinations, such as the US, already surpassed the 2019 reference period at the start and during the course of the year. The important Asian market was mixed. Because of travel restrictions, China was well below pre-crisis levels, while smaller markets such as India or Thailand surpassed the levels seen before the crisis. In 2023, almost 7 million commercial passengers were transported in the long-haul segment [31% compared to 2022, but 17% lower than in 2019].

In 2023, almost 6 million commercial travelers were transported within Germany [19% higher compared to the previous year, but 40% lower than in 2019]. Over the course of the year, domestic traffic continued to recover, mainly as a result of growing demand in the business travel segment, despite high ticket prices.

Continental traffic also saw a significant recovery. Approximately 24 million commercial airline passengers used Munich Airport, which corresponds to an increase of 13%. At the same time, passenger volumes were still 19% lower than in the 2019 reference year. Capacity utilization reached a new record of 81% across all segments [2019 and 2022: 77%]. The hub traffic of Deutsche Lufthansa, which accounted for 41% of connecting passengers, was an important reason behind this development [2022: 43%; 2019: 39%].

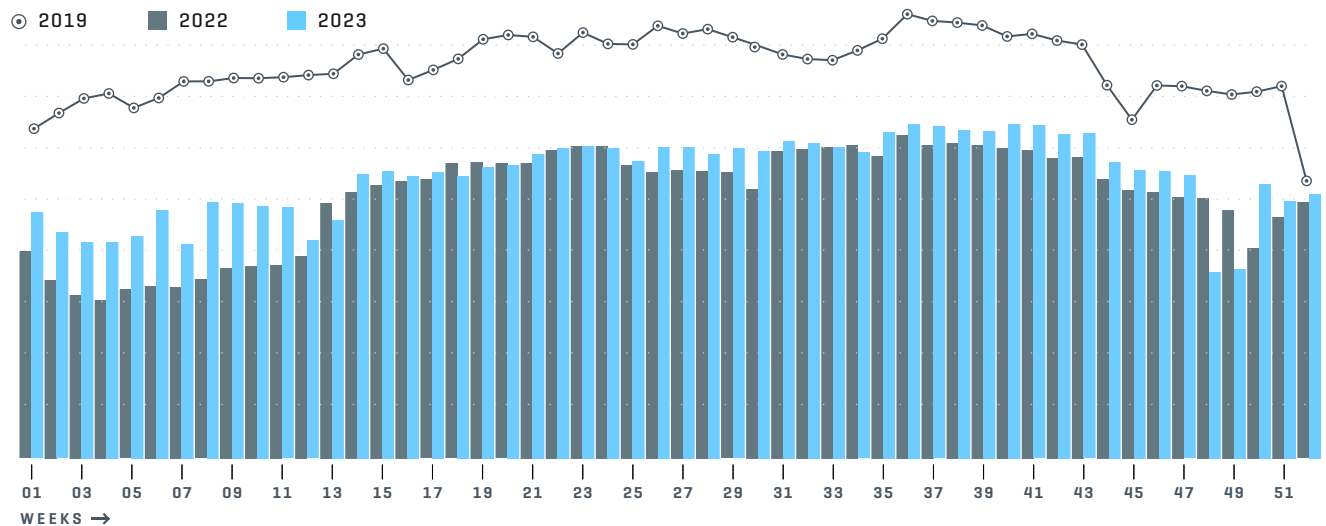
Similarly, commercial airfreight throughput also improved by 7.1% over the previous year [to 277,199 tonnes], which was only 16% below the pre-crisis level. As the long-haul passenger segment improved, bellyhold cargo volumes handled in Munich increased by 11% compared to 2022 [216,611 tonnes; -24% compared to 2019]. The share of bellyhold cargo out of the total freight volume increased to 78%, which was almost as high as the levels normally seen before the crisis [around 80%]. Generally speaking, the demand for airfreight decreased globally during the observation period. However, the freight market stabilized again by the end of the year. Munich continues to benefit from catch-up effects.

Airmail throughput decreased to approximately 7,147 tonnes [-9.8%] and only reached 39% of the 2019 volume.

Compared to the airports organized in the ADV, in 2023 Munich Airport saw above-average growth in terms of freight volumes, but slightly below-average growth in aircraft movements and passenger traffic [all in relation to the previous year]. Until November, cumulative aircraft movement volumes were still above the ADV average, but the extreme winter weather in December had a disproportionately negative effect on the traffic result in Munich. Strong passenger and movement growth at the Frankfurt airport dominated the developments in the German market. Significant catch-up effects

Aircraft movements at Munich Airport during the year [commercial traffic]

AIRCRAFT MOVEMENTS PER CALENDAR WEEK



FR 01

and the growing strength of the location were noticed particularly in the airfreight segment in Munich. As passenger hub traffic recovered, bellyhold cargo also increased along with continued high freight-only volumes [-4% compared to 2022, but +32% compared to 2019].

Traffic 2023¹⁾

IN %	ADV	Munich
Movements (total traffic excluding non-commercial traffic)	+6.6	+6.3
Airline passengers (commercial traffic)	+19.4	+17.0
Cargo (airfreight and airmail including transit)	-6.8	+5.2

¹⁾ ADV-12.2023_Monthly-Statistics_Airports

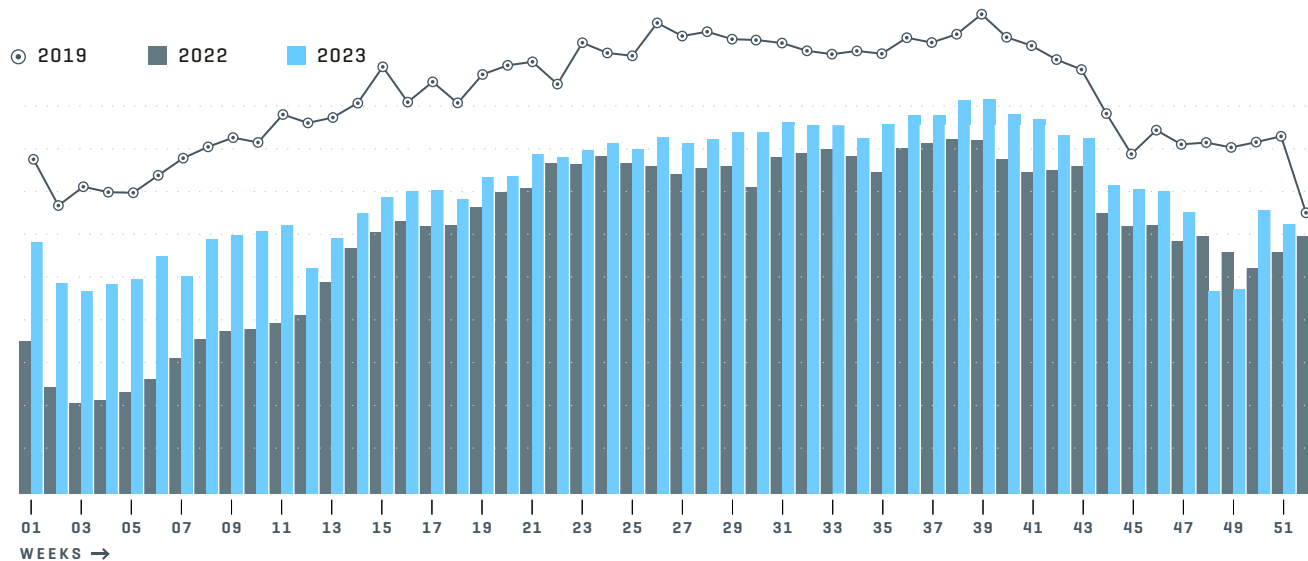
The ranking of European airports with the highest passenger volumes has seen extreme changes since the start of the pandemic, not to mention the impact of the Russian attack on Ukraine. Measured by 2023 passenger volume and aircraft movements, Munich holds the 10th and 8th place in the ranking of European airports with the highest traffic volumes.¹⁷⁾

Ground handling services in a difficult economic environment despite recovery

The subsidiary AE Munich increased handling numbers in 2023. This development was mainly due to the continued recovery in air traffic. However, the war between Russia and Ukraine continued to have the opposite effect.

Passenger development at Munich Airport during the year (commercial traffic)

PASSENGERS PER CALENDAR WEEK



There are two ground handling licenses at Munich Airport. One of these is permanently assigned to AE Munich. In 2023, AE Munich was able to increase handling volumes by 8.9% due to the recovery in traffic. Market share increased slightly by +0.7 percentage points to reach an average of 61.4% in 2023.

Commercial Activities business

Revenue in the Commercial Activities business unit grew by 18.7% compared to the previous year, partly as a result of the recovery in passenger volumes.

Parking – Disproportionate revenue growth compared to local passenger volume

In 2023, revenue in the area of parking and mobility grew by 24.5% compared to the previous year's period; revenue growth was disproportionate to passenger numbers when compared to 2022. At the same time, revenues have declined by 21% when compared to the pre-crisis level of 2019, which corresponds to a disproportionate revenue trend with regard to OGD passenger developments [-23%].

¹⁷⁾ ACI-2023-13 Munich Airport Ranking

FR 01

As renovations continue and parking spaces are not available, the capacity situation remains tense particularly in the central zone.

The rental car business performed well in line with growing passenger volumes. The shortage of vehicles, which drove revenues in the previous year, no longer existed as such in 2023. However, there were challenges with regard to existing capacity bottlenecks, and the first indications of limits to volume growth. The passenger-dependent tenant parking business remained virtually unchanged, other than a price adjustment due to inflation.

Retail – Revenue growth disproportionate to passenger developments

At an absolute level, revenues in the retail segment grew by 15.4% compared to the previous year. Revenue per passenger shrank by 1.5%, which reflects the generally cautious purchase behavior due to high inflation. Moreover, the strike days at the largest retailer eurotrade also had an effect. Moreover, Munich Airport continues to see only small numbers of wealthy international passengers from destinations such as China, Russia and the Ukraine.

Revenue growth in the gastronomy and hotel segment disproportionate to passenger developments

On an absolute level, revenues in restaurants and bars have risen 27.9% over the previous year [+9.2% per passenger]. This is due to the fact that passengers spend more time at the airport, as well as price increases due to inflation.

The hotel reported higher revenues due to higher demand for overnight stays and conferences in connection with the completion of remodeling measures at the end of 2022. At the Skytrax Awards 2023, the five-star hotel in the central area of Munich Airport was named the second-best airport hotel in Europe.¹⁹⁾

Advertising – challenging market environment

Contrary to the industry trend, advertising revenues at the airport grew by 5.1%. This development is mainly due to the large number of bookings at the end of the year.

Real Estate business

Ongoing site and real estate development

At this time, Munich Airport is building another hotel on the parcel that borders Novotel to the south, after construction had been delayed to the coronavirus pandemic. The project consists of an iBIS budget hotel with 358 rooms. Construction approval was obtained in the spring of 2023. The structural work began in May 2023. Work progressed so well that interior construction on the first floor was started in the fourth quarter of 2023. The hotel is expected to begin operations in early 2025.

The construction work for the new pier that will be added to Terminal 1 progressed well in 2023. Interior construction activities, which began in the first quarter of 2023, also included the installation of all escalators. The baggage claim in Module B was also decommissioned in June; it has been gutted since that time. This area is supposed to become a modern entrance area that is the central entry and exit point to the pier. Floor screed works inside the building started in November. In addition, planning for the interior construction comprising the retail and gastronomy units as well as the central market place at the pier also started in 2023. The pier is expected to be commissioned by mid-2026 at the latest.

The construction of two parkades was initiated to address the growing demand for parking capacities in the area of AirSite West. While P44 [2,000 parking spaces] already opened in 2021, P43 [1,800 parking spaces] was still under construction at the end of 2023; it was commissioned in the first quarter of 2024. The demolition of P8 in the central zone was completed in 2023. Initial building works for the new P8 began in the fourth quarter of 2023.

There were new personnel developments in the «FMG and Housing» project: In 2023, a room contingent was leased in Lillenthalstraße in Hallbergmoos, in order to address the demand for adequately priced living space for new employees. In addition, negotiations to expand space capacities by leasing another part of the building are currently under way.

Some traffic infrastructure projects were successfully implemented in 2023. For example, the renovation of transport hub West 1 [bridge structure] was completed in the fourth quarter. Moreover, the Nordring was renovated in the context of building sections 2 and 3, which led to the completion of the project. The «S-Bahntunnel» [suburban train tunnel] project also progressed [second building section] to the point where it reached approval-ready status for transfer to Deutsche Bahn.

¹⁹⁾ SKYTRAX, World's Best Airport Hotels 2023, November 2023

FR 01

Results of operations, assets, and financial position

Results of operations

Earnings after taxes– Return to growth

In fiscal year 2023, Munich Airport's earnings after taxes (EAT) improved significantly by TEUR 84,142 to TEUR 25,348. The various developments are explained in detail below.

Results of operations

IN TEUR	2023	2022	Change	
			Absolute	Relative in %
Revenue	1,373,301	1,187,988	185,313	15.6
Other income	43,201	45,337	-2,136	-4.7
Total revenue	1,416,502	1,233,325	183,177	14.9
Cost of materials	-461,641	-421,965	-39,676	9.4
Personnel expenses	-541,586	-500,035	-41,551	8.3
Other expenses	-95,614	-72,672	-22,942	31.6
EBITDA	317,661	238,653	79,008	33.1
Depreciation and amortization	-202,790	-266,400	63,610	-23.9
EBIT	114,871	-27,747	142,618	>100.0
Financial result³⁾	-74,608	-37,611	-36,997	98.4
EBT	40,263	-65,358	105,621	>100.0
Income taxes	-14,915	6,564	-21,479	>100.0
EAT	25,348	-58,794	84,142	>100.0

³⁾ This also includes the results from companies accounted for using the equity method.

The noticeable traffic recovery in 2023 led to an increase in revenue from airport charges from TEUR 445,565 to TEUR 516,363 (+15.9%). Nevertheless, revenues are below the 2019 pre-crisis year.

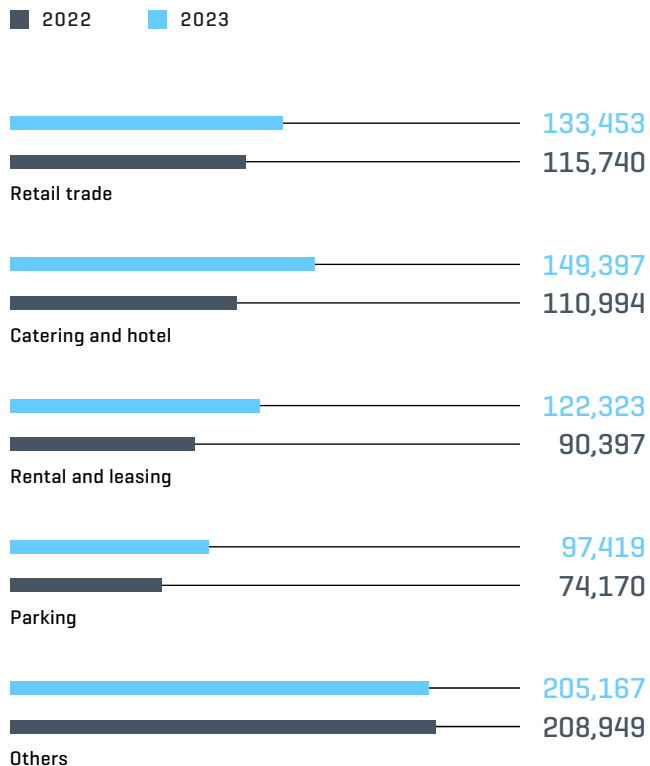
Revenues from handling services also increased by TEUR 7,005 to TEUR 149,179 as a result of higher aircraft movements and passenger volumes.

FR 01

Revenue in the other divisions developed as follows:

Breakdown of revenues of other areas

IN TEUR



Other revenues include global management, consulting and training services for the aviation industry, as well as utility services and fuel.

After more than 30 years of operation, the need for renovation of the buildings from the first expansion phase of Munich Airport continues to grow. Accordingly, expenses for renovation, optimization and remodeling measures grew by TEUR 11,571 to TEUR 128,956. The remaining items in the cost of materials increased mainly as a result of the significant increase in air traffic at the Munich location. Overall, the cost of materials increased by TEUR 39,676 (9.4%).

Personnel expenses at Munich Airport increased by 8.3% to TEUR 541,586, mainly due to wage tariff increases and numerous measures for providing financial support to employees. These mainly consisted of allowances for critical areas, relief programs and premiums. The number of employees decreased from an average of 8,543 to 8,193 persons.

Other expenses (TEUR 95,614) were well above the previous year's level (+31.6%), mainly because of higher audit, consulting and project costs, higher expenses for advertising and public relations activities, and higher contributions and fees for public utility services and other fees.

The reduction in depreciation and amortization by TEUR 63,610 is mainly due to lower impairments of assets (TEUR 6,483; 2022: TEUR 59,715). The previous year included mainly impairments on buildings in the amount of TEUR 42,889.

The financial result (including the result from companies accounted for using the equity method) deteriorated by TEUR 36,997 to TEUR -74,608. This development was due to the increase in interest expenses from loans.

Expenses related to income taxes are due to the positive results generated in the Group.

FR 01

Assets and financial position

Financial position

IN TEUR	Dec. 31, 2023	Dec. 31, 2022	Change	
			Absolute	Relative in %
Non-current assets	5,272,539	5,264,038	8,501	0.2
Current assets ¹⁾	407,057	213,036	194,021	91.1
thereof cash and cash equivalents	11,201	30,811	-19,610	-63.6
Assets	5,679,596	5,477,074	202,522	3.7
Equity	1,786,679	1,765,672	21,007	1.2
Other non-current liabilities ²⁾	2,636,230	2,566,391	69,839	2.7
Other current liabilities ²⁾	1,256,687	1,145,011	111,676	9.8
Equity and liabilities	5,679,596	5,477,074	202,522	3.7

¹⁾ Including assets held for sale

²⁾ Including financial liabilities from partnerships

Assets – Liquidity continues to be guaranteed

Non-current assets are dominated by owner-occupied property, plant and equipment (TEUR 4,975,302; previous year: TEUR 4,983,574) and investment property (TEUR 206,434; previous year: TEUR 198,774).

The increase in current assets (TEUR +194,021) is mainly due to the increase in liquidity reserves (TEUR +169,459) to TEUR 201,442 in connection with borrowings through loans at the end of the 2023 fiscal year. Moreover, trade receivables also increased by TEUR 32,365 to TEUR 112,466.

The increase in equity to TEUR 1,786,679 is mainly due to the consolidated net profit for the current financial year (TEUR 25,348).

Non-current liabilities include TEUR 475,000 in loans that were obtained in the middle of December 2023. On the other hand, loan repayments totaling TEUR 388,450 were made on schedule. Further loan repayments will be due in the 2024 fiscal year. This has resulted in the shifting of financial liabilities from non-current to current. Overall, the balance of current liabilities as of the closing date is TEUR 709,101 (previous year: TEUR 399,899).

FR 01

Capital structure

IN TEUR	As of Dec. 31, 2023	As of Dec. 31, 2022	Change	
			Absolute	Relative in %
Subscribed capital	306,776	306,776	-	-
Reserves	131,610	113,819	17,791	15.6
Other equity	1,348,273	1,345,057	3,216	0.2
thereof profit/loss of the year	25,348	-58,794	84,142	>100.0
Non-controlling interests	20	20	-	-
Equity	1,786,679	1,765,672	21,007	1.2
Financial liabilities from interests in partnerships	398,780	382,357	16,423	4.3
Shareholder loans¹⁾	518,315	512,794	5,521	1.1
Fixed-rate loans	1,794,820	1,707,533	87,287	5.1
Floating-rate loans	465,809	464,692	1,117	0.2
Loans	2,260,629	2,172,225	88,404	4.1
Derivatives	1,920	438	1,482	>100.0
Other liabilities	713,273	643,588	69,685	10.8
Financial liabilities	3,892,917	3,711,402	181,515	4.9
Equity ratio	31.5%	32.2%		

¹⁾ Including deferred interest

Compared to the previous year, the equity ratio fell slightly by 0.7% to 31.5%.

FR 01

The main terms of Munich Airport's current and non-current financial liabilities can be found in the table below:

Non-current land current loans conditions

AS OF DEC. 31, 2023

Method of funding	Currency	Interest rate	Residual debt in TEUR	Interest rate in %	
				from	to
Financial liabilities from interests in partnerships	EUR	Earnings-based	398,780	-	-
Shareholder loans	EUR	variable/earnings-based	491,913	Base rate plus margin	
Loans	EUR	Floating-rate	466,324	3M and 6M-EURIBOR plus margin	
Loans	EUR/USD	Fixed-rate	1,794,055	0.16	5.95

The shareholder loans have a due date of 2024 to 2025 and bear interest at the base rate plus a margin.

The loans have a final due date of 2024 to 2033.

The loans are subject to the usual non-financial covenants, including pari passu declarations. In addition, there are other general conventional agreements concerning repayment in the event of changes in the shareholder structure. No financial covenants have been agreed.

FR 01

Liquidity

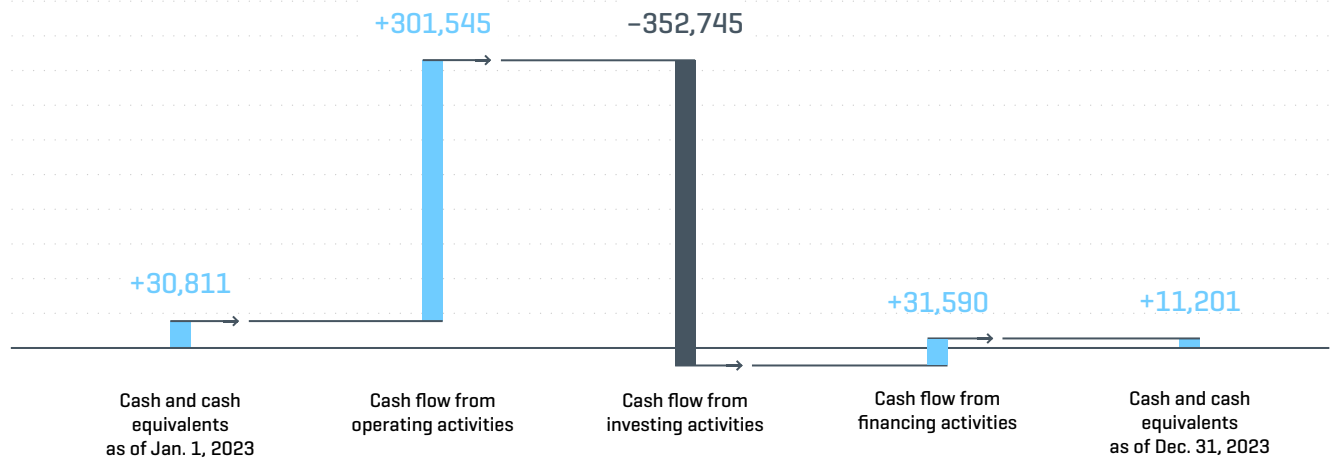
Due to improved traffic developments as well as strict cost management, the cash flow from operating activities grew significantly during the 2023 fiscal year [previous year: TEUR +159,426].

The cash outflow from investing activities resulted primarily from investments in construction projects and short-term deposits.

Compared to the previous year, the cash inflow from financing activities increased by TEUR 12,019 to TEUR 31,590, mainly because of long-term financial liabilities to secure liquidity.

Statement of cash flows

IN TEUR



FR 01

Target achievement and overall assessment

Year on year and in comparison with the forecast development, the performance indicators have trended as follows:

Forecast/actual comparison

	2022	2023		2023		
	Actual	Forecast		Actual		
		from	to			
		in %	in %			
EBT [in TEUR]	-65,358	Increase	10.0	30.0	40,263	Exceeded
Carbon reductions [in tonnes] ¹⁾	3,216	Decrease	-38.0	-33.0	2,852	Exceeded
Passenger Experience Index ²⁾	80.4	Unchanged	0.0	0.0	78.8	Not achieved
Lost Time Incident Frequency (LTIF) ³⁾	19.9	Decrease	0.0	2.0	16.0	Exceeded

¹⁾ The average consumption values from 2019 are used to calculate the carbon reductions that are generated from the replacement of vehicle types.

²⁾ The value refers to the question about overall satisfaction.

³⁾ Applies to FMG and AE Munich; 2019 (LTIF: 21.96) was used as the reference period.

Earnings before taxes (EBT)

Munich Airport's EBT for the 2023 fiscal year shows that the planned figure was significantly exceeded. This is mainly due to the positive special effects in the energy and utilities segment and the lower-than-planned workforce.

Despite the difficult economic environment, the recovery in travel volumes was quite significant in 2023, with massive growth in all areas. In addition to special effects, this also meant that the Munich Airport once again generated positive earnings before taxes for the first time since 2019.

Carbon reductions

Binding targets are agreed annually in order to achieve the long-term climate protection goals. They include stipulations regarding the implementation and recognition of efficiency measures, and special targets for the development of CO₂-reducing technologies. One example is the conversion to energy-efficient LED lighting in all building categories (terminal, hotel, office, parkade etc.).

The last few years were characterized by a large number of measures in the ventilation and air-condition technology segment. In 2023, the greatest savings in electricity (around 4.7 GWh) were generated in the lighting segment, followed by ventilation and air-condition technology. Compared to 2022, the emission factor for electricity

increased by approximately 15% to 435 g/kWh, which alone resulted in higher carbon reductions.

Renovation measures for the building shells of the freight building and the hangar led to heat savings in 2023. This has resulted in annually recurring heat savings of approximately 0.8 GWh.

While the target «Climate-neutral airport operations 2030» included specifications for emission savings in the amount of 2,000 tonnes of CO₂ in the year 2023, the new climate target «Net Zero Emissions» requires savings of 2,680 tonnes of CO₂ in order to reach the specified targets. The efficiency measures completed in 2023

FR 01

achieved savings of 2,852 tonnes of CO₂ [which are calculated for the entire financial year].

Passenger Experience Index (PEI)

Compared to 2022, in 2023 Munich Airport recorded a slight decline in passenger satisfaction as measured by the PEI. The low value was due to irregularities in operations, e.g. inclement weather, as well as a continued tense personnel situation coupled with a continued increase in traffic figures compared to the previous year, which sometimes resulted in non-compliance with service standards.

The London-based aviation research institute Skytrax once again named Munich Airport a 5-Star-Airport in 2023. In order to meet the requirements of a 5-Star-Airport, Munich Airport once again implemented measures to improve the passenger experience in 2023. For example, large monitors were installed at six locations in Terminal 1 and in the central area; they display information about all relevant mobility offerings at the airport. They also provide travelers with access to the real-time data of various services and providers. In addition, Munich Airport also implemented measures to increase process quality, including the installation of the new CT scanners for the security checks in Terminal 1 and 2, or the digitization of processes such as the use of biometrics, particularly in Terminal 2.

Lost Time Incident Frequency (LTIF)

In 2023, the LTIF for FMG and AE Munich was 16.00, which greatly exceeded the forecast value of 20.05. Compared to 2022, the LTIF decreased by 20%. This decline is due to the large reduction in occupational accidents [-16%] with a simultaneous increase in hours worked [+5%]. A comparison of the LTIF for 2023 and 2019 before the beginning of the COVID-19 pandemic [21.67] reveals that the accident frequency has decreased significantly.

Events after the balance sheet date

No events of particular significance occurred following the end of the 2023 fiscal year.

Outlook, opportunities and risks report

Outlook report

Economic and industry-specific conditions

Global economic development continues to be greatly influenced by high inflation rates. While inflation has declined recently and is expected to decrease further in 2024 and 2025, central banks are likely to leave interest rates higher for the time being, in order to prevent inflation from rising again. This interest rate level puts the brakes on private consumption and investments. However, higher wage contracts with simultaneously declining inflation are likely to boost the purchasing power of private households during the forecast period. Therefore private consumption will become a central pillar of further economic development. The current weakness in global trade and continued high energy prices are hampering industrial development. As a result, the industrial sector is not expected to provide expansionary impulses over the next few months. Accordingly, the outlook for global economic development is subdued. The ifo Institute forecasts economic growth of 2.0% and 2.3% for 2024 and 2025, respectively.¹⁹⁾

The economic output of industrialized nations is likely to expand slightly in 2024 (+1.0%). GDP growth of 1.3% is expected for the USA. In the UK, on the other hand, the economy is only expected to grow by 0.4% in 2024. Consumption and investment activity in both countries are hampered by higher interest rates.¹⁹⁾

According to the economic forecast of the ifo Institute, the emerging markets group will achieve overall economic growth of 3.8% in 2024. The Chinese economy is expected to grow at a rate of 4.3%, which is relatively low compared to the long-term average, since the situation in the real estate sector remains tense, while the export business also suffers from the negative effects of a relatively weak global economy. The Indian economy is also inhibited by weak global economic development. A growth rate of 5.7% is forecast for the year 2024.¹⁹⁾

In the euro zone, economic output is expected to grow by 1.0%. Compared to 2023, when the growth rate was 0.5%, this represents a slight recovery trend. Nonetheless, high inflation and the associated rise in interest rates put a damper on economic activity. The industrial sector is still suffering from the after-effects of the energy price shock and energy prices that are still relatively high. Labor markets remain tense due to skilled labor shortages. The ifo Institute expects the GDP in France to grow by 0.7% in 2024. For Italy and Spain, growth rates of 0.6% and 1.2%, respectively, have been forecast.¹⁹⁾

According to the forecast, the German economy will undergo a slow recovery in 2024 and grow by 0.9% [2023: -0.3%]. A weak global economy, high interest rates [due to inflation] and the after-effects of the energy price shock also have a negative effect on the economic situation inside the country. There is weakness in industry, private consumption and the construction sector. The inflation rate is expected to reach 2.1% in 2024 [2023: 6.0%]. The unemployment rate is expected to grow moderately by 0.2 percentage points to reach 5.9%. The construction sector will continue to cool due to higher interest rates and increased construction costs. Industry is likely to benefit from an increase in global trade, leading to moderate expansion. Imports and exports are expected to grow by 0.9% and 1.3%, respectively.¹⁹⁾

In 2023, the oil price [Brent] was significantly lower than in the previous year. The average price for 2023 was 82.5 USD per barrel [2022: 98.7 USD per barrel]. The ifo Institute anticipates that in 2024, oil prices will remain more or less at the level of 2023 [annual average of 81.3 USD per barrel].²⁰⁾

The demographic and economic general conditions in Bavaria and especially in the airport catchment area mean that further strong growth in transportation demand can be expected at Munich Airport in the medium to long term despite short-term slumps. According to the results of the regionalized population projection by the Bavarian State Statistical Office, Bavaria's population will grow by 4.6% by 2042 compared to 2022. A strong to very strong population increase is expected in the Munich region in particular. In the City of Munich, the figure is expected to be 6.0%; the administrative district of Munich is likely to increase by 4.8%. Four of the fastest-growing districts in Bavaria are also located in the nearby catchment area of Munich Airport. Growth of 11.0% and 10.5% is forecast for the districts of Ebersberg and Dachau, respectively, and 11.0% and 12.3% for the districts of Pfaffenhofen a.d. Ilm and Landshut, respectively.²¹⁾

In the course of the coronavirus pandemic, the global aviation market experienced a historic downturn. The end of the pandemic measures led to a recovery. In 2023, global passenger traffic [8.6 billion passengers transported] reached 94.2% of the pre-pandemic value of 2019. This recovery will probably continue into 2024. The ACI anticipates that in 2024, global passenger traffic [with 9.4 billion passengers transported] will exceed the pre-pandemic value of 9.2 billion passengers [102.5%].²²⁾ While the ACI expects the return of Asian/Chinese traffic, it still sees risks relating

¹⁹⁾ ifo Institute, Economic Forecast Winter 2023, December 2023; German Council of Economic Experts, Annual Report 2023/November 24, 2023

²⁰⁾ ifo Institute, Economic Forecast Winter 2023, December 2023

²¹⁾ Bavarian State Statistical Office, Regionalized Population Projection for Bavaria to 2042, February 2024

²²⁾ Latest air travel outlook reveals 2024 to be a milestone for global passenger traffic, September 27, 2023; ACI, Press Release, January 17, 2024

FR 01

to the economic weakness in Europe, the availability of aircraft and spare parts, and the continued existence of geopolitical risks.²³⁾

Forecast course of business

After massive traffic-related and economic losses in the course of the coronavirus pandemic, the aviation market enjoyed a significant recovery in 2022 and 2023. For the year 2024, Munich Airport expects passenger figures to increase by approximately 6%. As a result, the expected passenger volume would be more than 80% of the pre-crisis levels of 2019. However, this assumption is fraught with considerable uncertainty and will greatly depend on the future development of the political environment (mainly because of the Ukraine crisis and US-China tensions); similarly, the implications of the skilled labor shortages for Munich Airport's course of business also remain to be seen. If the above uncertainty factors escalate again, it would have a negative effect on the course of business, the results of operations and the financial key figures in the company.

With regard to revenues from airport charges, the Executive Board assumes an increase in line with traffic developments and in accordance with the provisions of the framework agreement on charges.

It is expected that the revenues in the retail segment will grow disproportionately to the recovery in traffic as wealthy customers gradually return.

Revenue from gastronomy and hotels, handling operations, parking and advertising is assumed to grow in accordance with traffic developments. On the other hand, the increase in the VAT on meals consumed locally (from 7% to 19%) will have a decidedly negative effect on gastronomy revenues.

With regard to revenue from rental and leasing, Munich Airport expects disproportionate growth compared to total revenues following the full opening of the terminal in Newark (US) in August 2023.

We believe that other revenues, which include throughput charges for aviation fuel supply, revenue for utility services and fuel, and revenues from management, consulting and training services for the aviation industry, are developing slightly less than traffic growth overall, but also depend on it only to a limited extent.

In total, the Executive Board expects revenues to grow by over 10% compared to 2023.

Overall, the cost of materials is expected to increase at a slightly higher rate than revenues. This is mainly due to significantly higher expenses for services received in connection with the full start-up of the new terminal in Newark. Similarly, in the gastronomy and retail segment, the cost of sales is also increasing due to rising passenger volumes. The maintenance and remodeling measures included in the cost of materials will also increase due to the catch-up effects from the crisis years.

The personnel expenses of the Munich Airport will increase at a moderate pace – mainly because of increases in rates and remuneration, as well as an increase in employees, particularly in the operating Group units.

Other expenses are expected to rise disproportionately due to the revived business and the implementation of various projects.

Depreciation and amortization remain virtually constant compared to the previous year.

The financial result is expected to deteriorate in connection with the revaluation of financial liabilities from interests in partnerships. Steadily increasing interest rates for new loans and variable interest loans also have an effect.

Despite the higher revenues, Munich Airport expects a lower EBT for the 2024 fiscal year due to significant increases on the expense side, although it will remain to be positive due to the recovery in air traffic.

The Executive Board continues to make every effort to secure the liquidity of Munich Airport, and to create additional financial flexibility. This is achieved with a critical review of all operational and strategic expenses and investments.

Regarding the liquidity that will be required in the future, Munich Airport is in constant contact with its principal banks. During the course of 2024, the traffic, earnings and liquidity forecast will be continuously updated and the resulting financing requirements will be derived and procured if required. This ensures that Munich Airport has the necessary liquidity at all times.

The projected liquidity usage is based on the assumption that air traffic and hence revenues will continue to recover and reach the expected levels. Another prerequisite is that expenses stay within budget range, despite dynamic macroeconomic developments. If these assumptions do not come to pass in the manner outlined, this may lead to an increased liquidity demand and consequently to earlier consumption of the existing liquidity reserves. From its current perspective, Munich Airport will be able to cover any higher liquidity requirements on the capital market.

²³⁾ ACI Airport Traffic Forecast Revised 2023–2027 Outlook

FR 01

Projected major financial and non-financial key performance indicators:

Projected major financial and non-financial key performance indicators

	2023	2024		
	Actual	Forecast		
			from in %	to in %
EBT [in TEUR]	40,263	Decrease	-60.0	-40.0
Carbon reductions [in tonnes] ¹⁾	2,852	Decrease	-24.3	-16.7
Passenger Experience Index ²⁾	78.8	Increase	1.5	6.6
Lost Time Incident Frequency [LTIF] ³⁾	16.0	Increase	25.0	27.5

¹⁾ The average consumption values from 2019 are used to calculate the carbon reductions that are generated from the replacement of vehicle types.

²⁾ The value refers to the question about overall satisfaction.

³⁾ Applies to FMG and AE Munich

Earnings before taxes (EBT)

Overall, Munich Airport expects a smaller but still positive EBT for 2024. The exact figure will greatly depend on the further course of various political developments and the macroeconomic situation, therefore it is very difficult to estimate at this time. This means that in 2024, Munich Airport is likely to again remain below the pre-crisis level.

Carbon reductions

Further carbon reductions are expected for 2024. The planned measures should primarily reduce the energy requirements for lighting and air curtains.

Passenger Experience Index (PEI)

The forecast value for the Passenger Experience Index (PEI) for 2024 is set at the 2023 level of over 80, as Munich Airport expects operations to stabilize in 2024, and it believes that achieving a PEI target value of more than 80 is a realistic scenario.

Lost Time Incident Frequency (LTIF)

As air traffic volumes grow, it becomes difficult to predict the development of Lost Time Incident Frequency (LTIF). In addition to increasing its workforce and the ensuing increase in working hours, Munich Airport plans to expand the LTIF to all subsidiaries. The LTIF forecast for 2024 is not only based on these significant changes but

also on the empirically high volatility of the LTIF and the resulting big fluctuations in this value.

In order to counteract the increase in the LTIF and stabilize the incidence of accidents, the project to strengthen the occupational safety culture at AE Munich will be continued in 2024. The aim of the sensitization measures is to reduce occupational accidents by ensuring permanently attentive behavior in the workplace.

FR 01

Opportunities and risks report

Opportunities

As an international air traffic hub, Munich Airport competes with other major passenger airports. Functional and targeted opportunity management is of central importance for maintaining and expanding the airport's market position. This is an integral part of the strategy and planning processes at Munich Airport. Opportunities are future developments and events that may lead to a positive deviation from planning or strategic targets. Both external (for example, changes in the market environment) and internal opportunities (for example, programs to increase efficiency) are considered.

All divisional heads and CEOs of the subsidiaries and associated companies are responsible for developing and implementing measures to take advantage of opportunities. In this, they are supported by the corporate division Finance and Controlling. In addition, all employees of FMG in the business units and their subsidiaries are generally required to identify opportunities in the course of their daily work and report them to their supervisors.

As a basic principle, Munich Airport strives to strike a balance between opportunities and risks. If it was likely – at the time of planning – that an opportunity would arise, it was already included in the 2024 forecast or in the medium and long-term planning. The opportunities presented therefore focus on future developments or events that could lead to a positive deviation for Munich Airport from the forecast and the medium and long-term planning.

The evaluation of opportunities is based on the risk assessment system. The economic benefit resulting from the opportunities and the probability of occurrence are divided into the following categories analogous to the risks under consideration:

Economic advantage	Amount in €
Low	1–5 million
Medium	5–30 million
High	30–150 million
Very high	>150 million

Probability of occurrence	Percentage intervals
Very low	5–10%
Low	10–25%
Medium	25–50%
High	>50%

In contrast to the risks, the probability of occurrence and financial impact (economic advantage) are not shown separately, but are combined in the «high relevance» and «low relevance» opportunity categories.

Since Munich Airport is confronted in some cases with very long planning periods, the opportunities are also indicated as to when they will occur in the short, medium or long-term.

Maturity	Period
Short-term	<2 years
Medium-term	2–5 years
Long-term	>5 years

FR 01

Compared to the previous year, the removal of the opportunity «Development of the Corona pandemic» on December 31, 2023 led to a change in the structuring of the identified opportunities. The content description and assessment of the remaining opportunities has been revised.

Overview of opportunities at Munich Airport

Opportunities	Rating	Time of occurrence	Summary of the measures
Market development	high relevance	short-, medium-, and long-term	<ul style="list-style-type: none"> Intensive airline acquisition Quality management Close cooperation with relevant stakeholders (especially airlines)
Rail access	high relevance	long-term	<ul style="list-style-type: none"> Intensive contact with political decision-makers and Deutsche Bahn In-house expertise in the field of rail connectivity
Interest and exchange rate trends	high relevance	short-term	<ul style="list-style-type: none"> Adjustment of product and service portfolio in the retail sector
Economic development	low relevance	short- and medium-term	<ul style="list-style-type: none"> Continuous monitoring of global economic developments Identification of measures to exploit opportunities in all relevant business units
Regulation and legislation	low relevance	long-term	<ul style="list-style-type: none"> Association work Use of expertise in the corporate division Communication & Politics
Implementation of climate protection measures (CO ₂ -strategy)	low relevance	long-term	<ul style="list-style-type: none"> Focusing on regional, regenerative energy supply and introduction of emission-reducing technologies
Internal process and efficiency improvements	low relevance	short-term	<ul style="list-style-type: none"> Intensive use of the expertise available in the company Efficient alignment as well as organizational changes
International business	low relevance	medium- to long-term	<ul style="list-style-type: none"> Intensive observation of relevant markets Professional customer acquisition Continuous adjustment product and service portfolio
Real Estate	low relevance	medium- to long-term	<ul style="list-style-type: none"> Intensive observation of relevant markets Professional customer acquisition

FR 01

Market development

Airline industry trends are of particular importance for traffic volumes at airports. The coronavirus pandemic created unprecedented challenges for airlines and airports. The crisis led to a reduction in personnel numbers and aircraft fleets. Demand for air travel increased greatly after the pandemic restrictions were lifted. Since then, airports and airlines have struggled with significant labor shortages. In 2023, the problems in ground handling were improved but could not be resolved completely. The resulting imbalance between supply and demand led to higher ticket prices that exceeded the generally high inflation rate. If this situation eases and ticket prices fall again, it could lead to a higher-than-expected growth in passenger volumes. Deutsche Lufthansa has already reactivated most of its previously shut down fleet. Lufthansa also decided to station its entire Airbus A380 fleet in Munich. If Lufthansa stations other machines of other types at Munich Airport in the future, it would have a higher-than-expected positive effect on passenger figures and hence the company's result.

At the moment, demand and supply for point-to-point traffic, particularly within Germany and in the business travel segment, are still well below the levels seen before the pandemic. Tight aircraft and handling capacities, along with expensive kerosene, result in high ticket prices. Competition between airlines could increase as the recovery continues. Accordingly, it is possible that in the course of the planning horizon flight tickets could become cheaper than anticipated. In that case, passenger figures would grow at a higher rate than was anticipated in the budget, resulting in higher-than-planned passenger growth and earnings for Munich Airport.

Munich Airport has been pursuing intensive quality management for some time and is just one of a small number of airports worldwide to hold the status of a 5-Star-Airport. It also has an extremely attractive catchment area, both in terms of business and private travel, and it has been operating a professional airline acquisition service for years. Deutsche Lufthansa is an important customer for Munich Airport. The company operates a hub at the Munich location and intends to maintain it in the future. In addition, co-operation is based on joint investments and long-term cooperation agreements.

If the airline market recovers more quickly than expected, and if Munich Airport is able to expand its share of the recovery, it would lead to higher-than-planned earnings in the short and medium term. Although such a scenario is uncertain due to the current situation, the resulting opportunity must be rated as «high relevance» due to its impact on the subsequent development of the company.

Rail access

For some time now, the EU in particular has been calling for the various modes of transport to be interlinked as efficiently as possible, thus conserving resources. To this end, it makes sense to optimally connect the major European hub airports in particular to the rail infrastructure. In the context of the intensively conducted climate protection debate, this topic has gained in importance in recent years.

With regard to the rail access to Munich Airport, several projects, including the Erding ring closure, the Walpertskirchen Interchange, the second main line in Munich, and the Munich-Mühldorf-Freilassing/Salzburg Line 38 extension, are currently being planned or implemented. Should an adequate connection to the long-distance

rail network also be established, Munich Airport could be efficiently integrated into a future multimodal transportation system. This would expand the passenger catchment area and consequently result in a higher-than-planned development of earnings. Regarding the long-distance rail connection, preparatory investigations for inclusion in the federal transport infrastructure planning process are currently underway in collaboration with Deutsche Bahn, Deutsche Lufthansa and the Bavarian Ministry of Housing, Building and Transport.

Munich Airport has the necessary expertise on this subject and is in intensive contact with regional and national authorities as well as with Deutsche Bahn. The goal here is to realize an optimal connection of the airport to the long-distance rail network, which would bring a considerable economic advantage. The resulting opportunity must be rated as «high relevance» in the long-term.

Interest and exchange rate trends

Favorable interest rate and exchange rate trends may have a positive impact on the Munich Airport's financial result. Thus, currency effects from the translation of results not denominated in euros into the Group's functional currency (euros) may have a positive impact on the financial results.

In the retail business at the Munich Airport, international customers (outside the eurozone) play a special role due to retail spending, some of which is significantly above average. Internal analyses have shown that fluctuations in exchange rates have a significant impact on retail revenues. A continued low euro compared to the relevant foreign currencies therefore offers the potential for an above-average earnings development.

FR 01

Interest rates are much higher than in the previous year; Munich Airport's planning therefore assumes continued high interest rates for variable-interest loans. However, if interest rates decline again during the planning period, it would have a positive effect on Munich Airport's EBT.

Altogether, the opportunity arising from interest rate and exchange rate trends must be rated as «high relevance» in the short and medium term due to the current crisis situation.

Economic development

There is a close correlation between national and global economic growth and the growth in air traffic. Inflation rates in many parts of the world have risen as a result of the pandemic and the Russian attack on Ukraine. Central banks resorted to restrictive monetary policies. Higher interest rates hamper private consumption and investments, which has a negative effect on economic activity. This is also expected to have a negative effect on the demand for vacation travel. Moreover, the difficult situation that companies find themselves in also jeopardizes the development of business travel. At the same time, there has been a significant drop in inflation rates recently. Currently, it is expected that both the US central bank (FED) and the European Central Bank (ECB) will reverse their interest rate policies in the early summer of 2024. Moreover, higher wage contracts also ensure that real wages and hence the purchasing power of private households are increasing again.

At the moment, consumer sentiment in Germany is still at a low level. High inflation, numerous global crises and the budget debates of the federal government cause uncertainty among consumers. If this situation stabilizes and the uncertainty abates, there is a chance that the economy will recover more quickly and that air traffic will also increase as a result.

Protectionist trade policy tendencies have been observed in various countries in recent years. Since air traffic volumes are strongly dependent on the degree of globalization of the world economy, protectionist measures generally have a slowing effect on global air traffic. If these trends reverse in the following years and there is a renewed political focus on the global distribution of labor, it could boost economic and air traffic growth.

Different divisions of Munich Airport intensively monitor all relevant economies worldwide. In this way, potentials for the various business units (e.g. for Aviation and Commercial Activities) are identified and appropriate measures are initiated to exploit opportunities on a decentralized basis.

Even though economic growth is one of the main factors affecting air traffic, it is not expected that short-term economic growth will be significantly higher than the current forecasts. The currently difficult geopolitical situation is also an obstacle for dismantling protectionist tendencies. The resulting opportunity must therefore be rated as «low relevance».

Regulation and legislation

Air transport has historically been a highly regulated market. Accordingly, laws, ordinances and international agreements are still decisive factors influencing air traffic today. The introduction of new regulations, as well as changes to existing ones, may involve risks, but also present opportunities for market participants.

Due to its national character, the German aviation surcharge, which was increased in 2020, has competition-distorting effects in the European aviation market. As a result, air travelers from areas close to borders are increasingly choosing airports abroad as their departure point. If the German aviation tax were to be replaced by more effective international climate policy instruments, it could reduce the competition-distorting effects. And this could lead to an increase in traffic at Munich Airport. However, based on the current budget debate, the federal government will once again increase the aviation surcharge on May 1, 2024. Therefore the probability of the potential outcome described above must be assessed as very low at the moment.

In recent years, the discussion on the creation of a Single European Sky has gained momentum. In addition to the introduction of uniformly high safety standards, the goal is to expand airspace capacity and achieve more economical supranational cooperation between the national air traffic control organizations. In concrete terms, the goal is, among other things, to enable airlines to operate more economical flight routes (direct air route). More efficient flight routes

FR 01

could lead to significant kerosene savings and thus reduce CO₂ emissions by up to 10%. While the latter could bring a positive image boost for air travel as a whole, the former would have a positive impact on demand for air travel due to lower costs. However, Single European Sky is an extremely complex issue, since it affects the national sovereignty of the individual European states. Accordingly, possible solutions must be developed by all national and European players in dialogue with industry.

In order to properly utilize opportunities arising from regulation and legislation, Munich Airport uses the expertise of the Communications & Politics corporate division and is also involved in various aviation associations, such as the BDL. The central objective here is to help shape important regulations for the aviation sector and counteract competition-distorting effects.

In summary, the opportunities arising from regulation and legislation are currently rated as «low relevance» due to the low probability of occurrence.

Implementation of climate protection measures

Munich Airport pursues the climate target of net-zero emissions until 2035 (updated in 2023). It aims to reduce the CO₂ footprint it can control to net-zero emissions through a combination of reduction and removal measures at a ratio of 90:10. To this end, measures are implemented in the area of energy supplies, technical airport equipment, buildings and the vehicle pool. Achieving these targets is associated with costs. In the field of energy generation and conservation as well as renewable energies, a progressive increase in efficiency can generally be observed, however. If this development accelerates, the costs for the climate target of Munich

Airport could be lower than expected. The Environment department and the Technology corporate division, as well as strategic sustainability management at the airport, monitor trends in this direction.

In the long-term, this could lead to higher than expected earnings. Despite changing political incentive and/or sanction mechanisms, the resulting opportunity is rated as «low relevance» due to the comparatively low earnings effect.

Internal process and efficiency improvements

The impact of the coronavirus pandemic prompted Munich Airport to launch the «Restart» change program. The program was successfully implemented and served to make the company viable and efficient for the future. In addition, increases in efficiency [through digitization projects and the IT transformation] were taken into account in the medium-term planning for Munich Airport, and ambitious targets were defined despite the currently challenging macroeconomic environment. Therefore the probability of significantly higher-than-anticipated developments must be assessed as minimal. The resulting opportunity is therefore rated as «low relevance».

International business

Despite the existing challenges in the aviation industry, the international business of Munich Airport operates in a growth market: According to IATA, demand for air travel will double by 2040, with an average annual global growth rate of 3.4%. International diversification to ensure the sustainable growth of Munich Airport is becoming increasingly important precisely because of the increasing challenges in the German and European home market.

As a result, the international business of Munich Airport enjoys long-term growth opportunities with regard to its management, consulting and training services for the aviation industry.

At the international level, the trend towards involving private companies in the management and operation of previously managed by the public sector is continuing. In the business units concession and management contracts, Munich Airport has established itself in the market through a number of initial projects. New strategic partnerships can strengthen the local market position in important target markets and ensure positive business developments.

To this end, Munich Airport closely monitors all relevant markets and developments, conducts professional customer acquisition and continuously adapts its product and service portfolio to market requirements. In this way, opportunities that arise can be optimally exploited.

In the medium and long-term, this could lead to higher than expected earnings. However, the resulting opportunity must be rated as «low relevance» due to the comparatively immaterial earnings effect.

Real Estate

The current major economic and ecological challenges are putting companies in the Federal Republic of Germany under high pressure to innovate and collaborate. Moreover, major changes are also occurring in the labor market, which will require a rethinking with regard to the future configuration of workplaces. This could lead to an expanded need for cooperative sites and test sites.

FR 01

With its «LabCampus» project, Munich Airport is creating a new type of innovation center that provides lease premises and that focuses on cross-sector collaboration, joint development, testing, presentation and realization. Seen over the long term, there is the possibility that the LabCampus will be completed earlier than has been anticipated in the current planning. An earlier start date for additional buildings and clusters would be accompanied by the corresponding revenue streams, ensuring higher-than-expected earnings.

Munich Airport keeps a close eye on all relevant markets and conducts professional customer acquisition activities in order to make the best possible use of opportunities that arise in the market. The resulting opportunity is currently rated as «low relevance» due to the long-term impact horizon.

Risk management system

The Executive Board of FMG and all subsidiaries and affiliated companies is responsible for the early detection and prevention of risks that jeopardize the continuity of Munich Airport and the investments. Group Management has overall responsibility for an effective risk management system and lays the essential foundation for this system by defining and communicating the corporate strategy and targets. It formulates specifications for the risk management process and the organizational structure of the risk management system.

The goal of the risk management system is to identify events and developments that could have a negative impact on the achievement of strategic and operational targets in good time and develop suitable countermeasures. All dimensions of the business activities are taken into account.

The general principles of risk management in the Group, as well as the tasks and responsibilities of the relevant function owners, are set out by the risk management guideline on the basis of the internationally recognized framework model «COSO ERM» [Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management].

The Risk Management Committee, which reports directly to the Executive Board, serves as an additional supportive management, control and supervisory body. It consists of the entire Executive Board, the heads of the Aviation, Commercial Activities and Real Estate business units, the heads of the Legal, Corporate Bodies, Compliance and Environment, Finance and Controlling, Group Security, Corporate Development, Communication and IT divisions, and the risk manager. The head of Compliance and the Business Continuity Management [BCM] officer also participate in the committee.

The task of the Risk Management Committee is to analyze the risks from a Group perspective and to monitor the effectiveness of countermeasures. It provides support for developing the risk management system and for risk identification, assessment, and control. The Risk Management Committee meets quarterly and issues the risk report for the shareholders.

The risk management process comprises the following steps. A digital coordination and communication platform has been established to support this process.

Identification and communication of risks

All divisional managers and Chief Executive Officers of subsidiaries and affiliated companies are responsible for the identification and assessment of risks. All risk-relevant information is coordinated,

managed, documented and forwarded through the risk managers. The risk manager checks the divisions' risk reports for plausibility and compliance with the Group-wide standards for risk assessment. The role involves combining the divisions' individual reports in a risk report, taking account of materiality for Munich Airport, and reporting quarterly to the Risk Management Committee and the shareholders. Risks that jeopardize the Group's existence that have been identified for the first time must also be reported to the Executive Board on an ad hoc basis.

As a basis for dealing with risks responsibly, each individual employee is involved in managing risks throughout the company. All employees are responsible for reporting risks in their department.

Assessment of risks

The risk assessment allows the company to determine the extent to which individual risks jeopardize the fulfillment of corporate goals and strategies, and which risks may possibly threaten its existence. For this purpose, the factors damage amount and probability of occurrence/frequency are presented in a risk matrix. The expected loss describes the impact on profits that can be expected if the risk occurs. In the case of events that recur over time, the company works with the frequency with which they occur. The assessment first takes place without considering measures to limit the risk [gross risks, see the section «Risks»]. Subsequently, the risks are assessed after countermeasures are implemented [net risks, see section «Risks»].

FR 01

Dealing with risk

Starting from the risk analysis, appropriate countermeasures for dealing with risk are specified according to the corporate strategy and economic aspects. Risk management strategies include: control, insure against, minimize, eliminate and transfer. The risk officers have the task of specifying and implementing countermeasures to manage risks in the respective division that is affected.

Risk monitoring

The risk manager continuously monitors the effectiveness of risk management. Risks are also monitored separately by Internal Audit.

Compliance management system

Compliance covers compliance with all Munich Airport-related laws, specifications and regulations, national and international rules and standards, as well as in-house rules and guidelines. To this end, Munich Airport has established a Group-wide compliance management system.

The Compliance department submits reports on the current status of the compliance management system to the Executive Board on a regular basis, and to the Supervisory Board on an annual basis.

Compliance risks are also communicated as part of the risk reporting to the Executive Board and shareholders if internal thresholds are exceeded. Regular dialogue takes place between Risk Management and Compliance.

The Code of Conduct that went into force on May 1, 2022 includes principles and guidelines for conduct in line with values and the law. It is the benchmark for everyone and applies both within the Group and third parties in the national and international context. The Code of Conduct was adjusted in 2023 as part of the coming into force of the Supply Chain Due Diligence Act [LkSG] and the Whistleblower Protection Act.

The Executive Board addresses the issue of compliance in an on-going process at frequent intervals, and the Supervisory Board is informed at regularly scheduled intervals.

Identifying and minimizing compliance risks

Every year, the Compliance department prepares the compliance risk analysis with input from the FMG divisions and combines it with the compliance risk analyses of the subsidiaries and affiliates. The Executive Board and the Supervisory Board are informed of the results. Compliance risks are assessed in the same way as the risk management process.

If, despite all countermeasures taken, a risk has a high or very high potential for damage and at the same time a medium or high probability of occurrence, then it is examined in more detail.

After consideration of the countermeasures, no significant compliance risks remain for the year 2023.

Preventing corruption

The Code of Conduct and the Gift and Invitation Policy support the Executive Board, executives and employees in behaving lawfully

and ethically in the workplace. They are published on the intranet and are therefore available to all employees. In addition, the Code of Conduct refers to the observance of other internal company guidelines, such as compliance with public procurement law during procurement and procurement processes, data protection organization or information security. These ensure that processes are transparent and traceable, both internally and externally. A declaration of commitment by the providers to avoid corruption is required during procurement and tender processes, with sanctions for violations.

The position of anti-corruption officer is exercised by the head of the Compliance department. There were no known confirmed cases of corruption in the Group for 2023.

Communication and training

A key task of the Compliance department is to train and advise the Executive Board, the executives and the employees as a preventative measure to stop compliance breaches from occurring.

All employees and executives are regularly familiarized with compliance documents and innovations. The implementation of the compliance training is documented by the specialist departments.

In order to raise awareness of compliance issues and data privacy, web-based compliance training is mandatory for all employees throughout the Group once a year; it must be successfully completed with a test. In the context of the «Check-in Compliance» manager module, compliance training is provided by an external law firm together with the Compliance department.

FR 01

Internal reporting location in the Compliance department

To implement the Whistleblower Protection Act, the Munich Airport set up an internal reporting location in the Compliance department in 2023. Employees of the Munich Airport, business partners and customers have already been able to report information about conduct that is damaging to the company since 2013, specifically by using the electronic whistle-blower system Business Keeper Monitoring System [BKMS®]; the information can also be provided in English and anonymously. It also covers the complaints procedure in the context of the LkSG. In addition, internal and external persons can also contact staff at the internal reporting location by other means of communication [telephone, e-mail, in person] if they wish to draw attention to compliance infringements. Tender documents inform potential bidders of the possibility of using the BKMS® should compliance infringements be suspected.

Data protection

Munich Airport has taken comprehensive measures to comply with the General Data Protection Regulation (GDPR) and the Federal Data Protection Act (BDSG). The subsidiaries and associated companies have appointed data protection officers to perform advisory and oversight duties in accordance with the GDPR. Data protection coordinators have also been established in FMG's specialist departments in order to identify and address the issues and risks faced by the departments.

The Group-wide data privacy policy was audited and published in an updated form. Its objective is to provide a uniform and high level of protection for data subjects when their personal data is processed within Munich Airport, and ensuring compliance with data privacy laws. Responsibility for data protection compliance is decentralized among the individual FMG specialist departments and the subsidiaries/affiliates for their respective processing activities.

Throughout the year, the data protection team in the Compliance department supported the specialist departments in charge to comply with the provisions for protecting personal data. This process is carried out in collaboration with the FMG Data Protection Officer, who is integrated into the Compliance department at the organizational level, and who exercises his/her responsibilities pursuant to Art. 39 GDPR. The Data Protection Officer is also appointed in some subsidiaries and affiliates in the same role. The data protection coordinators were continuously trained, informed and advised by the Compliance department in cooperation with the Data Protection Officer. In addition, all employees are sensitized and web-based training must be completed every year.

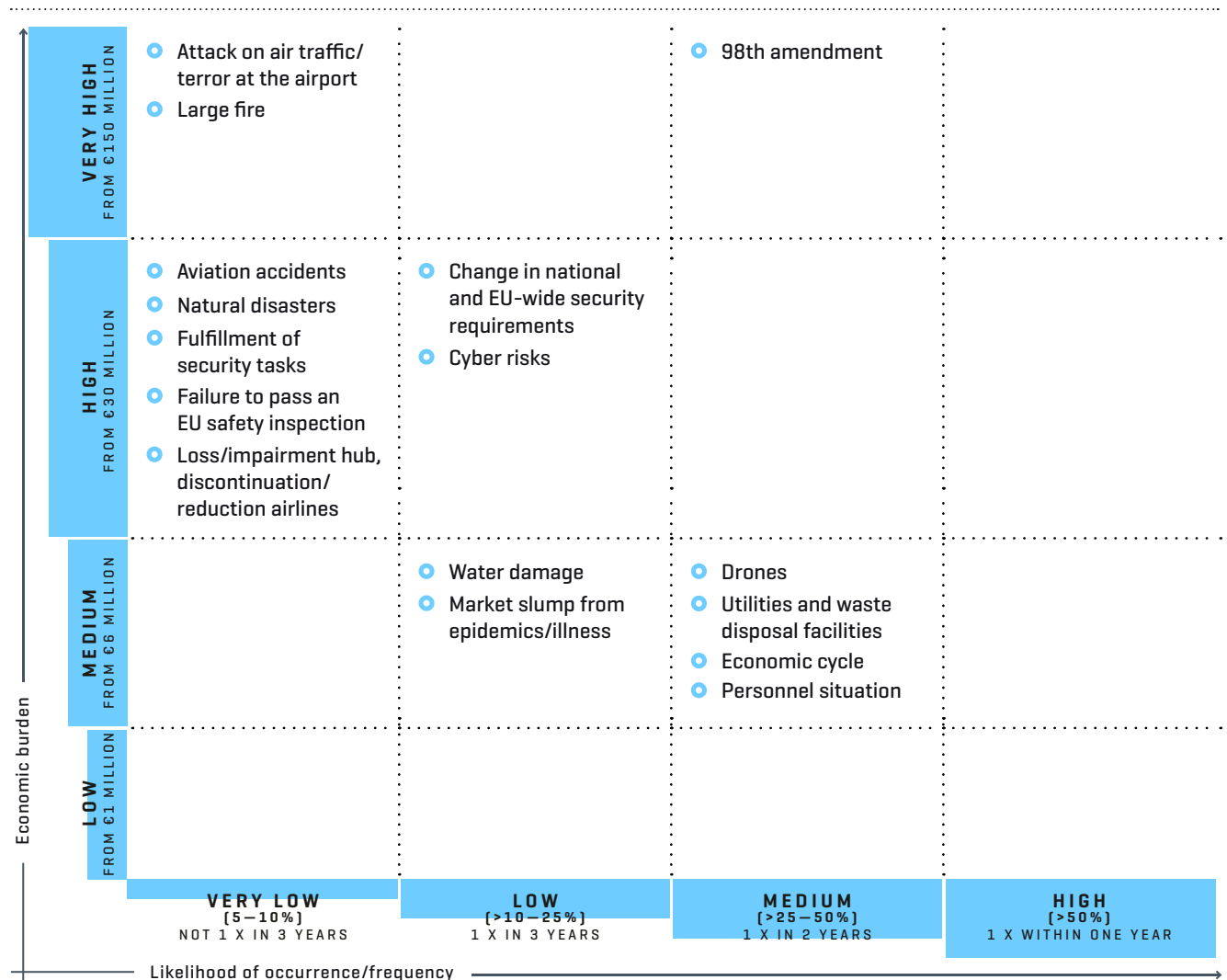
FR 01

Risks

Risks that could have a material influence on the business activity or on the results of operations, assets, financial position and reputation of Munich Airport are explained below. In each case, the risks are shown before [overview of gross risks] and after consideration of suitable countermeasures [overview of net risks].

The risk assessment relates to the economic impact in the period quoted. As of December 31, 2023, the following material gross risks were identified for Munich Airport:

Overview of gross risks



FR 01

Risks resulting from force majeure

Risk	Description and analysis	Countermeasure[s]
Natural disasters	Persistent and intensive rainfall together with melting snow and ground saturation to the south of Munich as far as the Alps could cause flood run-off in the Isar. A resulting breach of the Isar dams and the flood protection dikes near Freising could lead to flooding in the airport vicinity.	The Water Management Office has remeasured the Isar River. Studies have shown that the existing flood protection dikes in the airport's sphere of influence are adequate for intense precipitation and flash floods, which can occur during appropriate weather conditions. At this time, countermeasures are being analyzed or developed, so that the requirements for a «Hochwasser-TÜV» [technical inspection agency for flooding] can be met at all times. On a permanent basis, Munich Airport monitors the wastewater discharge and carries out maintenance and repair measures. Countermeasures are being intensified at an operational level by means of crisis and risk management procedures at Munich Airport. Insurance to cover earthquakes, storms, hail, and flooding has been arranged.
Attack on air traffic/terror at the airport	Air traffic is subject to threats from terrorist attacks and politically motivated disruptions. Aircraft and infrastructure facilities are relevant targets. In addition to bodily injury and property damage, this would result, at least temporarily, in a decrease in the number of aircraft movements and passenger figures.	To avert possible disruptions, Group security is taking strategic, operative, as well as technical and organizational measures: provision of sufficient and well-trained personnel resources, construction measures to guarantee modern and approved security technology and infrastructure, monitoring of service quality through sustainable quality measures, and constant exchange with the responsible security authorities. Bodily injury and property damage as well as interruptions of operations are insured.
Fulfillment of security tasks	The airline companies are responsible for security tasks in transferred areas. In these areas, airline companies fulfill the same task as airport operators, but are not subject to the same supervisory authority. For Munich Airport, there is a risk that inspections will reveal defects in transferred areas and the airport as a whole will lose its security status as a result. Defective controls could lead to property damage and bodily injury as well as reputational damage.	At present, a subsidiary of FMG is responsible for operational security tasks in the transferred areas; its services rendered are subject to regular monitoring by FMG. Furthermore, a mutual, intensive exchange takes place with the responsible government and supervisory authorities.
Market slump from epidemics/illness	Munich Airport is an arrival, departure and transfer point for millions of travelers and thus a potential gateway for bacteria and viruses from all over the world. Epidemic/sickness outbreaks can result in market downturns with reduced aircraft movements and passenger figures.	Munich Airport is subject to the law for implementing the international health regulations [IGV-DG]. Likewise, the rules specified by EASA [European Union Aviation Safety Agency], which are regularly audited by the supervisory authority, are met. Examples of protective measures against infection include: touch-free access points and faucets, regular hygiene inspection tests, safety distances and «eGates» for touch-free identification using facial recognition technology.
Large fire	In the event of damage to or destruction of terminals or infrastructure systems caused by a large fire, property damage and bodily injury as well as long-term interruptions of operations are to be expected.	To minimize the risk of a large fire, Munich Airport takes all necessary preventive and defensive fire protection measures. To this end, it operates its own Airport Rescue and Firefighting service. The risk of a major fire is additionally minimized by a fire insurance policy [property and interruption of operations insurance] and public liability insurance [liability claims of third parties]. After taking the countermeasures into consideration, the net risk is below the risk tolerance limit.
Aviation accidents	Aviation accidents or damage to aircraft can result in bodily injury and property damage, as well as interruptions of operations and secondary damage.	To minimize the risk, Munich Airport maintains an Airport Rescue and Firefighting service, a medical service, and a counseling team. The risk of aviation accidents is minimized through liability insurance and fully comprehensive insurance. After taking the countermeasures into consideration, the net risk is below the risk tolerance limit.

FR 01

Market risks

Risk	Description and analysis	Countermeasure[s]
Loss/impairment hub, discontinuation/reduction airlines	<p>Following the outbreak of the coronavirus pandemic, traffic development was greatly diminished for two years. The effects of the coronavirus pandemic have subsided, as reflected in the resumption of connection from and to China in the summer of 2023, among other things. The continued Ukraine conflict has little effect on traffic developments at the Munich location.</p> <p>The resumption of flights involving the aircraft type Airbus A380 in the summer of 2023 underlines the importance of Munich as a hub location for Deutsche Lufthansa. The rebuilding process is continuously enhanced. Next summer, Deutsche Lufthansa plans to use the Airbus A380 daily on five routes leaving from Munich. This will generate a hitherto unseen number of flights to intercontinental destinations.</p>	<p>Munich Airport's collaboration with DLH is based on joint investments and long-term cooperation agreements. This is also reflected in the letter of intent (Lol II) in the context of the MUC2030 project.</p> <p>Munich Airport offers an excellent connection quality and in 2023 was ranked in sixth place for hub connectivity in the «Airport Industry Connectivity Report 2023» of the international airport association ACI.</p>
Economic cycle	<p>The global economy is burdened by a number of different crises. The outbreak of the Ukraine conflict has put a significant damper on the economic recovery from the pandemic-related downturn.</p> <p>The Ukraine crisis and the sanctions imposed on Russia by many Western countries led to a significant increase in energy and commodity prices. Energy markets eased as a result of the savings measures implemented by industry and private households, new import sources for energy deliveries, and mild temperatures in the winter of 2022/2023. Nevertheless, global inflation rates are still very high. Similarly, protectionist and economic policy directions can also have a negative effect on the global economy.</p> <p>By way of an international comparison, air traffic in Germany is recovering more slowly.</p>	<p>The reduction of expenditures by means of cost-cutting measures in all areas, socially acceptable staff reductions and a short-term reduction in the investment budget in non-critical divisions have mitigated the consequences of economic slowdowns.</p> <p>To ensure solvency, revolving credit lines exist or loans can be taken out on the capital market.</p>

FR 01

Operating risks

Risk	Description and analysis	Countermeasure[s]
Cyber risks	Constant new technological developments and the increasing threat of cyber attacks worldwide lead to risks in relation to the security of IT systems and networks as well as data security. In the area of cybercrime, there is an increasing, abstract potential risk that requires constant monitoring and assessment. Failure of IT for traffic operations can lead to interruptions in operations. This would result in financial losses and reputational damage.	Critical corporate IT systems are fully redundant with systems located in physically separate locations. Property damage and business interruption are covered by all-risk insurance. To avert a cybercrime attack, strategic, technical, and organizational measures are specified and monitored by an information security management system, and executives and employees receive regular training. In the Group's own competence center against cybercrime, IT specialists at Munich Airport work together with experienced IT security companies to develop new procedures for combating cybercrime. To reduce losses, FMG has taken out insurance against cyber risks. In addition, the new cyber security program was also initiated.
Water damage	Water damage caused by a break in the main drinking water or fire extinguishing water pipelines could lead to the failure of infrastructure systems important for flight operations.	Remotely controlled emergency shut-off equipment and additional protective devices in the pipeline connections limit the possible damage. Property damage and interruptions of operations are insured. After taking the countermeasures into consideration, the net risk is below the risk tolerance limit.
Change in national and EU-wide security requirements	Munich Airport is subject to national and EU-wide aviation security requirements, encompassing the topics of airport security, air passenger and hand luggage checks, airfreight, airmail and goods control, among others. Security requirements are adjusted continuously to the current circumstances. This can give rise to procedural and also infrastructural changes for Munich Airport. Corresponding financial burdens would then follow.	Munich Airport attempts to minimize these consequences through work in associations and on committees. Early information relating to ongoing legislative procedures ensures the timely implementation of security regulations. Additional expenses incurred as a result of infrastructural changes are considered in the framework agreement on charges.
Failure to pass an EU safety inspection	The EU's aviation authorities are conducting safety inspections at airports. Should it fail to comply with a safety standard and subsequently fail the follow-up audit, Munich Airport can lose its «Clean» status. The consequences would be a heightening of the safety regulations, considerable obstruction with operational processes, competitive disadvantages, and a loss of image. The last inspection in May 2022 was completed successfully.	Munich Airport conducts thorough and strict quality controls to manage the quality of all safety aspects at the airport. The quality controls have shown that the countermeasures taken and the consistent monitoring are effective and that – in theory and practice – very well trained personnel are employed.

FR 01

Operating risks

Risk	Description and analysis	Countermeasure[s]
Utilities and waste disposal facilities	Insufficient availability of utilities required for operations, such as electricity, heating, cooling, drinking and fire-fighting water, wastewater and waste, can lead to property damage and business interruptions.	The service and maintenance programs, network redundancies and storage, as well as suitable personnel, reduce the risk of gaps in supply. Property damage and interruptions of operations are insured. After taking the countermeasures into consideration, the net risk is below the risk tolerance limit.
Personnel situation	As traffic improves again, there is a risk of labor shortages, which could lead to long wait times and delays in aircraft handling. Regardless of the tight staffing situation, care is taken to ensure that sufficient qualified personnel are available to maintain operator responsibilities. In view of the overall economic situation and the wage developments observed in the market, it is expected that personnel costs will rise faster than in the past.	Numerous measures that are designed to provide financial support to employees were undertaken (including allowances for critical areas, implementation of relief programs, premiums). New applicant markets were also developed with the increased use of recruiting measures.
Drones	After the German government adopted stricter rules on the operation of drones in airport control zones in 2017, the EU Commission added a regulation on the safe operation of drones in 2019. At the national level, legal responsibility was regulated on this basis. German Air Traffic Control [Deutsche Flugsicherung – DFS] is responsible for all German commercial airports. Details of this were published in the Federal Law Gazette on June 17, 2021 and are in force. In the coalition agreement of the German government, the detection and defense of drones is classified as a sovereign task. It therefore does not lie with the airport operator.	Munich Airport has taken measures to minimize the impact on operations in terms of safety and security. This includes, among other things, participation in the uniform regulation of drone traffic via associations [ADV, ACI, BDL] as well as participation in EASA initiatives, public education, and participation in a test project on «Technology for Future Drone Detection» with DFS. The systems demonstrated in the test project need to be further developed to ensure effective, reliable use at commercial airports. To this end, DFS, with the support of Munich Airport, is in close contact with system manufacturers. After taking the countermeasures into consideration, the net risk is below the risk tolerance limit.

In addition to the risks shown in the matrix, the risk «Reorganization of ground handling» also existed in the previous year.

FR 01

Legal risks

Risk	Description and analysis	Countermeasure[s]
Construction price increases	Risks can arise in construction projects from increases in construction prices, supplier defaults, planning delays and external influences from the public, the environment, politics, changes in technology, rules of technology or other requirements, including the postponement of construction projects.	The investment projects are planned appropriately in terms of their commercial viability, their financial feasibility and the risks associated with the investments, and they are monitored continuously during implementation. The gross risk here is below the risk tolerance limit set by FMG and is therefore not represented in the risk matrix.
98th amendment	Due to the political moratorium and the resulting postponement of the decision to realize the third runway, all planning and land acquisition costs incurred to date must be tested for impairment on an ongoing basis and written off if necessary. Without an increase in capacity brought about by the construction of the third runway, there could be capacity bottlenecks and a significant loss of company value in the medium and long term. It will be influenced primarily by stagnating or declining traffic volumes and the associated lower revenues in the Aviation and Non-Aviation divisions. The moratorium was extended until 2028 with the latest coalition agreement for the current legislative period in Bavaria.	The confirmation of the planning approval decision by the Bavarian Administrative Court (BayVGH) on February 19, 2014 and in the following year by the German Federal Administrative Court limited the legal risks for project implementation. Diversification of the product range and expansion of foreign business are planned or already being implemented as countermeasures to the significant loss of company value. The appropriate expansion of the airside infrastructure remains a key strategic project for Munich Airport in the medium and long-term.
EU General Data Protection Regulation	There are also risks in connection with the GDPR. The GDPR expands the existing obligations arising from the GDPR and increases the legal, operational and technical/organizational requirements for data protection. An infringement of these rights and obligations could incur high fines, claims for damages, reprimands and reputational damage. In 2023, Munich Airport considered issues related to the use of closed circuit television (CCTV) video surveillance and the use of Microsoft 365.	The following measures were implemented to address data protection risks from CCTV: role usage concept, re-signage to indicate video surveillance, renegotiation of the company agreement on CCTV, consolidation of the legal basis, implementation of a data protection consequence assessment. During the implementation of Microsoft 365, the relevant implementation recommendations were issued, in order to reduce the risks particularly with regard to the disclosure of personal data. The gross risk here is below the risk tolerance limit set by FMG and is therefore not represented in the risk matrix.

FR 01

Munich Airport is confronted with various legal disputes during the normal course of business. These can lead, in particular, to the payment of compensation claims or, in the case of construction projects, to changes in the remuneration of services. Moreover, other legal disputes can be initiated or existing legal disputes can be expanded. Apart from matters for which provisions have already been made in the balance sheet, Munich Airport is not currently anticipating any material negative impacts for the results of operations, assets and financial position from other known cases at the present time.

In the case of foreign subsidiaries, risks may arise in particular from the assumption of operational responsibility abroad in the context

of consulting services for other airports and the operation of terminals. Airport operator projects run for long periods of time and are subject to the general economic and company-specific risks – ranging from future air traffic developments to changing consumer behavior on the part of airline passengers. To minimize risk, Munich Airport therefore works with local partners who have experience with respect to the specific country regulations and conditions. To counter liability risks for Munich Airport in particular, local limited liability corporations have been established outside Germany to act as independent entities and as local contractors. Risks may also arise from unforeseen regulatory intervention in the tariff, tax and levy structure of airports or from contractual breaches to the detriment of airport operators.

[Operational] audits by tax authorities are also considered a general risk.

Financial risks

The expected financial burden for the gross financial risks listed below were under the reporting limit as at December 31, 2023. Therefore they were not included in the risk reporting. The monitoring and management of these risks are the responsibility of central finance and cash management.

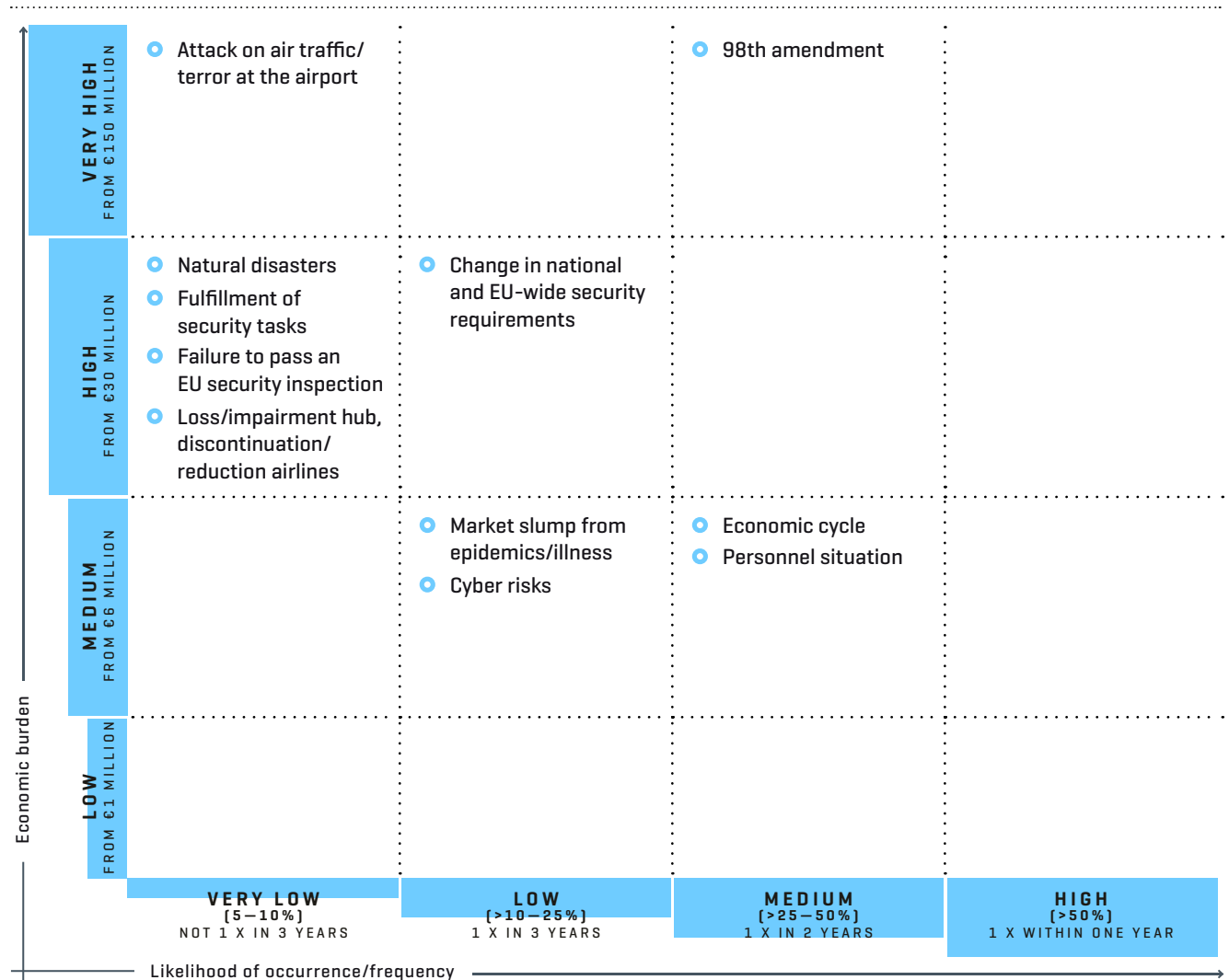
Financial risks

Risk	Description and analysis	Countermeasure[s]
Currency risks	Currency risks arise insofar as planned revenue in foreign currencies is not balanced by any corresponding expenses in the same currency.	Munich Airport hedges currency risks using foreign exchange transactions.
Credit and default risks	Credit and default risks primarily arise from short-term deposits as well as trade receivables.	Deposits are [generally] only made with [German] credit institutions with deposit protection. The management of risks of default includes credit checks for customers, continuous monitoring of outstanding items and a stringent dunning system. Dependent on the credit rating, certain services are only performed against prepayment or provision of collateral in the form of guarantees.
Interest rate risks	Interest rate risks largely arise from floating-rate financial liabilities from loans, and financial liabilities to shareholders. In October 2023, the ECB stopped raising the key interest rate. The market anticipates that the first interest rate reductions will take place in the early summer of 2024.	Munich Airport counters interest rate risks from floating-rate financial liabilities from loans by hedging with interest rate payer swaps. Strategies for limiting the medium-term interest risks are examined against the background of a changing environment.
Liquidity risk	Liquidity risks may arise from banks' lending practices and changes in the general conditions on the capital market with regard to the assets, financial position and results of operations. Munich Airport monitors the risk as part of its long-term business planning and short- and medium-term financial planning.	To secure liquidity, Munich Airport has established a liquidity management system. Liquidity planning takes into account the ongoing business, the investments and the financing aspects for the entire Group. It also focuses on ensuring access to credit and capital markets. In order to ensure solvency at all times, long-term credit lines and liquid funds are made available based on a rolling liquidity plan.

FR 01

After considering countermeasures, the following net risks remain:

Overview of net risks



FR 01

Overall assessment of the opportunities and risk situation

It is important for Munich Airport to actively seize opportunities as they arise in order to secure and further improve its position in the market through steady growth. However, it is also a key objective of Munich Airport to recognize risks in good time and to counter them systematically.

Therefore, the actual expected impact of possible events and developments is already taken into account in the business planning every year. The reported opportunities and risks are defined as potential deviations going beyond the forecast corporate result. Munich Airport consolidates and aggregates the risks reported by the corporate divisions and Group companies, and reports quarterly to the Executive Board and shareholders. Opportunities are identified and managed in collaboration with the Finance and Controlling corporate division.

No risks were foreseeable from the Group-wide risk management system or in the assessment of the Executive Board during the current forecast period, which individually or in their entirety could jeopardize the continued existence of Munich Airport. The Executive Board is convinced that it will be possible to access liquidity in order to cover financing requirements, as was the case in the previous year. With its diversified business units, Munich Airport's fundamental earnings power forms a solid basis for exploiting opportunities for future business development and for providing the necessary resources to accomplish this.

Munich Airport would like to point out that various known and unknown risks, uncertainties and other factors could lead to material differences between the actual events, the financial situation, the development or performance of the company and the estimates given here.

Munich, April 8, 2024

Jost Lammers Nathalie Leroy Jan-Henrik Andersson

ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of profit or loss

TEUR

	Disclosure	2023	2022
+ Revenue	VI.1	1,373,301	1,187,988
+/- Changes in inventories and work in progress		0	-64
+ Own work capitalized	VI.2	12,177	14,869
+ Other income	VI.3	31,024	30,532
Total revenue		1,416,502	1,233,325
- Cost of materials	VI.4	-461,641	-421,965
- Personnel expenses	VI.5	-541,586	-500,035
- Other expenses	VI.6	-95,614	-72,672
Earnings before interest, taxes, depreciation and amortization (EBITDA)		317,661	238,653
- Depreciation and amortization	VI.7	-202,790	-266,400
Operating result (EBIT)		114,871	-27,747
+ Interest result	VI.8	-97,001	-37,280
+/- Other financial result	VI.8	21,106	-115
Financial result		-75,895	-37,395
+ Result from companies accounted for using the equity method	VII.4	1,287	-216
Earnings before taxes (EBT)		40,263	-65,358
+/- Income taxes	VI.9	-14,915	6,564
Group profit/loss of the year (EAT)		25,348	-58,794
of which assignable to owners of the company		25,347	-58,794
of which assignable to non-controlling interests		1	0

FR 02

Consolidated statement of comprehensive income

TEUR			
	Disclosure	2023	2022
Group profit/loss of the year		25,348	-58,794
+/- Cash flow hedges	VII.16	-2,595	3,055
+/- Deferred taxes not affecting profit or loss	VII.6	471	-601
+/- Effects from foreign currency translation		-757	1,267
Items that are reclassified to the statement of profit or loss		-2,881	3,721
+/- Actuarial profit or loss	VII.17	-2,023	7,776
+/- Deferred taxes not affecting profit or loss	VII.6	563	-2,163
Items that are not reclassified to the statement of profit or loss		-1,460	5,613
= Other comprehensive income net of tax		-4,341	9,334
Total comprehensive income		21,007	-49,460
of which assignable to owners of the company		21,006	-49,460
of which assignable to non-controlling interests		1	0

FR 02

Consolidated statement of financial position

TEUR							
Assets	Disclosure	As of Dec. 31, 2023	As of Dec. 31, 2022	Equity and Liabilities	Disclosure	As of Dec. 31, 2023	As of Dec. 31, 2022
Intangible assets	VII.1	14,567	11,717	Subscribed capital	VII.12	306,776	306,776
Property, plant, and equipment	VII.2	4,975,302	4,983,574	Reserves	VII.12	131,610	113,819
Investment property	VII.3	206,434	198,774	Other equity	VII.12	1,348,273	1,345,057
Investments in companies accounted for using the equity method	VII.4	2,789	1,502	Non-controlling interests		20	20
Receivables	VII.5	1,346	5,009	Equity		1,786,679	1,765,672
Contract assets	VII.23	42,642	47,962	Financial liabilities from interests in partnerships	VII.14	398,780	382,357
Other financial assets		857	2,560	Liabilities	VII.15	12,984	11,552
Deferred tax assets	VII.6	21,715	5,211	Other financial liabilities	VII.15	1,810,960	1,786,848
Other assets	VII.9	6,887	7,729	Employee benefits	VII.17	67,140	68,437
Non-current assets		5,272,539	5,264,038	Other provisions	VII.18	74,435	69,383
Inventories	VII.7	30,420	24,848	Deferred tax liabilities	VII.6	260,147	234,766
Receivables	VII.8	125,628	88,986	Other liabilities	VII.20	11,784	13,048
Contract assets	VII.23	9,939	7,801	Non-current liabilities		2,237,450	2,184,034
Other financial assets	VII.8	878	0	Liabilities	VII.19	185,046	167,770
Current income tax assets		1,105	973	Contract liabilities	VII.23	14,181	5,598
Other assets	VII.9	25,407	26,597	Other financial liabilities	VII.19	988,142	915,465
Short-term deposits	VII.10	201,442	31,983	Employee benefits	VII.17	36,681	29,671
Cash and cash equivalents	VII.10	11,201	30,811	Other provisions	VII.18	10,457	11,618
Current assets		406,020	211,999	Current income tax liabilities		7,257	1,707
Assets held for sale	VII.11	1,037	1,037	Other liabilities	VII.20	14,923	13,182
Assets		5,679,596	5,477,074	Current liabilities		1,256,687	1,145,011
				Equity and Liabilities		5,679,596	5,477,074

FR 02

Consolidated statement of changes in equity

	Disclosure	Subscribed capital	Reserves		Other equity	Non-controlling interests	Equity
			Capital reserve	Revenue reserve			
As of Dec. 31, 2021	VII. 12.	306,776	102,258	-12,175	1,418,253	20	1,815,132
Group profit/loss of the year		0	0	0	-58,794	0	-58,794
Other comprehensive income		0	0	5,613	2,454	0	8,067
Total comprehensive income		0	0	5,613	-56,340	0	-50,727
Allocation to reserves		0	0	18,123	-18,123	0	0
Change in reserves		0	0	18,123	-18,123	0	0
Effects from foreign currency translation		0	0	0	1,267	0	1,267
As of Dec. 31, 2022	VII. 12.	306,776	102,258	11,561	1,345,057	20	1,765,672
Profit/loss of the year		0	0	0	25,347	1	25,348
Other comprehensive income		0	0	-1,460	-2,124	0	-3,584
Total comprehensive income		0	0	-1,460	23,223	1	21,764
Allocation to reserves		0	0	19,251	-19,251	0	0
Change in reserves		0	0	19,251	-19,251	0	0
Effects from foreign currency translation		0	0	0	-757	0	-757
As of Dec. 31, 2023	VII. 12.	306,776	102,258	29,352	1,348,272	21	1,786,679

FR 02

Consolidated statement of cash flows

TEUR			
	Disclosure	2023	2022
Total comprehensive income		21,007	-49,460
+ Deferred taxes not affecting profit or loss		-1,034	2,764
+ Actuarial profit or loss		2,023	-7,776
+ Cash flow hedges		2,595	-3,055
+ Changes due to foreign currency translation		757	-1,267
Profit/loss of the year (EAT)		25,348	-58,794
Result from companies accounted for using the equity method		-1,287	216
Income taxes		14,915	-6,564
Financial result		75,895	37,395
Operating result (EBIT)		114,871	-27,747
Depreciation and amortization		202,790	266,400
Balance of gains/losses from the changes to the scope of consolidation		0	204
Balance of gains/losses from the disposal of financial investments		-2,959	0
Balance of gains/losses from the disposal of fixed assets and reclassifications from fixed assets		-855	-2,091
Increase/decrease in inventories		-5,572	-2,345
Increase/decrease in current receivables		-36,759	-34,575
Increase/decrease in liabilities		19,635	19,592
Increase/decrease in employee benefits		1,179	-19,490
Increase/decrease in other provisions		-1,169	-21,041
Increase/decrease in other assets/liabilities not related to investing or financing activities		9,971	-14,749
Gross cash flow from operating activities		301,132	164,158
Net income taxes paid/received		413	-4,732
Cash flow from operating activities		301,545	159,426
Proceeds from the sale of owner-occupied property, plant and equipment		7,594	10,697
Proceeds from the sale of intangible assets		831	631
Proceeds from the sale of investment property		80	3
Payments from the sale of subsidiaries		0	-3,045
Payments for investments in owner-occupied property, plant and equipment		-179,270	-167,031
Payments for investments in intangible assets		-7,990	-1,122
Payments for investments in investment property		-11,058	-9,432
Deposits from the sale of financial investments		5,349	0
Interest received		1,178	1,149
Additions of deposits		-201,442	-31,983
Disposals of deposits		31,983	34,984
+ Cash flow from investing activities		-352,745	-165,149
Proceeds from borrowings	IX.	475,000	216,692
Repayments of borrowings from banks	IX.	-388,450	-150,681
Repayments of lease liabilities	IX.	-3,120	-5,250
Interest payments from lease liabilities	IX.	-555	-254
Cash inflows from Group-wide cash management with associated and affiliated companies	IX.	2,604	476
Interest paid (excluding borrowing costs for qualifying assets)	IX.	-46,668	-37,500
Payments for borrowing costs for qualifying assets	IX.	-7,221	-3,912
+ Cash flow from financing activities	IX.	31,590	19,571
Change in cash and cash equivalents		-19,610	13,848
Cash and cash equivalents at the beginning of the year		30,811	16,963
Cash and cash equivalents at the end of the year		11,201	30,811

NOTE ON THE AUDIT OPINION

Disclosures on the result of the audit of the consolidated financial statements and the Group Management Report for fiscal year 2023

The notes to the consolidated financial statements are not included in the above, abridged consolidated financial statements for the fiscal year 2023 that are designed to be included in the printed Integrated Report. The full consolidated financial statements – including the notes – as well as the Group Management Report for the fiscal year from January 1 to December 31, 2023 were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. In this context, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft concluded that the audit did not raise any objections and subsequently submitted an unqualified audit opinion. In addition to the unqualified independent auditor's report, the full consolidated financial statements and the Group Management Report for the fiscal year from January 1 through December 31, 2023 are generally accessible on the Flughafen München GmbH website.

SUPERVISORY BOARD REPORT

The Supervisory Board was informed regularly and in detail by the Executive Board in written reports and at meetings about the Company's situation, its development, and important business events. In its meetings and the meetings of its committees, the Supervisory Board discussed all major company matters and made such decisions as it was called upon to make in accordance with its statutory responsibilities. The Supervisory Board met for three meetings during the fiscal year 2023. The Working Committee held three meetings. The HR Committee convened four times.

The financial statements as at December 31, 2023, and the Management Report of Flughafen München GmbH and of the Group presented by the Executive Board have been audited and issued with an unqualified audit opinion by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, the appointed auditor.

Having conducted its own review, the Supervisory Board acknowledges the auditor's findings and raises no objections.

In accordance with Section 52[1] of Germany's Limited Liability Companies Act (GmbHG) and Section 171[2] of Germany's Stock Corporations Act (AktG), the Board approves the financial statements of FMG and the consolidated financial statements. It proposes that the Shareholders' General Meeting endorses the financial statements of FMG and approves the consolidated financial statements.

The Supervisory Board wishes to express its gratitude and respect for the work carried out and the successes achieved by the company's Executive Board and employees in fiscal year 2023.

Munich, July 23, 2024

For the Supervisory Board



Minister of State Albert Füracker
Chairman of the Supervisory Board
of Flughafen München GmbH

IMPACT REPORT

IR

81 – 103

82 **IR 01 |**
Sustainability dialogue

83 **Materiality analysis**

85 **IR 02 |**
Environment and
climate protection

86 **Climate protection**

89 **Resources**

90 **Biodiversity**

92 **IR 03 |**
Employees and society

93 **Employer**

96 **Safety**

97 **Social engagement**

99 **Noise protection**

100 **IR 04 |**
Company and governance

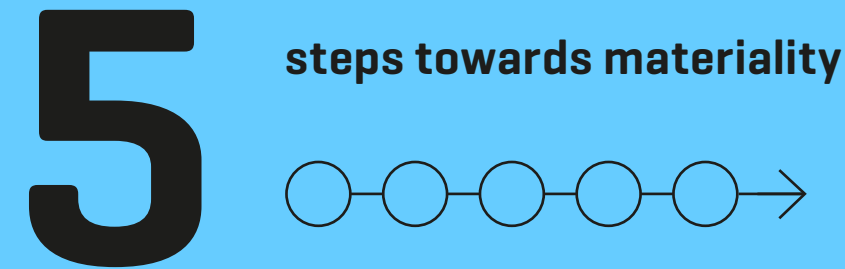
101 **Procurement**

102 **Governance**

Facts & Figures

SUSTAINABILITY DIALOGUE

MATERIALITY PROCESS



MATERIALITY MATRIX



IN CONTACT



UN GOALS

3	4	5	6
7	8	9	11
12	13	15	17



munch-airport.com/sdgs

SUSTAIN- ABILITY DIALOGUE

Our understanding of sustainability is based on the dimensions of environment, social affairs and responsible corporate governance. With our sustainability dialogue, we consider and discuss the key issues that influence the sustainable development of the airport and its environment.

Material topics: Analysis of stakeholder expectations

Our sustainability strategy takes into account the material topics and includes the associated measures for their implementation as well as the defined targets in the strategic sustainability program. Topics are material if they influence the sustainable development of the airport's economic, ecological, or social environment. Our stakeholders, including employees, FMG management, travelers, and residents in the region, are surveyed annually to assess the topics defined as material topics. The results of the survey are incorporated into a Materiality Matrix.

FMG has defined key figures that make it possible to measure the achievement of strategic goals and the effectiveness of measures. In addition to EBT (consolidated earnings before taxes) and PEI (Passenger Experience Index), CO₂ savings and the lost time injury frequency rate LTIF are also used as key performance indicators.

Materiality process: the basis of our sustainability strategy

Our materiality process is based on the standards of the Global Reporting Initiative (GRI). In 2023, we updated and expanded the existing topics. The changes can be found in the GRI Content Index. A total of 13 material topics are key components of the airport's sustainability activities in the 2024 fiscal year.

1. Identification

We use an AI-based benchmark to incorporate other potentially material topics. This provides sustainability topics that have been classified as material in other industries and countries and can serve as a guide for FMG.

2. Prioritization

A survey of 400 external stakeholders assesses the topics based on the benchmark analysis. Internal experts then discuss the results. In 2023, additional topics were identified: «Commitment and value creation in the region» and «Responsibility in the supply chain».

3. Rating

Internal and external stakeholders evaluate the topics. In addition to an online survey of all stakeholder groups, FMG uses an annual internal management survey for this purpose. The results are published in the materiality matrix.

IR 01

4. Implementation

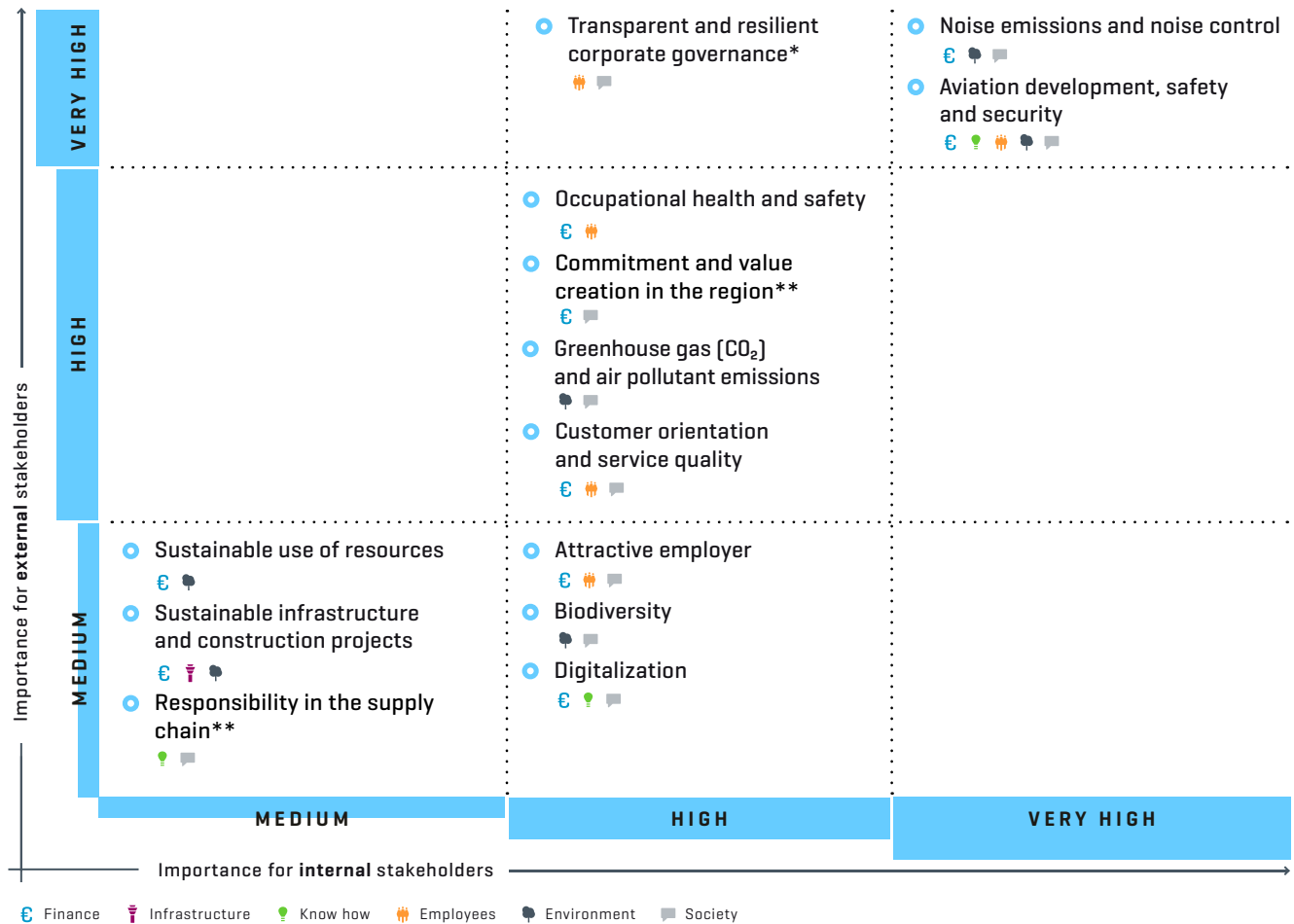
Key aspects of sustainable development are regularly discussed as part of an internal sustainability committee. The executive board discusses these issues with experts and members of the senior management team and decides on the strategic direction to be taken for the sustainable development of the Group.

5. Operationalization

Specific goals and measures are outlined within the strategic sustainability program for each material topic as well as the progress made implementing these. Executives are responsible for implementing the associated measures to achieve the goals.

As a result of the current process, the topics «Aviation development, safety and security» and «Noise emissions and noise control» are rated as very high in terms of their materiality by internal and external stakeholder groups. The details pertaining to the topic of «Transparent corporate leadership» were revised and the topic was renamed to «Transparent and resilient corporate governance».

Materiality matrix



* Topic adjusted/merged
 ** New topic

Facts & Figures

ENVIRONMENT AND CLIMATE PROTECTION

GREEN AREAS



HONEY MONITORING



WASTE



ENVIRONMENT AND CLIMATE PROTECTION

Sustainable business practices that are in harmony with environmental and social goals secure Munich Airport's corporate value in the long term. A responsible approach to the environment forms the basis for a modern company with sustainable connections.

Climate protection

CO₂ savings: our path to Net Zero

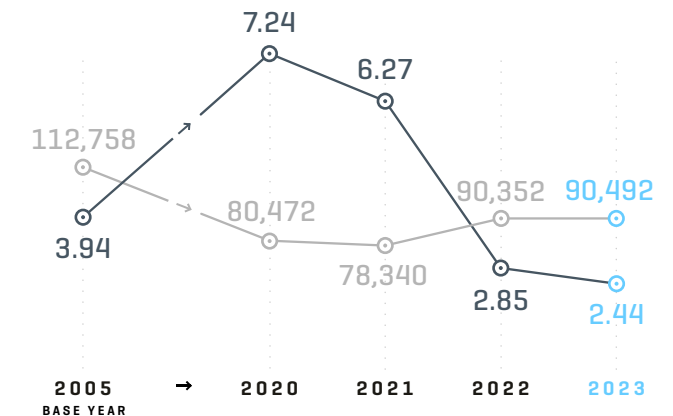
Traffic figures have continued to recover in 2023. This resulted in an increase in CO₂ emissions attributable to the airport to 90,492 tons. This value is therefore just 11,000 tons below the pre-corona level from 2019. In 2023, Flughafen München GmbH invested around 1.4 million euros to reduce greenhouse gas emissions by 2,852 tonnes over the long term through 18 additional individual measures. Thanks to the 351 measures already implemented since 2005, we have been able to reduce our CO₂ emissions by more than 57,000 tonnes of CO₂ per year. With the sharp rise in passenger numbers, specific CO₂ emissions per passenger fell to 2.44 kilograms [Scope 1 and 2] in 2023.

→ [Group Management Report: CO₂ reductions \[page 37\]](#)

[cdp.net](https://www.cdp.net)

CO₂ emissions

— Scope 1 and Scope 2 in tonnes per year
— Specific carbon emissions per passenger in kilograms



Carbon footprint: a complex math problem

The operation of a large infrastructure facility involves emissions from a wide variety of polluters. They are all included in the balancing of an airport's greenhouse gas emissions. Emissions from air traffic in the landing-and-take-off cycle [aircraft landing and taking off at altitudes up to 3,000 feet] account for the largest share. The carbon footprint provides the basis for recording all forms of emissions and lends itself to comparison. It breaks down all greenhouse gas emissions that can be attributed to the airport into three different sources [scopes] according to an international standard, the «Greenhouse Gas Protocol».

Scope 1 and Scope 2

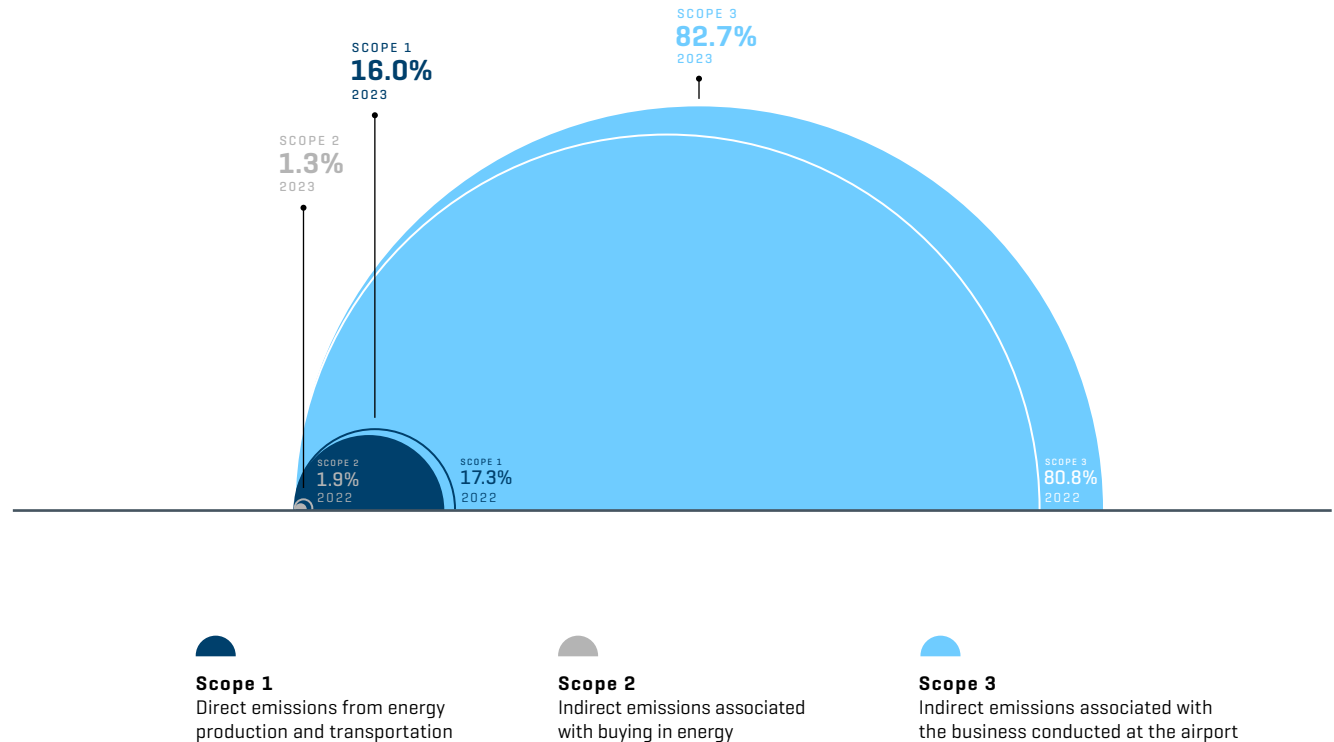
Energy concept: Photovoltaics and biogas as a solution strategy

In the future, Munich Airport wants to use as many available resources in the region as possible for its energy supply. To achieve this, photovoltaic systems with a total output of 50 megawatts are to go into operation on parking garages, freight buildings, and suitable open spaces starting in 2030. Five megawatts of this were already commissioned in 2023. In the future, the primary energy supply of the combined heat and power plant is to be switched to biogas. In addition to climate protection, the high energy prices and dependence on Russian natural gas are another argument for pushing for energy self-sufficiency.

Goal: Expansion of photovoltaic systems

- 20 MW on roof areas
- 30 MW on open areas
- Over 50,000 MWh of solar power
- Equivalent to the electricity consumption of almost 15,000 households or a quarter of Munich Airport's electricity consumption in the pre-crisis year 2019
- Over 19,000 tons of CO₂ savings per year

Greenhouse gas emissions



Special task force uncovers potential savings

At Munich Airport, the «Energy» special task force launched in 2022 continued its work in order to meet the statutory energy-saving requirements and make the best possible use of economic and ecological savings potential. In total, the measures implemented by the special task force will save us around seven GWh of electricity per year at the airport campus.

Top 3 Measures

LEDs to reduce energy consumption

While Munich Airport achieved its greatest savings in the ventilation technology category in 2022, the lighting category took this place in 2023. In particular, the conversion of the parking lot's interior lighting accounted for around 71 percent of the total savings in terms of lighting. In addition to replacing old light sources with LEDs, optimum lighting control is becoming increasingly important. Brightness control and motion control are effective parameters here.

Fuel consumption for ground handling vehicles decreasing

The electrification of a total of 64 vehicles – including lift transporters, stairs, towing vehicles, and vans – has resulted in very significant savings in diesel and petrol at the subsidiary AeroGround. This reduced the fuel consumption of the 47 towing vehicles alone by around 200,000 liters per year.

Optimization of the ventilation systems

As in previous years, the optimization of the ventilation systems throughout the campus is being continued. In addition to replacing the latest generation of fans with so-called multi-motor technology, we are also working on reducing pressure losses in the overall system. One example of this is the partial dismantling of large silencers in the ventilation centers and the selective use of downstream silencers in the duct network.

Excerpt from the energy efficiency measures completed in 2023 (Scope 1 and 2)

Issue	Measure	CO ₂ savings per year in tons
Air conditioning	Conversion of the ventilation systems in Terminal 2	386
	Conversion of the ventilation systems in Terminal 1 and additional buildings	323
Lighting	Conversion to LED technology in parking garage P5	365
	Conversion to LED technology and optimization of the control system in parking garage P20 (construction phase 2)	267
	Conversion to LED technology and optimization of the control system in T2	252
Vehicles	Electrification of vehicle fleet	622

Electromobility: proportion grows to 37 percent

Munich Airport has already tested various alternative drive concepts. Among them are the launch of the world's first public hydrogen filling station in 1999 as well as tests with biogas, bioethanol, biodiesel, and C.A.R.E. diesel. In addition, we currently operate 135 cars and vans and 366 handling and special vehicles with electric drives. By 2030, electric vehicles should comprise the lion's share of the vehicle fleet. In 2023, investments in the procurement of electric vehicles increased again, particularly in the area of handling. Their proportion has grown to 37 percent. With an eye to advances in technology, the vehicle mix will be even more diversified by 2030 through improvements in battery technology, green hydrogen, synthetic fuels, and other alternative drive concepts.

The German Federal Ministry of Digital Affairs and Transport has awarded Munich Airport funding amounting to almost 24 million euros. This grant will support the purchase of up to 72 electrically powered passenger buses, including the necessary charging infrastructure, at Munich Airport. AeroGround, a subsidiary of FMG that is responsible for passenger and crew transportation at Munich Airport, plans to convert its entire bus fleet to electric drive by 2025 and invest up to 60 million euros in the process.

To date, FMG has installed over 600 charging points for both its own pool vehicles as well as for airlines, authorities, the rental car and car-sharing sector, air travelers, and partially for ground handling equipment. By 2030, the plan is to expand the existing charging infrastructure by several thousand charging points. One example is the planned equipping of two parking garages with up to 200 charging points per building. These charging stations are powered by a rooftop photovoltaic system in combination with a powerful energy storage system to efficiently use the energy generated. At the heart of the system is an intelligent charging management system to ensure that the electric vehicles are charged as needed. Here, we are working closely with partners from the industry to drive forward the use of electromobility throughout the airport premises through innovative solutions.

Scope 3

Roof renovation: heat requirement in the hangar decreasing



In 2023, we renovated the energy efficiency of the roof areas on Hangar 1. The optimization of around 30,000 square meters of flat and glass roofs as well as smoke heat exhaust flaps has reduced the building's heating requirements by around ten percent.

Air quality: consistent monitoring

Nitrogen oxides and particulate matter: at a low level

In terms of air pollutants, as with CO₂, the aircraft cause significantly more emissions than ground traffic on the aprons, as well as feeder and service roads. It is not possible, however, to differentiate between the immissions metrologically. Nitrogen oxides and particulate matter are key factors in assessing air quality at the airport and in its environs. For the measurement of air pollutants, we operate one mobile and two stationary measuring stations. The stationary measuring stations in the west and east of the airport record the effects of pollutant sources from road and air traffic and other airport operations – superimposed on the background pollution of the Munich metropolitan area and the natural background concentration in the atmosphere. The mobile air quality measuring station is used to analyze air quality in the areas requested by various municipalities. Mobile measurements were taken in 2023 on the Volksfestplatz in Hallbergmoos.

In 2023, the nitrogen dioxide concentrations at Munich Airport remained at a normal level for a suburban area. The Covid-19 pandemic brought about a significant decline in concentrations, which has continued despite increasing air traffic. The concentrations of particulate matter at Munich Airport are at a consistently low level and are characteristic of rural areas. Here we can see a clear meteorological dependency: Dry and hot weather favors higher levels of particulate matter. At the two stationary air quality measuring stations and at the mobile one, in 2023, the values were significantly below all applicable legal limits.

-  **Real-time measurement results:**
munich-airport.com/airquality-measurements-4910011
-  munich-airport.com/air-quality-264266

Landing charges: emissions as the basis

FMG charges emissions-based landing charges. Our aim is to motivate engine manufacturers and aircraft builders to invest more in the development of aircraft that produce less in the way of pollutant emissions. Munich Airport is thus helping to better environmental quality in the surrounding area. Based on the types of aircraft that have landed, we can record and assess the pollutants – including CO₂ – for the specific engines, and directly map the technical progress.


Ultrafine particulate matter: a further topic of research

Air traffic is a source of ultrafine particles (UFPs). However, there is currently no objective standard for assessing particle concentrations and no limit values. In the vicinity of Munich Airport, the University of Bayreuth has been measuring the UFP concentration at the Stadtgärtnerei in Freising and at the Volksfestplatz in Hallbergmoos since spring 2021 on behalf of the Bavarian Ministry of the Environment. The Ministry of the Environment has already published the initial results for 2022. Consequently, the concentrations in Freising and Hallbergmoos are at a similar level to those at the measuring stations of the Bavarian State Office for the Environment in Regensburg, Augsburg, and Munich. FMG supports the University of Bayreuth's measurements with the mobile measuring station at the Hallbergmoos site and collects additional air quality parameters to help interpret the UFP concentrations. FMG does not carry out UFP measurements itself.

Organic honey: 29 bee colonies around the airport

Long-lasting pollutants can accumulate in the environment and therefore seep into the food chain. Munich Airport has been monitoring this situation for many years using a variety of methods. In 2023, plant pots with perennial ryegrass and kale were installed at eight measuring points in the surrounding area in order to investigate the contamination of feed and food in the area around the airport. No abnormalities were found. We also continued our honey monitoring efforts with 29 bee colonies around the airport. Munich Airport honey

has been certified «organic» since 2023. It is the first honey from a German airport to meet the requirements of the «DE-Öko-037» labeling regulation and is permitted to feature the EU organic seal and the German organic seal on its label.

 **Honey Monitoring**

Resources


Waste management: prevention takes priority

Various types of waste and recyclable materials are generated at Munich Airport, for example in the passenger area, in office buildings, and also during construction work. Flughafen München GmbH is authorized to conduct waste management independently on its site in accordance with the German Waste Management and Product Recycling Act. Avoidance of waste is an absolute priority. We also ensure that waste and recyclable materials are collected in various separation systems, transferred to certified waste management companies near the airport, processed in sorting facilities, and then recycled or reused. The small proportion of residual waste that cannot be recycled is converted by the Munich North power plant into district heat and power.

The continued rise in passenger numbers generated significantly more waste and recyclables in 2023. Numerous new construction and renovation measures across the entire airport campus led to an increase in construction waste. To live up to our responsibility for sustainable waste management and to make existing processes as resource-efficient as possible, we maintain a constant dialogue with customers and employees. Individual disposal concepts take into account the different requirements and conditions of waste

producers. In particular, the highest possible degree of purity makes recycling processes easier.

The waste management industry is constantly evolving due to external influences such as digitalization and the climate debate. Starting in 2024, for example, Europäische Wirtschaftsdienst GmbH will cease providing the price index and reporting on the waste paper market for the »old newspapers« waste fraction. This is due to the sharp decline in the volume of waste paper and the decreasing importance of paper production. For this reason, we will remove all newspaper presses set up on campus. At the same time, all waste that is sent for thermal recycling is subject to a CO₂ tax. The aim is to incentivize people to avoid or recycle waste in order to ultimately reduce CO₂ emissions. In future, we will therefore be even more meticulous about separating waste.

 «Environmental Statement»
munich-airport.com/publications

Water management: conserving natural resources

The aim of water management at Munich Airport is to affect the natural water balance as little as possible and to minimize any adverse effects caused by water management, drainage, and drinking and firefighting water supplies.

Process water reduces drinking water consumption

By 2019, annual drinking water consumption at Munich Airport hovered consistently at around one million cubic meters, despite growth in passenger numbers. Due to the pandemic, the amount of drinking water purchased from the Zweckverband zur Wasserversorgung Moosrain decreased to less than 600,000 cubic meters in 2020 and 2021. In 2023, water consumption increased again to 891,705 cubic meters.

Where drinking water quality is not required, Munich Airport is increasingly using process water: for concrete work and construction site moistening, for cleaning runways, for wet sweepers, for cleaning sewers, and for watering green areas, shrubs and trees. Another process water well was put into operation for these purposes in 2022. For the cooling of the West Power Station, near-surface quaternary groundwater (process water) from a specially drilled well is used instead of tertiary groundwater (drinking water). Since process water pumping began in 2010, the total savings add up to 2,854,250 cubic meters.

Aircraft de-icing: recycling rate at a high level

De-icing vehicles keep aircraft free from ice and snow before take-off. The de-icer dripping off the aircraft during this process finds its way via slit drainage gutters and channels into underground basins. At the recycling plant at Munich Airport, it is treated mechanically and chemically to recover type 1 de-icing agents. The recycling rate for the active ingredient glycol contained in the product was 58.9 percent in the 2022/2023 winter season. To date, it has ranged between 41 and 60 percent and depends heavily on the weather, the amount of de-icing agent used, precipitation, and evaporation.

Biodiversity

Three-zone concept: creating valuable habitats

To integrate Munich Airport into its environment in the best possible way, FMG created structures from the very outset that would ecologically upgrade the extensive surrounding area in the Erdinger and Freisinger Moos and link it together. For this purpose, a three-zone concept was implemented within the framework of the current green regulations: Zone I comprises the airport premises with runway system, buildings and roads, Zone II the wooded and structurally rich green belt around the airport premises and Zone III the ecological compensation measures.

Biotopes: additional compensation areas planned

FMG has created biotopes for sand lizards at the Vorflutgraben Nord. They are used to replace the original habitats where trees had to be felled for safety reasons. In addition, the hollows built for the little ringed plover west of the airport were resealed. This migratory bird, whose natural habitat on sand and gravel banks in floodplains is becoming scarce, is now enjoying optimal conditions there. New compensation areas - primarily in Oberdingermoos - are to be created in fall 2024. Furthermore, the airport will implement compensation and replacement measures for the gray partridge on the campus in accordance with its requirements.

Bird sanctuary: a home to endangered bird species

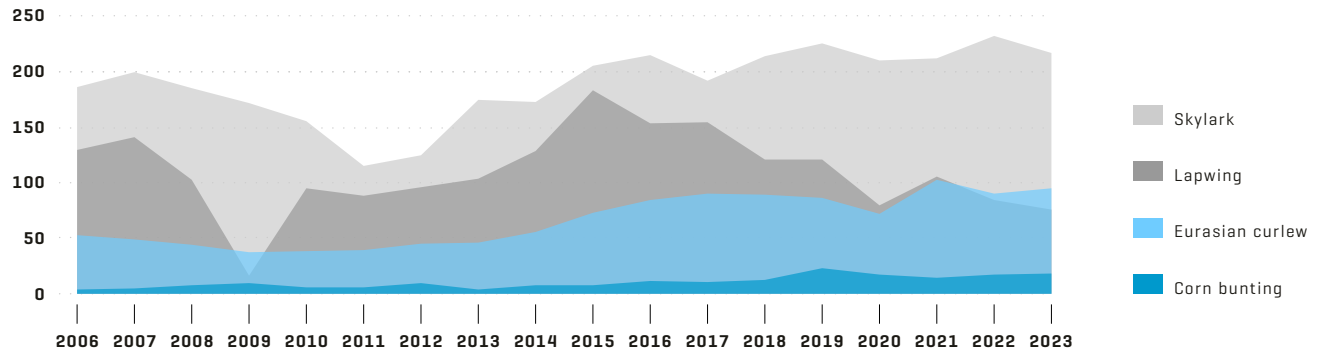
15 years ago, in August 2008, the areas of the «Nördliches Erdinger Moos» were designated as an EU bird sanctuary. In addition to the Eurasian curlew, lapwing, and grey wagtail, a total of 40 bird species, some of which are highly endangered, enjoy a high level of protection on and around the grounds of Munich Airport. The heart of the 4,525-hectare bird sanctuary is the approximately 666-hectare airport meadows around both the take-off and landing runways. In 2023, they were home to the most important meadow breeding area in Bavaria with 99 breeding pairs of curlew and 79 breeding territories of lapwing, the bird of the year in 2024. The endangered black-tailed godwit, of which there were 19 breeding pairs across Bavaria in 2021, has also repeatedly raised young birds on the airport meadows. Furthermore, in conjunction with the compensatory and replacement areas outside the airport premises, the airport serves as a refuge for rare plant species such as the creeping celery, reptiles such as the sand lizard, and insects such as the bird's-eye damselfly.

[«Birdlife and flight operations»](#)

munich-airport.com/publications

munich-airport.com/bird-sanctuary

Development of selected breeding birds on the airport meadows



Biodiversity: new flowering areas in the Visitors Park

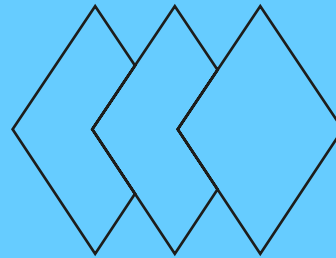
In addition to the legal requirements, we also voluntarily support projects that promote biodiversity. One example of this is a wild-flower meadow planted with seeds from the region on the southern viewing hill. The newly created habitat helps to maintain genetic diversity and ensures optimal interaction between plants and insects. Over time, an adapted maintenance regime allows a species-rich meadow to develop on nutrient-poor soil.

Facts & Figures

EMPLOYEES AND SOCIETY

SURVEY IN AIRPORT REGION

92%



rate the strengthening of the Bavarian economy by the airport as positive

YOUNG PROFESSIONALS WITHIN THE GROUP

236

APPRENTICES

(+2.6%)

AIRPORT CAMPUS

33,330

EMPLOYEES

(Employee survey 2021)

MUNICH AIRPORT GROUP

8,362

EMPLOYEES

(-2.9%)

23

apprenticeship programs and dual degree programs

EMPLOYEES AND SOCIETY

Our employees and their development are the focus of our HR policy. We encourage them in their role and support them individually and comprehensively. Our social commitment is diverse and far-reaching. Conversely, our local residents see the airport as an integral part of the region.

Employer: responsibility for the region

With 8,362 employees¹⁾ we are the second-biggest employer on the airport campus, after Deutsche Lufthansa AG. This has a positive effect on the region: The Freising employment agency district, which also includes the districts of Dachau, Ebersberg, and Erding, continues to have one of the lowest unemployment rates in Germany, averaging 2.5 percent. By comparison, the unemployment rate nationwide rose by 0.4 percent to 5.7 percent. According to the 2021 employment survey, almost one in four jobs subject to social insurance contributions in the Freising and Erding districts was located at the airport.

Employees: diversity as an opportunity

Munich Airport benefits from the diversity of its workforce. We respect their diverse interests and needs - regardless of age, gender, nationality, cultural background, sexual orientation, and world view. For example, our LGBTQIA+ initiative «queerport» engages with community organizations and internationally operating companies at network meetings and stands for openness and tolerance.

We support the equal participation of women and men in management positions. Our Shared Leadership Program, for example, provides support for managers who share a job. Since 2024, female managers have once again had the opportunity to participate in the Cross Mentoring Program, which empowers them in their role through external guidance and associated events.

All employees make a valuable contribution, provided they are employed in accordance with their resources and skills. With the Mento Pro Program, we are dedicated to ensuring that employees have easy access to information as well as training and advanced education opportunities, regardless of their level of education.

More than seven percent of our employees have disabilities, and their integration is important to us. Our inclusion officers are committed to the equal rights and social inclusion of employees with disabilities or health restrictions. Prevention, rehabilitation, and accessibility are just as important here as healthy working conditions. The Council for Employees with Disabilities makes sure that the prospects and needs of colleagues in the company are safeguarded.

→ [Group Management Report: Female Quota \(page 31\)](#)

[charta-der-vielfalt.de/en](https://www.charta-der-vielfalt.de/en)

¹⁾ employees in the Group excluding apprentices, part-time employees, temporary workers, interns (reporting date Dec. 31)

IR 03

Pay scale: a return to normality

As a member of the regional public employers' association, we adhere to the collective pay scale agreement for public sector employees (TVöD). Our employees receive company post-employment benefits that are regulated on a collective pay scale and organized through the Bavarian supplementary pension fund for public sector employers. In view of the coronavirus crisis, the collective bargaining partners had negotiated a nationwide emergency collective agreement for airports with retroactive effect from September 1, 2020, the central component of which was to save jobs. The contract excluded redundancies and dismissals for operational reasons for the entire duration of the contract. In return, it was agreed, among other things, that the linear pay increases in the TVöD would be deferred to ease the financial burden on airports. This emergency collective agreement expired at the end of 2023. At the same time, the final restrictions for employees have also been removed, including the exclusion of the annual bonus payment from post-employment benefits.

In order to mitigate the significant increase in the cost of living, we have introduced relief packages above and beyond the standard pay scale: From May to December 2022 and again from January to June 2023, the travel allowance rose to 17 cents per kilometer. Between June 2023 and February 2024, we also distributed a tax- and social security-free inflation adjustment bonus amounting to a total of 3,000 euros.

FMG and AeroGround employees in pay groups 1-8 received more net pay in the form of a monthly bridging allowance, which is exempt from payroll taxes and social security contributions. The measure applied retroactively from January 1, 2023 until the TVöD wage increase, which takes effect in March 2024. This is based on the

collective bargaining agreement between the Federation of Municipal Employers' Associations and the trade unions ver.di, dbb beamtenbund, und tarifunion from April 2023. It provides for an increase in table pay by a base amount of 200 euros, followed by an increase of 5.5 percent. This collective agreement will run until the end of 2024.

Ground handling: a new industry collective agreement

On February 15, 2024, the Federation of Municipal Employers' Associations and the Employers' Association of Ground Handling Service Providers in Air Traffic also reached an agreement with ver.di at the federal level on an industry collective agreement for employees in ground handling services at commercial airports. This comprises a uniform framework agreement, a pay agreement, and a transitional collective agreement (ÜTV). The ÜTV stipulates how the employment relationships are to be transferred from the previously applied collective agreements and how any entitlements are to be calculated. The aim is to bring the regulations into effect as early as 2024. In addition, a declaration of general applicability is intended to ensure that the same minimum working conditions and standards apply to such services at all major airports for the first time.

Due to the Europe-wide liberalization of the ground handling service market, collective restructuring agreements were introduced around 13 years ago, which are coupled to the long-term Lufthansa ground handling service contract. This has made it possible to retain jobs in the airport's own ground handling service over the long term and to maintain the economic viability of the airport's core business.

AeroGround is currently negotiating a new long-term contract for the provision of ground handling services with Deutsche Lufthansa. The contract between AeroGround and its main customer was terminated at the beginning of 2024 and ends on October 31, 2024. The collective restructuring agreements for ground handling services will end at the same time.

Occupational health and safety: an important part of the company culture

We actively address health risks in the workplace in order to promote the safety, health, and well-being of all employees. Experts from Health Management and Occupational Health & Safety provide Group-wide support and guidance in the implementation of all legal and internal health and safety requirements and the continuous improvement of processes. Key figures are used as systematic controls and continuously analyzed.

The additional company benefits for a healthy work-life balance range from offers from occupational health management and occupational medicine to employee catering, as well as guidance and support in difficult life situations.

Prevention as a health strategy

Employees can choose from numerous courses in preventive areas such as exercise, nutrition, ergonomics, and mental health. In addition to online lectures on various health topics, there are, for example, special days dedicated to physical and mental health, sports courses, and the company's own gym. In cooperation with

IR 03

Deutsche Rentenversicherung, we offer the »RV Fit« program in two variations: »RV Fit BETSI« focuses on exercise, while »RV Fit Energie vital« focuses on stress management. The Pro.Fit health program, which has been in place at the Airport Rescue and Fire-fighting service since 2014, is specifically tailored to the requirements of the day-to-day work of employees in emergency services. It involves the annual assessment of endurance, strength, and mobility parameters in the form of sports science tests and individualized training recommendations.

Company integration management


Our company integration management (BEM) supports employees in restoring, advancing, or maintaining their ability to work and be employed. BEM is offered to all FMG and AeroGround employees following longer periods of incapacity for work. In 2023, the BEM team also took part in the BEMpsy project, which aims to improve the self-determined and equal participation of severely disabled people with acute or impending mental disorders. In years to come, affected employees will benefit from a digital platform and digital tools, particularly in the context of mental impairment.

Automated baggage unloading

In 2021, the Terminal 2 company joined forces with Siemens, FMG, and AeroGround to launch a pilot project for automated baggage unloading in the indoor service. In 2023, the project team worked on the new global prototype with the aim of improving the ergonomics and processes. After additional test runs, the process times and the error rate for jammed suitcases were reduced. In addition to various technical adjustments to the baggage handling system, the team also reworked the so-called AGV (Automated Guided Vehicle), which is used to transfer containers. In 2024, AeroGround employees will operate the system in a pilot phase after receiving the necessary training.

Reduction of mental stress

Based on the company agreement on the determination and assessment of mental stress in the workplace as part of a risk assessment from 2019, in 2022 a survey was conducted among all FMG and AeroGround employees in cooperation with AOK Bayern. Once the results had been shared with the specialist departments, the subsequent process began so that measures to reduce psychological stress in the workplace could be derived and numerous measures implemented in 2023.

 [«Annual Report Occupational Health and Safety»](#)
munich-airport.com/publications

Apprenticeships: investing in the future

A diverse and attractive apprenticeship program is an important pillar in ensuring our human resources. With Group-wide 23 apprenticeship programs and dual degree programs, FMG is one of the largest training companies in the region. Two new dual degree programs were introduced in 2023: the «Bachelor of Engineering Industrial Engineering - Facility Management» and the «Bachelor of Arts/Accounting & Controlling». More than 600 young people applied to start their apprenticeships at Munich Airport in 2023, 113 of which started their careers at FMG and its subsidiaries on September 1, 2023. In the reporting year, the Group had a total of 236 young people in apprenticeships. The range of professions at the airport extends from IT and technology, security, fire departments, business, and logistics to retail and catering. 57 young people completed their apprenticeship with us in 2023; all of them were offered a job. Improvements to the application process, such as early calls for applications from as early as June of the previous year and increased flexibility in the selection process and entry requirements, made access to an apprenticeship at the airport even more attractive in 2023.

Following the resumption of international exchange meetings within the framework of the «Erasmus+» program, we were able to organize placements for young professionals at the airports in Vienna and Athens in 2023. It is planned to continue the program in 2024.

Sister airports: intercultural exchange

Our international exchange programs serve the personal, professional, linguistic, and cultural development of specialists and executives and promote corporate development. In 2023, selected delegates discussed current challenges during visits to airports in Bangkok, Denver, and Nagoya. The focus was on the topics of digitalization, sustainability, IT, and security. Colleagues from Bangkok, Denver, Singapore, and Beijing made return trips to Munich. We also maintained contact with our sister airports through virtual conferences and meetings. In so-called «CEO Talks» and «CCO Chats», executive management discussed specific issues and projects. 2024, we would like to further intensify this exchange. The partnership with Moscow Domodedovo Airport is currently dormant.

 munich-airport.com/sister-airports

AirportAcademy: move to the LabCampus

With the AirportAcademy, we operate an in-house training center with roughly 50 employees. The academy is certified in accordance with DIN ISO 9001:2015 and is also a «certified training provider according to AZAV» as well as an accredited training institute of Airports Council International [ACI].

In the second quarter of 2023, the AirportAcademy moved into the «LAB 52» building on the LabCampus site. As a result of the coronavirus pandemic, qualification measures in 2023 were still limited to legally required and operationally critical activities. Nevertheless, there were once again a number of face-to-face events with 27,100 participant days (2022: 15,600) of internal and external customers. The seminars focused on qualifications for aircraft handling. The number of participants in digital forms of teaching and learning fell to 24,900 (2022: 29,600). In particular, topics from the areas of aviation and security were in demand. The new digital learning platform [Learning Management Solution] is to offer expanded functionalities in 2024.

munich-airport.com/academy

Qualification: enhancing leadership skills and employer attractiveness

The role of managers is a key factor in retaining employees and attracting new employees to our company. Our Guiding Principles of Leadership set out what we expect from managers and how they can best work with employees: respectfully, as equals, and in a spirit of trust. The management dialogue as a regular assessment process follows these guiding principles. Special programs are used to develop the expertise of managers in a targeted manner and thereby increase the quality of leadership. In addition, a new, non-pay-scale remuneration system encourages them to focus on their performance and results.

New managers are obligated to attend a twelve-month program to help them grow into their role and strengthen their leadership skills. In 2023, around 250 managers from around the Group worked on various facets of employer attractiveness and their individual role in retaining and gaining employees at the «Leadership Meet-up» development event.

Employees place great importance on development opportunities, advanced training, and qualifications. The diversity of occupations within the Group and the internal posting of all vacant positions offer employees many prospects. In order to further increase our attractiveness as an employer, we introduced a digital training program in 2023 and once again invested more in employee development. The offer ranges from AirportAcademy seminars and programs for top performers to financial and time-related support for on-the-job training or participation in external seminars and specialist conferences. A new mentoring program helps to promote cross-divisional and cross-hierarchical communication.

Safety: high priority at the airport

Safe flight operations: common standards

The European Union has set common standards for the planning, operation and maintenance of airports, which we are also obliged to implement. Munich Airport's operating license is directly dependent on renewal of its EASA [European Aviation Safety Agency] certification, which was granted in December 2017. Under this certification, the airport must demonstrate constant compliance with relevant requirements to the supervisory authority responsible for us, the South Bavarian Aviation Office at the District Government of Upper Bavaria. We have a safety management system as one way to achieve these aims. Through the system, the airport continuously monitors ongoing flight and handling operations with an eye to risks and trends in order to identify targeted actions early on. To meet the requirements, we make structural changes in the infrastructure relevant to flight operations or to the operational and organizational processes in keeping with EASA specifications, utilizing safety risk assessments and compliance checks in the process. In 2023, this approach was also helpful in minimizing the risk of accidents and continuously and actively improving the safety of flight operations.

Low bird strike rate: special biotope management

Collisions between aircraft and heavyweight birds or flocks of birds can endanger the safety of flight operations. We use a special biotope management to prevent possible collisions:

- The nutrient-poor meadow areas are mowed only twice a year, as long grass makes it difficult for predatory birds to find prey. Swarming birds, in turn, avoid these areas because of the lack of visual contact with each other.
- The terrain on and around the airport is unattractively designed for bird species that pose a critical risk.
- The drainage channels near the take-off and landing runways are spanned by steel ropes in order to make access difficult, particularly for waterfowl.
- The wildlife management team at the traffic control department monitors the bird population at the airport grounds and in relevant biotopes within the vicinity in order to ward off potential dangers from bird flight movements at an early stage. If necessary, it takes action to scare away birds.

We work closely with the relevant partners and institutions on the topic of bird strike prevention, particularly with the airlines, German air traffic control, regional and higher-level authorities, and DAVVL [the German Committee for the Prevention of Bird Strikes in Air Traffic]. DAVVL statistics have shown a comparatively low wildlife strike rate for Munich Airport for many years. In 2023, it was around 32 percent higher on average in Germany than at the Munich airport site.

Flood water protection: regular inspection

The existing watercourse system protects Munich Airport from flood runoff, which statistically occurs on average once every hundred years. An initial investigation in 2019 had already shown that this also applies to extreme flooding during flash floods from the southern catchment area. Since 2021, we have been continuously monitoring drainage safety within the airport, taking into account possible hydraulic overloading of the sewer system based on various extreme heavy rainfall scenarios, among other things. We assess and prioritize property and area-related risks in order to proactively reduce potential heavy rain risks to an acceptable level through structural and operational measures.

We also regularly check the performance of the sewer system to ensure proper drainage. In the case of new buildings, we design the wastewater pipes and infiltration systems in accordance with the recommendation of the Bavarian water management authorities to anticipate rainfall events with a return period of ten years. Decentralized rainwater management and flood-resistant site planning are also important measures for us to minimize the impacts of flooding as much as possible.

Social engagement

Partnership: the airport as a corporate citizen

Survey: a look at the airport

Munich Airport is an integral part of the region. 63 percent of participants in the survey «The airport from the perspective of its neighbors» agreed with this statement. On behalf of FMG, a market research institute conducted over a thousand interviews with residents from 49 surrounding communities in 2023. The citizens surveyed predominantly rated the airport and the living situation in the region positively.

Engagement: support for a broad range of projects

In 2023, the airport once again supported regional associations and charitable institutions. We support numerous projects in the areas of sports, culture, education, and social affairs. For example, we sponsored sports tournaments and supported the adult education centers in Erding and Freising. Many cultural events took place with the financial support of the airport, including the Uferlos Festival in Freising, the Glonntal Festival in Markt Indersdorf, and the Wartenberg Summer of Culture.

munich-airport.com/responsibility-263082

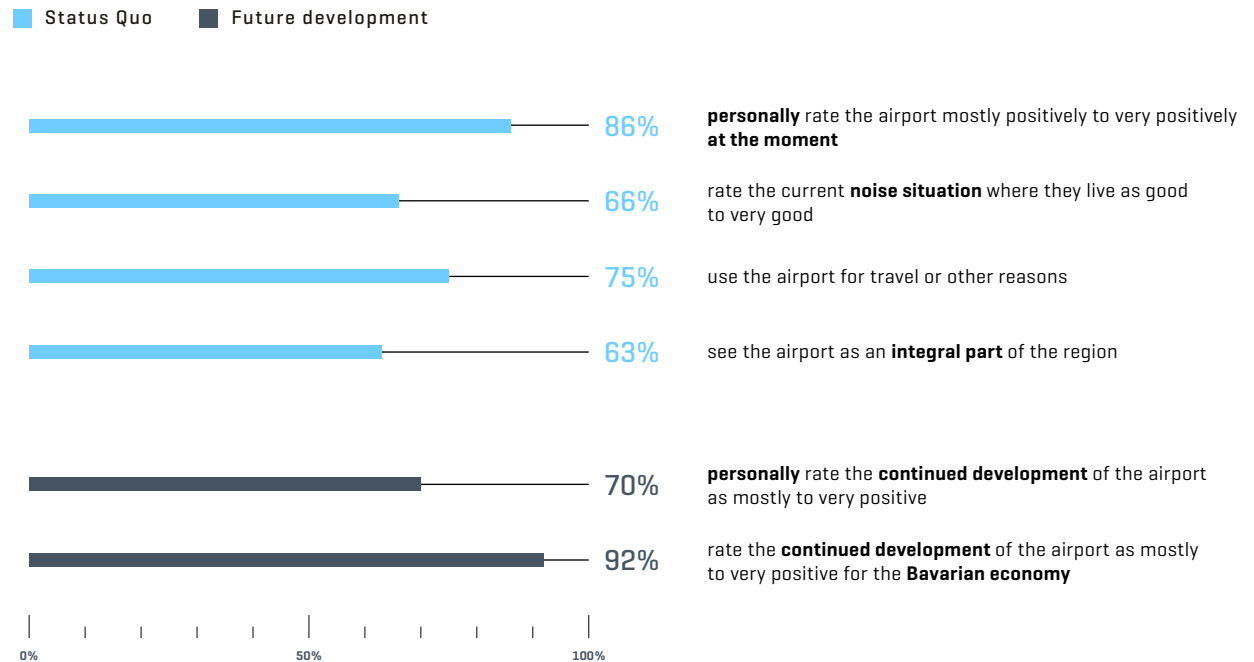
Housing: a wide range of accommodation for employees

As a responsible employer, we also provide housing for employees. The current offering ranges from dormitories and furnished apartments, also for temporary use, to residential and multi-family houses in various furnishing and price categories, to an employee hotel with around 300 beds where newly hired employees can live temporarily. Additional studies and development projects are underway to adapt the portfolio to the growing demand. For example, we are currently examining medium and long-term options for the realization of new construction projects on our own land in our neighboring communities.

Munich Airport Association: a strong commitment to Ukraine

A commitment to Ukraine was the top priority for the Munich Airport Association in 2023. Several shipments with numerous relief supplies such as blankets, school furniture, firewood, medical equipment, and hygiene products were sent to Ukraine. Water treatment plants and emergency power generators were also provided. Support was provided to a facility for the disabled, a children's clinic, and a children's home, among others. In February and March 2023, the airport association helped in the earthquake regions in Turkey and Syria. Not only did the association organize the collection of material and goods donations, it also had two teams on site and provided containers. Another of the Airport Association's important projects in 2023 was the so-called «Silent Help» for employees and their relatives who have fallen on hard times or fallen ill through no fault of their own. Since 2016, the association, which was founded by employees and friends of FMG 26 years ago, has carried the DZI seal of quality and trust in the German donation system.

Munich Airport from the perspective of its neighbors



Results of the population-representative survey «The airport from the perspective of its neighbors» / commissioned by Flughafen München GmbH / conducted by Kantar Marktforschung
Data basis: 1,037 respondents

Noise protection: mitigating the impact

Aircraft noise: targeted measures

Munich Airport strives to minimize the impact of flight noise on residents and employees. It applies a range of steps to achieve this, including operational, technical, and financial measures.

[«Aircraft Noise and Aircraft Noise Protection»](#)
munich-airport.com/publications

MUC: home base for aircraft with low noise levels

The Airbus A350-900 is considered the world's most environmentally friendly long-haul aircraft. Compared to its predecessor, the A340, it creates significantly lower noise levels: up to 7 dB(A) less on take-off and up to 3 dB(A) less on landing. In contrast to the A340 series, the A350-900 series noise contour is around 40 to 50 percent smaller and its noise level does not exceed 85 dB(A) outside the airport premises. This results in lower aircraft noise pollution in the airport region. Lufthansa was adding four more Airbus A350s to its fleet at Munich Airport in 2022, bringing the total number of these fuel-efficient and low-emission long-haul aircraft to 21.

Landing charges: the quieter, the cheaper

To ensure that airlines benefit even more from the use of quieter aircraft, Flughafen München GmbH has further developed the instrument of noise-based charges and significantly increased their share of total charges since June 1, 2021. With 13 instead of the previous eleven noise classes, the new fee schedule distinguishes even more clearly between quieter and louder aircraft models and stipulates surcharges on the base noise charge for flights during nighttime hours. In 2023, half of all aircraft movements at Munich Airport already met the most stringent requirements of «Chapter 14» according to the ICAO noise certification [International Civil Aviation Organization, Annex 16].

→ [Group Management Report: Night-flight curfew \[page 33\]](#)

Close monitoring of aircraft noise

From 16 fixed noise measuring points, FMG continuously monitors aircraft noise within a radius of about 20 kilometers around Munich Airport. The measured values recorded can be accessed in real time on the Internet – in addition to numerous other statistics. Compared to the previous year, the continuing increase in air traffic in 2023 was partly reflected in slightly higher noise levels. However, the measured values were below the pre-crisis level of 2019.

In addition, there are special measuring stations that can record aircraft noise at almost any location within the airport region at the request of the local authorities. In 2023, a total of nine mobile measurements were carried out: in the municipalities of Röhrmoos [Zieglberg and Rudelzhofen districts], Kranzberg, Haimhausen, Forstinning, Langenbach, Steinkirchen, Kirchdorf a. d. Amper, and in the city of Karlsfeld.

[Real-time measurement results:](#)
ix-travisrp01.munich-airport.de/data/travis.php
www.munich-airport.com/active-noise-protection-264436

Noise action plan for Munich Airport

The Government of Upper Bavaria has drawn up a noise action plan for Munich Airport at the end of 2021 with the participation of the public and affected communities. This presents steps already implemented as well as future measures to reduce aircraft noise in the vicinity of the airport. With the noise action plan, the Government is implementing the EU directive on the assessment and management of environmental noise for Munich Airport. In 2023, the Upper Bavarian government reviewed the noise action plan again and found that a revision is currently not necessary.

Facts & Figures

COMPANY AND GOVERNANCE

TOTAL GROUP PERSONNEL EXPENSES

541.6

€ MILLION

(+8.3%)

AIRPORT AS AN ECONOMIC FACTOR

464 

companies and public authorities
(Employee survey 2021)

EXPENSES

98.9 € MILLION

social security contributions,
expenditure for post-employment
benefits, and other benefits

WAGES AND SALARIES

442.7

€ MILLION

COMPANY AND GOVERNANCE

A responsible corporate policy is the benchmark for our business activities. We meet new requirements with targeted measures and modern ethical rules. In doing so, we are guided by our Code of Conduct, which summarizes the key principles for dealing with business partners and stakeholders.

Procurement: diverse demand for goods and services

Munich Airport procures a wide range of products and services required for the operation and expansion of an international hub airport. Our range of goods corresponds to that of a small town: The 132 product groups range from office supplies and road construction to vehicles and buildings. In 2023, the Munich Airport Group's procurement volume amounted to around 647 million euros [net], representing a 19.7 percent increase on the previous year's figure. To harness synergy effects, all procurement processes of the specialist departments and subsidiaries are handled by the central, Group-wide product group management system – with the exception of some items such as beverages or medical products. Since 2022, subsidiaries have been procuring some of the goods through co-operations. Since the combined purchasing and sales volume is significant, this kind of bundling leads to considerable savings.

Public procurement law: transparent guidelines

The Munich Airport Group, a sectoral contracting entity, operates in the field of «Ports and Airports». As such, it ensures its procurement policy is consistent with public procurement legislation. Where public contracts are involved, calls for tenders are issued on a Europe-wide basis in keeping with the binding regulations under procurement law. The Group normally puts contracts that are not subject to public procurement legislation to tender based on a formal, company-specific process. A party submitting a tender must confirm it complies with the statutory provisions in order to rule out anything that would prevent it taking part in public procurement or tendering procedures. They must also prove that they comply with quality assurance and environmental management standards. A number of internal guidelines also apply to all FMG employees. The general principles of purchasing are enshrined in the company as the «Ten Golden Rules of Procurement» and serve as a code of conduct for legally compliant procurement between the specialist department and purchasing.

Purchasing: economic, ecological, and social standards

We award contracts on the basis of cost-effectiveness and place particular emphasis on the utilization of materials and products that are durable and use low levels of natural resources. For investment goods, any subsequent costs for servicing and maintenance [life cycle costs] are also considered. An awareness of sustainable procurement has already taken hold in our specialist departments. They specify economic, ecological, and social standards that are applied when purchasing goods and services. This applies equally to IT, the maintenance of buildings, the construction of new buildings,

IR 04

the vehicle pool, and the purchasing of promotional materials. When procuring promotional materials, the origin of the item, resource-friendly production, and recycling capability are important criteria. For vehicles and equipment for our vehicle pool, care is taken to ensure that environmentally friendly vehicles, specifically those with low CO₂ emissions, are procured.

Supply relationships: a focus on the region

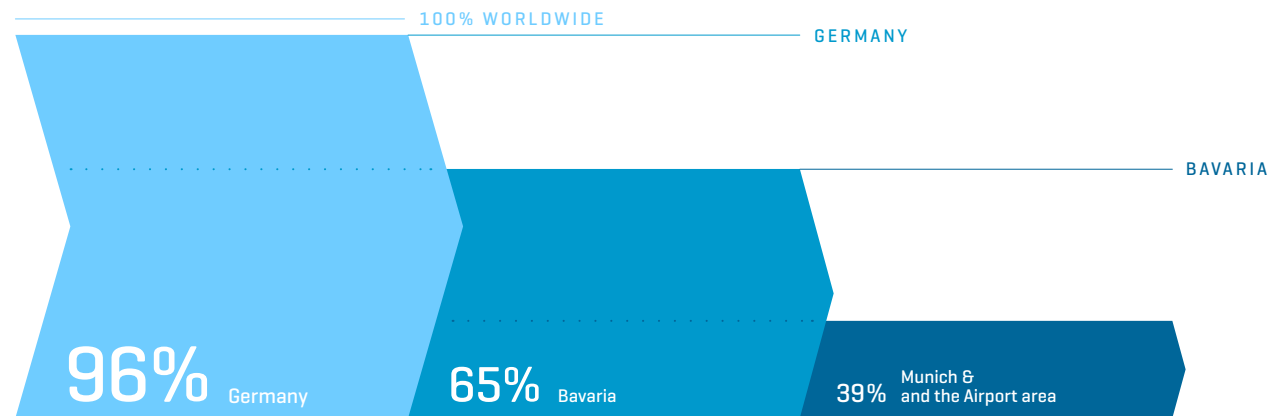
In 2023, there were 3,979 suppliers working for the Munich Airport Group. This number has increased compared to the previous year due to the higher operating volume. Since it is mainly business partners from the region who supply Munich Airport, transportation routes remain short and CO₂ emissions low. Our subsidiary Allresto, for example, mainly purchases seasonal produce: nearly all of which originates from Bavaria, and a good 50 percent of which comes from the area directly around the airport. We assess our strategically important framework agreement partners according to the following criteria:

- Service
- Reliability
- Competitiveness
- Innovation and sustainability

In addition, we hold regular discussions with suppliers on how to remedy any quality deficiencies and implement optimization potential.

Supplier structure

SHARE OF THE AIRPORT'S PROCUREMENT VOLUME



Governance: responsible management

Supply chains: new requirements

The Supply Chain Due Diligence Act (LkSG) came into force on January 1, 2023. It aims to improve the international human rights situation by defining requirements for the responsible management of supply chains. In order to implement the new law in the best possible way, we have developed suitable measures and introduced them in the company. We are broadly committed to internationally recognized standards, guidelines, and principles. These include,

in particular, the Sustainable Development Goals, the Universal Declaration of Human Rights and the conventions of the United Nations, the core labor standards of the International Labour Organization, and the OECD Guidelines for Multinational Enterprises. We conduct our business activities primarily in Germany, where the protection of human rights is established by law. When tendering international services, national and international laws and conventions apply. We document this carefully when concluding contracts.

sustainabledevelopment.un.org

IR 04

LkSG requirements: a multi-stage approach

When implementing the requirements of the LkSG, we pursue a multi-stage approach to ensure both legal compliance and the efficiency of purchasing processes. In all new tender and contract documents, we oblige bidders and contractual partners to comply with all requirements of the LkSG by including the Code of Conduct clause as standard. In addition, we work closely with the relevant department to establish additional criteria for the performance requirements in calls for tenders with an increased potential for risk with regard to human rights or environmental due diligence obligations in order to minimize such risks. If risk or suspicion cases arise during the performance phase, we investigate each case individually. The Purchasing, Sustainability, and Compliance departments coordinate measures to minimize these potential risks along the supply chains and present them to the LkSG Risk Board, which meets quarterly.

An external risk analysis did not reveal any high potential for risk. The analysis of country-specific risks relating to direct suppliers revealed a very low potential risk, as 96% of third-party suppliers come from Germany and 99% from the EU. We purchase product groups that involve a potentially increased industry risk in countries with a low risk potential. As a result of the external risk analysis, we have consolidated the country- and sector-specific risk potentials in a matrix and divided them into risk classes. Measures to minimize risk were derived according to the risk class and the size of the purchasing volume.

It is expected that the due diligence obligations stemming from the LkSG will increase. The LkSG Risk Board has decided to use a software-based application so that it can continue to document

them in a legally compliant, complete, and efficient manner. This will reflect both the internal and external risk analysis as well as the reporting obligations of the Federal Office of Economics and Export Control in a legally compliant manner. In addition, media monitoring will fulfill early warning functions. The conclusion of the contract and the implementation of the online application are planned for early 2024.

Principles: updating the Code of Conduct

In our Policy Statement on Respect for Human Rights, we commit to the highest standards of sustainability, which include environmental and social responsibility as well as good corporate governance. Furthermore, we are also guided by our Code of Conduct. It summarizes the key principles and rules of conduct as well as the standards we have set for ourselves in our dealings with business partners and stakeholders. Since May 2022, the Code of Conduct has provided the overriding framework of orientation for the Executive Board, as well as all managers and employees. It lays out the fundamental principles and rules for responsible and ethical conduct toward persons inside and outside the Group. In it, we undertake to comply with national and international laws, government regulations and official requirements as well as in-house rules.

Due to the LkSG and the new Whistleblower Protection Act, which came into force in July 2023, we have also adjusted our Code of Conduct. Specifically, the amendment to the LkSG included Munich Airport's expectation of its suppliers not to violate any human rights, internationally recognized labor standards, or environmental obligations throughout the supply chain.

Our current Code of Conduct clause was adopted in 2023 through the implementation of the LkSG in the purchasing process. In 2024, we will also consider the Code of Conduct and risk management measures when drafting our purchasing guidelines.

munich-airport.com/compliance

Human rights: fairness in international relations

The laws and statutes of the Federal Republic of Germany and the EU shall apply directly and without exception also in international relations. This includes the prohibition of anti-competitive behavior, the formation of cartels and monopolies, undeclared work, child labor, forced labor, and violence. Compliance with human rights and human rights procedures is ensured particularly in accordance with the principles of the United Nations (UN) Universal Declaration of Human Rights. Furthermore, Munich Airport published rules of procedure for a complaints process on January 1, 2023. The new Whistleblower Protection Act has compelled us to update the rules of procedure with regard to the channels for complaints. At the beginning of July 2023, FMG also established an internal reporting office to record violations of the LkSG.

→ **Group Management Report: Compliance management system [page 63]**

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PHOTOS

Flughafen München GmbH
evoBOT®: Fraunhofer ILM [p. 14]

CONCEPT, CONSULTING AND DESIGN

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report2023.munich-airport.com

Further information on the company is also available on the website:

munich-airport.com/company

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